



Office of Inspector General

SEMIANNUAL REPORT TO

THE CONGRESS

April 1–September 30, 2012

OFFICE OF INSPECTOR GENERAL

**SEMIANNUAL REPORT
TO THE CONGRESS**

April 1—September 30, 2012



Inspector General HOTLINE

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

E-mail ighotline@usaid.gov
Complaint form <http://oig.usaid.gov/content/oig-hotline>

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

Telephone 1-202-712-1023
 1-800-230-6539
Mail USAID OIG HOTLINE
 P.O. Box 657
 Washington, DC 20044-0657

The Inspector General Act of 1978, as amended, and other laws protect those who make hotline complaints. Individuals who contact the hotline are not required to identify themselves and may request confidentiality when submitting allegations. However, OIG encourages those who report allegations to identify themselves so that they can be contacted if OIG has additional questions.

OIG will not disclose the identity of an employee of USAID, MCC, USADF, IAF, or OPIC who provides information unless that employee consents or unless the Inspector General determines that such disclosure is unavoidable during the course of an investigation.

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Message From the Deputy Inspector General



I am pleased to present the Semiannual Report to the Congress for the period April 1–September 30, 2012. This report features highlights

of oversight activities of the Office of Inspector General (OIG) for the United States Agency for International Development (USAID), the Millennium Challenge Corporation (MCC), the United States African Development Foundation (USADF), and the Inter-American Foundation (IAF). During the reporting period, notable highlights include \$43.3 million¹ in questioned costs and funds recommended to be put to better use; nearly \$500,000 in investigative recoveries and savings; and 70 administrative actions.

The activities and achievements described in this report are carried out by a staff of dedicated Civil Service and Foreign Service professionals worldwide who make countless personal sacrifices to support our mission. They often live and work in areas that are far from home and fraught with violence and hardship, as we have witnessed recently in Egypt, Pakistan, and elsewhere. I want to commend the significant contributions made

by our workforce and recognize the difficulties they face every day to carry out their responsibilities. In particular, I want to recognize those who have, over the course of OIG’s history, sacrificed their lives serving their country and our organization—including Oscar C. Holder, Sidney B. Jacques, Charles Hega, William Stanford, Robert Hebb, and Rolando Barahona—whose names are etched in USAID’s memorial wall.

OIG’s employees serve to safeguard the integrity of worldwide development and humanitarian assistance programs. OIG’s high-impact audits and investigations help improve agency performance and are holding employees and contractors accountable to U.S. taxpayers. In the past 6 months, we have seen several accomplishments in programs and operations of the organizations for which we provide oversight.

For example, the Pakistan Anti-Fraud Hotline demonstrated noteworthy success when OIG initiated an investigation into the \$20 million Pakistan Children’s Television Project after receiving numerous hotline complaints. The investigation exposed substantial violations of USAID procurement policies and standards. OIG referred the implementer to USAID for debarment in May 2012, and USAID/Pakistan terminated the project in June 2012.

¹ Revised from previously issued report to reflect corrections in data on pages 11 and 106.

A recent OIG audit of Pakistan's Gomal Zam Multipurpose Dam Project provides an example of USAID progress in frontline states. In January 2011, USAID Pakistan entered into an agreement with the Water and Power Development Authority to finish the Gomal Zam Dam. At the time of OIG's audit, the dam was 98 percent complete, and the irrigation system was nearly halfway complete. OIG noted that the dam helped mitigate flood damage in 2011 and that dam construction was expected to meet a critical need for water and energy in the region.

Oversight challenges remain, however. In the past 6 months, OIG has noted concerns about the sustainability and efficiency of a number of agency programs. For instance, OIG auditors uncovered extensive vulnerabilities in building the Juba-Nimule road in South Sudan. OIG determined that the road was not on schedule, was not within budget, and would likely not be sustainable because the South Sudan Government is unlikely to maintain it.

In addition, our investigations help maintain the integrity of agencies' activities and protect funds provided by U.S. taxpayers. Recently, an OIG investigation revealed that 51 local contractors and one USAID employee had participated in fraudulent activity in Tanzania. In August 2012,

the USAID employee was suspended and all 51 contractors were referred to USAID for debarment.

For OIG to be a productive oversight organization, we must ensure that our own operations are efficient and effective. We have undertaken several initiatives toward that end. We have begun to implement our 2012-2016 strategic plan and have included in this report a summary of the organizational measures OIG will use to gauge its performance. Further, we are conducting an OIG employee satisfaction and customer service survey to identify internal improvement opportunities.

Although we have decreased our staff in Iraq, we still must safeguard resources for planned projects. As I testified before Congress, OIG's challenge as USAID continues to increase host-country participation in development activities will be to develop viable partners in the Iraqi Government to coordinate prosecutions. As we tackle this challenge, we will be able to apply lessons to future drawdowns in other countries.

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

Introduction

History and Mandated Authority

USAID's OIG was established on December 16, 1980, by statutory amendment² to the Foreign Assistance Act of 1961.³ On December 29, 1981, the International Security and Development Cooperation Act of 1981⁴ brought the USAID Inspector General under the purview of the Inspector General Act of 1978.⁵ OIG assumed audit and investigative oversight of USADF and IAF in 1999⁶ and of MCC in 2004.⁷ OIG also maintains limited oversight authority of the Overseas Private Investment Corporation under 22 U.S.C. 2199.

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

² International Security and Development Cooperation Act of 1980, Public Law 96-533.

³ Public Law 87-195.

⁴ Public Law 97-113.

⁵ Public Law 95-452.

⁶ Consolidated Appropriations Act, 2000, Public Law 106-113, Division B, Section 1000(a)(7), Admiral James W. Nance and Meg Donovan Foreign Relations Authorizations Act, Fiscal Years 2000 and 2001.

⁷ Established in 2004 by the Millennium Challenge Act of 2003 (Public Law 108-199, Div. D.), MCC is a U.S. Government corporation that works to reduce poverty and stimulate economic growth in some of the poorest countries in the world. It has committed more than \$8 billion in foreign aid to 39 countries.

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

Areas of Responsibility

Audits. OIG audits activities relating to the worldwide foreign assistance programs and agency operations of USAID, MCC, USADF, and IAF. Audit activities include performance audits and reviews of programs and management systems, financial statement audits required under the Chief Financial Officers Act of 1990,⁸ and audits related to the financial accountability of grantees and contractors.

⁸ Public Law 101-576.

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

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

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

Joint Work and Partners

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

transparency in USAID operations in Afghanistan and Pakistan and to assist the Department of Justice in addressing procurement and grant fraud.

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

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

Coordinated Audit Plan for HIV/AIDS, Tuberculosis, and Malaria. OIG collaborates with its counterparts at the Departments of State and Health and Human Services (HHS) to

develop an annual consolidated audit plan. The three OIGs work together to determine the audits each office will conduct to make the best use of U.S. Government resources in the fight against HIV/AIDS, tuberculosis, and malaria. In FY 2013, the USAID and HHS OIGs will conduct concurrent audits in Ethiopia.

Working With Bilateral Donors. OIG is participating in a group of 11 bilateral donors that are working to harmonize audit standards, improve transparency and accountability of multilateral organizations, and take on other

issues of mutual interest. In support of the group's efforts, OIG is preparing an analysis of the differences between the audit standards issued by GAO, the International Federation of Accountants, and the International Organization of Supreme Audit Institutions. Harmonization of audit standards has the potential to achieve efficiencies and reduce the audit burden on aid recipients that receive funding from multiple sources.

Reporting Requirements

The Inspector General Act of 1978, as amended (5 U.S.C. Appendix 3), and other public laws set forth congressional reporting requirements for the Offices of Inspector General. There are 15 general categories of reporting requirements:

1. Significant problems, abuses, and deficiencies uncovered.
2. Recommendations for corrective action identified.
3. Recommendations described previously for which corrective action has not been completed.
4. Investigative activities, including matters referred to prosecutive authorities.
5. Reports of incidents in which OIG was refused assistance or information.
6. Questioned costs (QC), unsupported costs (UN), and the dollar value of recommendations that funds be put to better use (BU).
7. A summary of each particularly significant report.
8. Statistical tables showing:
 - (a) The total number of reports at the beginning of the period for which a management decision had not been made, including the total dollar values of questioned and unsupported costs associated with these reports.
 - (b) The total number of reports during the reporting period, including the total dollar value of questioned costs and unsupported costs associated with these reports.
 - (c) The total number of reports during the reporting period for which a management decision was made, including the dollar value of disallowed costs and the dollar value of costs allowed.
 - (d) The total number of reports for which no management decision had been made by the end of the reporting period.
9. Statistical tables showing:

- (a) The total number of reports at the beginning of the period for which a management decision had not been made, including the total dollar values of recommendations that funds be put to better use.
 - (b) The total number of reports issued during the reporting period, including the total dollar value of funds put to better use.
 - (c) The total number of reports during the reporting period for which a management decision was made, including the dollar value of recommendations that were agreed to by management, and the dollar value of recommendations that were not agreed to by management.
 - (d) The total number of reports for which no management decision had been made by the end of the reporting period.
 - (e) A list of reviews conducted by OIG during the reporting period.
 - (f) A list of outstanding recommendations made by OIG during the reporting period.
10. Reports previously issued for which no management decision had been made by the end of the reporting period (including the date and title of each such report), an explanation of the reasons such management decision has not been made, and a statement concerning the desired timetable for achieving a management decision on each such report.
- 11. Revisions of management decisions, including a description and explanation of the reasons.
 - 12. Management decisions with which the Inspector General is in disagreement.
 - 13. Noncompliance with the Federal Financial Management Improvement Act of 1996.
 - 14. Significant audit findings from contract audit reports.
 - 15. Peer review results, including the following:
 - (a) Reviews conducted on OIG during the reporting period, or the date of its last peer review and any unimplemented recommendations.
 - (b) A list of reviews conducted by OIG during the reporting period.
 - (c) A list of outstanding recommendations made by OIG during the reporting period.

OIG Organizational Performance Measures

OIG established the following measures in its 2012–2016 strategic plan. We will report the data on these measures and establish baselines for future reporting in our spring 2013 semiannual report.

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

Measure
Percentage of audits with recommendations that focus on program effectiveness and efficiency ⁹
Percentage of agency expenditures audited
Hours per audit

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

Measure
Percentage of OIG investigations resulting in substantiated allegations that were referred for criminal, civil, or administrative action
Percentage of referrals that resulted in criminal, civil, or administrative action
Number of individuals reached through outreach events

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

Measure
Number of briefings and testimonies provided to Congress
Number of hits on the OIG Web site

⁹ Includes audits with recommendations in the following categories: performance targets not met, insufficient coordination among development partners, risk to projects' sustainability, lack of host-country support, inefficient operations, unsatisfactory contractor performance, and inadequate commodity management or storage.

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

Measure
Percentage of employees indicating satisfaction with OIG customer service, operations, and initiatives
Percentage of major management milestones met relating to strategic planning, continuity of operations, policy development, financial resource management, operations planning, and external reporting requirements
Percentage of OIG hours spent on indirect tasks

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

Measure
Percentage of vacancies with qualified candidates accepting an offer of employment within 120 days
Percentage of highly performing employees retained
Percentage of OIG employees expressing satisfaction with management policies and procedures, opportunities to improve their skills, their ability to use their talents, recognition for good performance, and personal empowerment in work processes and their jobs
Percentage of employees completing required core curriculum training for their level

Summary Table of Audits Conducted USAID, USADF, and IAF April–September 30, 2012		
Type of Report	Number of Reports	Amount of Recommendation (\$)
Financial Audits		
American Recovery and Reinvestment Act of 2009, Public Law III–5 (ARRA)	0	0
USAID programs and operations	0	0
Foundations' programs and operations	0	0
U.S.–based contractors	23	2,756,015
Quality control reviews	0	0
U.S.–based grantees	46	4,582,210
Quality control reviews	2	0
Foreign–based organizations	179	11,947,895
Quality control reviews	4	0
Foreign Government Funding	3	10,435,607
Local Currency Trust Fund	1	0
Enterprise funds	0	0
Performance Audits		
USAID economy and efficiency	30	2,029,623
Foundations' economy and efficiency	1	36,015
Other	7	3,053,259 ¹⁰
Total	296	34,840,624

¹⁰ Better Use Funds.

Summary Table of Audits Conducted MCC April 1–September 30, 2012		
Type of Report	Number of Reports	Amount of Recommendations (\$)
Financial Audits		
U.S.–based contractors	0	0
U.S.–based grantees	0	0
Foreign–based organizations	12	2,282,366
Quality control reviews	2	0
Performance Audits		
Economy and efficiency	3	0
Other	4	6,150,848
Totals	21	8,433,214

Investigative Activities Including Matters Referred to Prosecutive Authorities

April 1–September 30, 2012

Workload			Civil Actions	
Investigations opened	56		Civil referrals	2
Investigations closed	63		Civil declinations	0
			Complaints	0
			Judgments	0
			Settlements	1
			Total	3
Criminal Actions			Administrative Actions	
Prosecutive referrals	12		Reprimands/demotions	1
Prosecutive declinations	2		Personnel suspensions	4
Arrests	2		Resignations/terminations	30
Indictments	2		Recoveries	4
Convictions	0		Savings	0
Sentencing	0		Suspensions/debarments	28
Fines/assessments	0		Systemic changes	0
Restitutions	0		Other	3
Total	18		Total	70
Judicial recoveries (criminal and civil)			\$401,371	
Administrative recoveries			\$88,050	
Savings				
Total savings / recoveries			\$489,421	

Fraud Awareness Briefings Conducted Worldwide April 1–September 30, 2012

Month	Location	Sessions	Attendees	Affiliation
APR	Amman, Jordan	1	54	USAID personnel
	Baghdad, Iraq	3	12	USAID personnel
	Kabul, Afghanistan	2	60	USAID personnel
	Belize City, Belize	1	7	USAID implementers/subcontractors
MAY	Kabul, Afghanistan	2	11	USAID personnel
	Dar es Salaam, Tanzania	2	54	USAID personnel
	Washington, D.C.	2	35	USAID contractors
	Islamabad, Pakistan	2	9	USAID implementers, subcontractors, and contractors
	Chisinau, Moldova	1	14	USAID personnel
JUN	Amman, Jordan	1	80	USAID partners
	San Salvador, El Salvador	1	15	USAID personnel
	Islamabad, Pakistan	5	119	USAID personnel and implementers
	Kabul, Afghanistan	3	96	USAID personnel, contractors, and implementers
	Managua, Nicaragua	4	68	USAID personnel and contractors
	Washington, D.C.	2	50	USAID personnel
	Rabat, Morocco	1	22	USAID partners and implementers
	Research Triangle Park, NC	1	83	USAID contractors

Month	Location	Sessions	Attendees	Affiliation
JUL	Rabat, Morocco	2	61	USAID personnel
	Addis Ababa, Ethiopia	1	7	USAID contractors
	Baghdad, Iraq	1	21	USAID implementers
	Cairo, Egypt	1	21	USAID contractors
	Karachi, Pakistan	3	26	USAID contractors
	Pretoria, South Africa	1	16	USAID implementers
	Washington, D.C.	1	11	USAID personnel
	Herat, Afghanistan	3	120	USAID contractors
	Kabul, Afghanistan	5	57	USAID personnel and contractors
AUG	San Salvador, El Salvador	1	5	USAID personnel
	Georgetown, Guyana	1	9	USAID contractors
	Pretoria, South Africa	2	42	USAID personnel
	Kabul, Afghanistan	4	33	USAID personnel
SEPT	Baghdad, Iraq	1	33	USAID implementers
	Harare, Zimbabwe	2	201	USAID personnel
	Kabul, Afghanistan	3	22	USAID personnel
	Pretoria, South Africa	5	140	USAID personnel and contractors
Total		71	1,614	

Peer Reviews
USAID, USADF, IAF, and MCC
April 1–September 30, 2012

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

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

Audit: The U.S. Department of Energy Office of Inspector General conducted a peer review and the final report was issued on September 20, 2012. USAID/OIG was given a rating of “pass.”

Investigations: No peer reviews were conducted during this period.

Date of the last peer review conducted on USAID OIG:

Audit: September 2012

Investigations: April 2011

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

Audit: None

Investigations: None

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

Audit: USAID/OIG conducted a peer review of the U.S. Department of Treasury Office of Inspector General, and the final report was issued on September 6, 2012, with a rating of “pass.”

Investigations: None

Significant Findings and Activities

United States Agency for International Development

Response to Crisis, Conflict, and Instability

USAID Ends \$20 Million Pakistan

Children’s Television Project. In June 2012, USAID terminated the \$20 million Pakistan Children’s Television Project implemented by the Rafi Peer Theater Workshop (RPTW) following an extensive OIG investigation that was initiated by several complaints from the OIG hotline. OIG documented that the organization violated USAID procurement regulations and provided false information to USAID in order to award funds to certain vendors. Senior personnel from the organization admitted to OIG investigators that they misrepresented facts regarding the procurements in documents submitted to USAID. The investigation also revealed numerous instances of competitive bids from nonexistent vendors, placement of fake bids in RPTW procurement files, missing inventory, and other violations of USAID regulations. OIG referred the organization to USAID for debarment in May 2012.

Audit of USAID/South Sudan’s Programs Implemented by Mercy Corps (Report

Number 4-668-12-009-P). In 2005, USAID/Sudan entered into a cooperative

agreement with Mercy Corps to implement the Localizing Institutional Capacity in Sudan (LINCS) civil society program. The 3-year program, originally budgeted for \$8.4 million, was subsequently extended and its budget was increased to \$39 million. In 2009, the mission entered into a second, nearly 3-year cooperative agreement with Mercy Corps for the Mercy Corps-Building Responsibility for Delivery of Government Services (MC-BRIDGE) program, valued at \$53.5 million.¹¹ However, in 2011, based on numerous performance concerns, USAID decided to terminate both programs.

Despite spending millions of dollars, neither LINCS nor MC-BRIDGE completed many planned activities because of mismanagement by USAID and Mercy Corps. For instance, instead of having the LINCS chief of party run the program and answer to USAID, Mercy Corps’ country director assumed responsibility for the finances and prioritized spending on the staff’s residential and office compounds instead of on the program. In addition, Mercy Corps intended to keep at least five of the compounds for other

¹¹ Mercy Corps, along with 12 other aid agencies, was expelled from Sudan in March 2009. The aid agencies were allowed back into the country in June 2009 to resume activities.

programs, including those not sponsored by the U.S. Government.

Buildings that were started were often left unfinished or were in substandard condition. A Mercy Corps official described an \$81,600 project to build four poultry houses in the Abyei area as a complete fiasco because Mercy Corps had no expertise in constructing or operating poultry houses. A vocational training center, for which construction began without USAID's approval, was never finished despite more than \$1 million having been spent on the project. A Mercy Corps official who visited the center during audit fieldwork said he was repulsed by its condition. Ceilings, walls, and floors were nonexistent or incomplete in some structures, and no water, plumbing, or septic systems were in place. In addition, the center was in a remote location that is essentially inaccessible during the rainy season.

Mercy Corps also did not comply with environmental requirements. In some cases, proper documentation was missing or was not submitted until construction had already started. Mercy Corps could not provide documentation to support arsenic or fecal testing at any water sources constructed or refurbished under MC-BRIDGE, although USAID informed Mercy Corps on at least two occasions that it was responsible for maintaining these results. These instances of noncompliance occurred because Mercy Corps misunderstood some regulations

and intentionally overlooked others to further program objectives.



This unused LINCS computer room in Yei lacks Internet access (photo by OIG).

Many projects were also not sustainable. At several resource centers, auditors observed that advisory boards lacked the capacity and resources to operate the centers and noted their inability to pay monthly phone, Internet, and fuel expenses, in addition to essential staff. As a result, computer and Internet services were unavailable. Advisory board members pointed out residential and work structures in need of repair.

OIG made 14 recommendations, and management decisions were made on 9 of them. Four recommendations for \$1,576,419 in questioned costs—including construction activities begun prior to USAID approval and unsupported compensation costs—await the agreement officer's determination. One additional recommendation remains open pending the agreement officer's determination of any compensation required to be paid to the U.S. Government in connection with Mercy Corps'

retention of certain office compounds built with U.S. Government funds.

Audit of USAID/Pakistan’s Reconstruction Program in Earthquake-Affected Areas (Report No. G-391-12-007-P).

On October 8, 2005, a 7.6-magnitude earthquake struck the mountainous region of northern Pakistan. In response to this disaster, the Government of Pakistan established the Earthquake Reconstruction and Rehabilitation Authority (ERRA) to coordinate, monitor, regulate, and oversee all reconstruction and rehabilitation activities in earthquake-affected areas. In January 2006, USAID/Pakistan and the Government of Pakistan signed a \$200 million special objective assistance agreement that formalized U.S. support for Pakistan’s reconstruction program. The largest component was a 5-year, \$120 million contract awarded to the construction firm Camp Dresser and McKee, International, Inc.¹² In June 2011, USAID/Pakistan extended the contract to June 2013 and increased its ceiling to \$180 million.

USAID/Pakistan’s reconstruction activities have made progress. As of May 2012, the contractor had completed 51 of the 77 facilities (36 schools and 15 health-care facilities) and turned them over to the Government of Pakistan. ERRA officials inspected the completed buildings to verify that they met the technical specifications

and issued certificates indicating transfer of ownership. The contractor turned the facilities over to the Government of Pakistan within the estimated time and budget, and the government was using most of these facilities for their intended purposes. Construction was under way on 21 buildings (20 schools and a district hospital), and the contractor was bidding on sites for 5 additional structures.

However, several problems need to be addressed. OIG observed that a two-story health-care facility built by the implementer was not in use and had deteriorated without maintenance. OIG noted damage to the roof tiles, a high-voltage electrical cable running across the roof of the building, a broken window, mold on the interior walls, and the absence of running water or electricity. According to the contractor, a land dispute concerning the old facility kept the Government of Pakistan from moving, and as a result, the local residents could not use the new facility, for which USAID/Pakistan spent \$864,000. In addition, OIG noted damaged roof tiles at many completed facilities. Contractor staff members said that damaged roof tiles would be replaced with better tiles at no cost to USAID.

To comply with Part XIV of the Pakistan Companies Ordinance of 1984, the contractor engaged a local accounting firm to conduct four audits from 2007 to 2010. The contractor did not submit these audit reports to USAID because the audits were not required under the contract,

¹² In 2011, Camp Dresser and McKee, International, Inc., changed its name to CDM Smith.

and the contractor saw no reason to submit them. Moreover, although the reports were not required, multiple deficiencies were noted that related directly to the USAID-funded program, including questioned costs of approximately \$117,800 related to large purchases made in cash, purchases missing approvals, incomplete receiving reports, and purchases made from vendors that were not the lowest bidders.

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

Audit of USAID's Office of Foreign Disaster Assistance Activities in Zimbabwe (Report No. 4-613-12-008-P).

In fiscal year 2012, Office of Foreign Disaster Assistance (OFDA) operations in Zimbabwe shifted from disaster response activities to risk reduction programming. For this audit, OIG focused only on certain projects that were active as of February 2012, and which totaled \$6.5 million. Implementers included Medair International, GOAL (a relief and development organization based in Ireland), International Medical Corps, the International Rescue Committee, Population Services International, Adventist Development and Relief Agency International, and Mercy Corps.

To allow OFDA to respond to emergencies, USAID exempts the office from some management requirements, such as performance

monitoring plans and data quality assessments. Because it is designed to respond quickly to disasters, OFDA lacks a systematic monitoring process. However, when OFDA engages in long-term, risk-reduction programming designed for sustainability, the rationale for this exemption is no longer valid. Without this long term planning in place, OIG determined that, although the project was mitigating the ongoing effects of the complex emergency in Zimbabwe, multiple problems still existed.

OFDA does not have a comprehensive monitoring and evaluation system to assess the success of its activities. For example, OFDA's strategy for disaster risk reduction emphasizes rainwater harvesting tanks rather than the use of wells, because well pumps need to be maintained. However, during site visits, auditors found that 5 of 14 recently constructed USAID rainwater harvesting tanks were no longer functional. Another reason for OFDA's emphasizing rainwater harvesting tanks was to mitigate cholera outbreaks. However, tanks generally collect water only during the rainy season. Water collected may be consumed within days or weeks, whereas wells provide water throughout the year. In addition, one of the worst cholera outbreaks in recent years started during the dry season, when the tanks would have been empty or at their lowest levels. In addition, 2 of 14 water samples collected from USAID-sponsored wells and tanks tested positive for coliform bacteria,

indicating that some beneficiaries were drinking potentially unsafe water. Further, beneficiaries trained by OFDA grantees did not build some latrines at the recommended distance from their water source.



This rainwater-harvesting tank built by Adventist Development and Relief Agency International did not cure properly and shows water seeping through the side (photo by OIG).

OIG made two recommendations to address this issue and management decisions have been reached on both recommendations.

Audit of USAID/Haiti's Recovery Initiative Activities Managed by Office of Transition Initiatives (Report No. I-521-12-009-P). In March 2011, the Office of Transition Initiatives (OTI) awarded Chemonics International, Inc. a \$53 million contract to continue work under the second phase of Haiti Recovery Initiatives, known as HRI-II. HRI-II

was designed to help Haiti strengthen its economy and public institutions in the three strategic development corridors of Port-au-Prince, Saint-Marc, and Cap-Haitien.

OIG found that many OTI activities are providing benefits, such as relocating more than 1,200 internally displaced families and providing temporary meeting space for the Haitian Parliament, whose headquarters partially collapsed during the earthquake.

Although individual activities had positive local impact, OIG found that OTI was not using a structured system for measuring and reporting whether the initiative was meeting its national objectives, thereby making it difficult to measure the program's impact. Furthermore, the initiative was not on track to complete all activities before the scheduled end date of September 2012, leaving nearly \$18 million available for new activities that needed to be approved, implemented, completed, and closed in the 7 months that remained.

OIG also found that more community involvement was required in developing programs. For example, program officials expressed concern that some activities did not take advantage of local knowledge of the area, using contractors from other locations. As a result, local residents saw jobs going to outsiders, and they did not understand how they were directly benefitting from activities. In one

instance, a lack of coordination in a tree-planting effort resulted in seedlings' dying from lack of care.

Short-term technical assistance provided to Haiti's national mapping agency did not meet the organization's expectations. Although the consultant told Chemonics that she was having difficulty discerning what the mapping agency wanted from her, Chemonics did not ask the organization whether the consultant was meeting its needs.

Finally, OIG found that in the case of one activity—jatropha planting—the required environmental review and mitigation and monitoring plan had not been conducted before planting commenced; a mitigation and monitoring plan was submitted to USAID/Haiti and OTI for approval only after the work had been done.

Management decisions were reached on all eight OIG recommendations, and final action was taken on six.

USAID Contractor Suspended for Misconduct and Mismanagement. In September 2012, OIG learned from officials at the USAID Mission in Kenya that a USAID implementer had submitted vouchers to USAID that included charges for expenses incurred by a USAID personal services contractor (PSC). The PSC was a program manager and contracting officer's representative (COR) managing the

Transition Initiatives for Stabilization programs from Nairobi, Kenya. The OIG investigation revealed that, not only were payments made to the COR for travel expenses (including airfare, lodging, and per diem), but procurements were also made on behalf of multiple USAID employees. Investigators also discovered that the COR had provided an unauthorized memorandum on USAID letterhead to the USAID contractor stating that the contract allowed for procurements for USAID staff such as equipment, office space, and travel expenses. In addition, the COR directed the USAID implementer and staff to book travel and receive per diem through the contractor. The mission revoked the PSC's COR designation, placed the employee on administrative leave, and decided not to renew the PSC's contract. The PSC's employment with USAID was terminated in September 2012.

Democracy

Good Governance

Employee Debarred After Embezzling Approximately \$180,000 From a USAID Project in Ukraine. In November 2011, the country resident director for a USAID implementing partner in Kiev, Ukraine, resigned after confessing to embezzling more than \$180,000 from a USAID-financed project. He admitted being able to cover the theft by taking loans from friends to mask the loss of project

funds and to continue program activities uninterrupted.

However, soon thereafter he had difficulty obtaining further loans to cover the funds he had taken, and the previous loans needed to be paid back. He then began to request additional money from the organization's home office in Washington, D.C., and used those funds to pay back the loans and to gamble in an attempt to win back the money. The subject resigned before he could be terminated and left Ukraine. He was subsequently suspended indefinitely by USAID and was debarred in September 2012.

Audit of USAID/Sri Lanka's Supporting Regional Governance Program (Report No. 5-383-12-006-P).

In March 2008, USAID signed a 5-year, \$13.9 million contract with Tetra Tech ARD to implement the Supporting Regional Governance Program (SRGP), primarily in Sri Lanka's Eastern and Northern Provinces. OIG found that the program was generally achieving its objective despite having to operate in a restrictive environment. Program activities, for example, were often subject to government scrutiny, delaying the start-up of some activities while also forcing Tetra Tech ARD and its partners to exercise caution in implementing their projects. Despite these challenges, the program's staff managed to implement a range of activities, and the auditors found the programs they visited—

although relatively small in scope—were achieving positive results at the community level.

The program funded several projects designed to engage religious leaders from four different faiths—Buddhism, Hinduism, Islam, and Christianity—to promote peaceful coexistence in their communities. In one village, Muslims said they previously did not interact with a nearby community for fear of being attacked. However, after engaging in activities sponsored by the program, such as volunteer projects, Muslim villagers now visit the village regularly to attend festivals, work as laborers, and buy and sell vegetables.

Working with local governments in the conflict-affected areas, program implementers have provided training to 43 local authorities in the Eastern Province to develop their capacity and improve overall performance. In addition, the program promotes public discourse on local issues partly through support to civil society organizations (CSOs). Using grants to aid these organizations, implementers have directly assisted 44 CSOs, providing direct financial support to help sustain them, as well as capacity building and technical support to improve their ability to implement projects. Through these CSOs, the program has indirectly benefited 28 community-based organizations, many of which received training under the program to help empower their members to address a variety of community

issues. Further, SRGP assisted 108 war widows in establishing income-generating activities.

However, OIG found that the program encountered problems in assisting one CSO, Sarvodaya, in establishing an electronic monitoring and evaluation system for collecting, storing, and reporting results data. Reaching more than 15,000 villages nationwide, the Sarvodaya organization is one of the largest CSOs in Sri Lanka and also the largest provider of relief and rehabilitation in the conflict-affected areas in northern and eastern Sri Lanka.

Management decisions have been made on the two recommendations.

Cooperation Between Chemonics and OIG Results in Employee Termination and Debarment.

A contract employee was debarred in September 2012 following a referral from OIG and an internal investigation by Chemonics, which reported to OIG that one of its employees in Afghanistan embezzled approximately \$7,600 from the \$149 million Regional Afghan Municipalities Program for Urban Population (RAMP-UP South) Program. The OIG investigation examined the Chemonics internal report of investigation, bank records, and personnel files and referred the employee for debarment to USAID.

OIG Investigation Leads to Suspension of USAID Program in the Philippines.

In September 2012, USAID suspended all funding

to the Visayan Forum Foundation, which had a \$2.4 million cooperative agreement with USAID, following OIG's confirmation of fraud in relation to a program intended to counter human trafficking. OIG's investigation revealed significant procurement irregularities and potential violations of USAID procurement policies. Given the important role of the Philippines National Bureau of Investigation (NBI) in combating fraud and corruption, OIG shared the interim results of its investigation with NBI, which then executed a search warrant.

Rule of Law and Human Rights

Audit of USAID/Colombia's Access to Justice Program (Report No. I-514-12-005-P).

In July 2010, USAID/Colombia issued a \$14 million task order to Management Sciences for Development, Inc., (MSD) to implement the Access to Justice Program. OIG identified several positive outcomes resulting from program implementation. For example, law students, public defenders, conciliators, government officials, and others benefited from the training and equipment provided to offices and courtrooms throughout the country.

Despite the positive outcomes, OIG determined that the program experienced significant delays and that approximately 26 percent of the targets were unlikely to be achieved by the end of the program. OIG stated that the delays were caused by overly ambitious expectations for the first year.

Specifically, establishing a head office and four regional offices, along with other start-up tasks, consumed more time than anticipated.

Furthermore, MSD had not properly budgeted or planned for the regional offices. As a result, some offices had difficulty securing staff and suffered from high turnover.

OIG found that the program had not planned adequately for some of its activities. The security plan and manual lacked important elements and were never approved by USAID/Colombia. OIG noted that because many of the program's activities take place in dangerous areas, the lack of a well-defined security plan potentially endangered contractors and put activities at risk of not being completed. In addition, MSD's staff and subpartners were not using the security manual. In fact, most people were not aware it existed although it was a contract requirement.

Finally, MSD did not always follow branding and marking requirements, and USAID did not provide oversight in some cases. MSD representatives indicated that marking became a lower priority as they focused on getting back on schedule. However, OIG noted that USAID-funded assets are at greater risk of being lost or stolen if they are not monitored or marked. In addition, MSD performed a detailed review of the program costs incurred and determined that nearly 60 percent of total expenses and 64 percent of other direct costs were outside of the targeted zones.

OIG made ten recommendations, and management decisions were reached on all ten.

Follow-Up Audit of USAID/Mexico's Rule of Law and Human Rights Program

(Report No. I-523-12-007-P). In 2008, the Mexican Government introduced constitutional and legislative changes aimed at reforming the country's police, prosecutors, public defenders, courts, and penitentiaries at the state and federal levels by May 2016. To help Mexico bring these reforms about, USAID/Mexico designed the Rule of Law Program. The \$60 million program was implemented by Management Systems International (MSI), MSD, and the United Nations High Commissioner for Human Rights. OIG previously audited the program¹³ and concluded that the related activities had limited success because the mission did not deliver technical advisory services to reach maximum efficiency, effectiveness, and sustainability, mainly because the program lacked focus.

OIG determined that the actions USAID/Mexico took in response to the previous audit report's recommendations were largely effective. However, OIG identified additional areas for improvement regarding the mission's response to the tracking and recording of training. For instance, MSI's comprehensive database tracks and maintains all the training provided under the

¹³ "Audit of USAID/Mexico's Rule of Law and Human Rights Program," Report No. I-523-11-001-P, January 12, 2011.

contract, information that would be valuable to the mission and to the Mexican Government. Nevertheless, it is unclear what will happen to the database after the program ends and the mission has not made plans on how it will be retained.

OIG made three recommendations in the follow up report. Management decisions were made on all three, and final action was taken on two.

Economic Growth

Follow-Up Audit of USAID/South Sudan's Road Infrastructure Activities (Report No. 4-668-12-010-P)

The Juba-Nimule road is part of USAID's Sudan Infrastructure Services Project, which the Louis Berger Group Inc. (LBG) carried out through a 5-year, \$700 million contract that ended in September 2011. On August 27, 2007, USAID/Sudan started the road by signing a \$250 million task order. Initially, the mission planned to work on other roads and bridges, but as of August 2011, the Juba-Nimule road made up 98 percent of the total budget.

In 2009, OIG issued the initial audit of the mission's road infrastructure activities¹⁴ which found that, although the Juba-Nimule road was likely to achieve its main goals, the cost of the road had doubled and the activity was behind schedule by more than 8 months. In this follow-up audit, OIG determined that the road was still not on track or within the budget that was set

¹⁴ "Audit of USAID/Sudan's Road Infrastructure Activities," Report No. 4-650-09-009-P.

previously. OIG also found that although USAID/South Sudan built sustainability into the project, it was doubtful that the benefits from the road would be sustained because the Government of South Sudan is unlikely to maintain the road.

Because LBG officials decided that the road project was too large for one subcontractor to finish on time, they separated it into three sections and put each one up for bid. However, two of the subcontractors failed to perform, leading LBG to replace them. The companies selected had higher costs than their predecessors and—with the costs incurred by hiring new contractors—have added more than \$50 million to the budget. In addition, the new contractors were already behind schedule.

Despite a requirement to list certain deliverables in the task order, the only project defined was the Juba-Nimule road. The contracting officer who was involved in awarding the task order said he could not recall why it did not define all of the services to be provided. There was also no justification for the amount the task order was worth, yet the mission signed the contract, thereby obligating USAID to pay LBG's 4 percent fee to complete work that had not been defined. As a result, LBG had little incentive to keep costs down. By going over budget on the road, LBG received the same fee without having to undertake any other infrastructure projects in South Sudan.

Communication was problematic. Mission officials said LBG had not notified them about claims from subcontractors that potentially affected USAID's financial liability. One of LBG's subcontractors made a claim for \$2.2 million, and although the mission knew there was the potential for a claim, mission officials did not know it had been filed until more than 20 months later when the subcontractor took LBG to litigation. LBG also approved extensions before notifying USAID about them and did not consult with the mission during the bidding process, which had a direct effect on the overall costs.

OIG made 11 recommendations. Management decisions were made on eight of them, and final action was taken on three.

Audit of USAID/Afghanistan's Incentives Driving Economic Alternatives for the North, East, and West Program (Report No. F-306-12-004-P). USAID/Afghanistan's Incentives Driving Economic Alternatives for the North, East, and West Program (IDEA-NEW) is a \$150 million, 5-year program that began in 2009 and is implemented through a consortium led by Development Alternatives, Inc. (DAI), with Mercy Corps and ACDI/VOCA as subimplementers. IDEA-NEW, which was designed to promote alternatives to growing poppy plants by increasing access to legal, commercially viable, alternative sources of income, was achieving only mixed results. For

example, in 2010 and 2011 the program reported repairing or constructing only 80 miles of transportation infrastructure versus the 161 total targeted miles.

Beginning in 2009, the strategic focus of IDEA-NEW significantly changed, placing less emphasis in areas that were prone to high poppy growth. The continual change in staff at the mission, in the Office of Agriculture, and among implementing partners was also a problem. Since the inception of the program, DAI has employed five project directors, while the mission has had six directors and three agreement officers' representatives (AORs). Each change brought a different vision with varying priorities and operating style. In addition, because the changes made by these different people were not documented, it was impossible to distinguish which changes in the direction and priority of the program were approved by USAID and which were not.

The mission's monitoring was inadequate, and data reported by the mission, DAI and Mercy Corps was often inaccurate. There was also little evidence that mission staff had made site visits since the program's inception. In fact, both Mercy Corps and DAI project directors commented that the OIG auditors were the first USAID staff who had ever visited the project.

Further, although the program AOR was receiving quarterly and annual progress reports,

he was neither analyzing those reports nor confirming the accuracy of the reported data. The progress reports submitted by DAI included mathematical errors and other inconsistencies that could have been identified by basic checks. The financial status of the subawards was also not monitored. For example, Mercy Corps had already spent 86 percent of its program budget, with more than 2 years left in the program.

Involvement of the host government is an important component of fostering sustainability; however, officials in several of Afghanistan's Directorate of Agriculture, Irrigation, and Livestock offices said that they were not asked for their input into the design and planning of projects. In addition, activities had a disproportionate number of men, demonstrating that a gender balance was not maintained as required. In the program's cash-for-work projects, minors under the age of 18 were illegally performing heavy labor; one minor interviewed was only 13 years old. Implementers confirmed that it is common practice to hire minors and that policies and procedures setting standards were not in place. Further, implementing partners did not consistently provide basic personal safety equipment to the workers.

OIG made 18 recommendations. Management decisions have been made on 14 recommendations, and final action has been taken on 4.

Audit of USAID/Pakistan's Gomal Zam Multipurpose Dam Project (Report No. G-391-12-008-P).

In 2002, Pakistan's Water and Power Development Authority (WAPDA), a government-owned public utility, began dam construction at Gomal River in South Waziristan. Because WAPDA ran out of funding for the project, construction progress was slow, and on June 24, 2010, the subcontractor building the dam component issued a notice of suspension for nonpayment of its invoices. At that point, the Government of Pakistan approached USAID/Pakistan for financial support, and in January 2011, USAID/Pakistan entered into a fixed-amount reimbursement agreement with WAPDA. Under the agreement, \$40 million was to be provided to finish the Gomal Zam Dam, which was 88 percent complete. In October 2011, USAID/Pakistan amended the agreement to include \$40 million more to fund the irrigation component of the dam, which included a main canal, distributaries, a barrage, and floodwater carrying channels.

OIG determined that the southern districts of Khyber Pakhtunkhwa need water and energy and that construction of the dam and the irrigation system will help meet these needs. In addition, OIG noted the dam construction helped mitigate flood damage in 2011. At the time of OIG's audit, the dam portion of the project was 98 percent complete—with only the switchgear and wiring of the transmission line to the grid

station unfinished—and the irrigation system was nearly halfway complete.

Notwithstanding this progress, OIG noted that the completion of the dam was at least 3 months behind schedule. The subcontractor was assembling the switchgear offshore and still petitioning for outstanding payments. Without the switchgear, the dam has not been able to begin generating power. WAPDA officials said they were working with the subcontractor to resolve these issues. Nevertheless, it was estimated the interruptions have cost about \$10.5 million in labor, engineering fees, and security.



Water from the reservoir pours through the Gomal Zam dam (photo by OIG).

OIG made one recommendation, and a management decision has been reached.

Audit of USAID/Pakistan's Support to the Benazir Income Support Program (Report No. G-391-12-006-P).

The Government of Pakistan launched the Benazir Income Support Program in 2008 to provide a permanent cash support mechanism for families in poverty. To support this effort, USAID/Pakistan signed an \$85 million cash transfer grant agreement with the Islamic Republic of Pakistan through the Economic Affairs Division of the Ministry of Economic Affairs and Statistics.

The Government of Pakistan and USAID/Pakistan signed an amendment to the agreement in June 2010, providing \$75 million in additional funding and bringing the total amount to \$160 million.¹⁵ Under the terms of the agreement, upon receiving the cash transfer, the government was supposed to deposit the equivalent amount of Pakistani rupees immediately in a special local currency account to support program payments to eligible families. The mission was required to approve disbursement of funds from the account to the program, and the mission's program office was responsible for monitoring the agreement.

¹⁵ The Benazir Income Support Program is not a USAID program; it is a Government of Pakistan program receiving budget support from USAID through Agreement No. 391-012-01.

OIG found that the first installment of \$85 million transferred to Pakistan in February 2010 was disbursed by the program to approximately 480,000 beneficiaries, and a USAID-commissioned survey documented that 98 percent of randomly sampled beneficiaries had received payments. OIG's review of a sample of program records found that recipients' names, addresses, and payments were accurate.

However, OIG found problems with the second installment of \$75 million. As of March 2012, the mission had not authorized the Government of Pakistan to transfer the money to the program because mission officials were unable to verify that the program had implemented an effective monitoring and evaluation plan. The mission requested documentation of an effective monitoring and evaluation plan multiple times; however, the Government of Pakistan had not yet complied with these requests. USAID/Pakistan also had not received any bank statements from the Government of Pakistan since the program's inception in 2009.

Consequently, when the government transferred funds from the authorized special local currency account and comingled them in a general budget account in September 2010, the mission was not aware of the transfer. Mission officials also commented that a contributing factor to the struggle obtaining the information was turnover: In the past 20 months, four mission program managers have supervised the program, and

similar turnover has occurred among key Government of Pakistan officials.

Management decisions were made on all three recommendations, and final action was taken on two.

Audit of USAID/Philippines' Microenterprise Access to Banking Services Program, Phase Four (Report No. 5-492-12-005-P).

In 2008, the USAID/Philippines mission issued a \$9.7 million task order to Chemonics to implement the fourth phase of the Microenterprise Access to Banking Services (MABS) Program.¹⁶

Although the implementer made progress in increasing the number of participating banks and the number of microfinance clients with loans, OIG could not assess the program's impact on overall economic growth in rural locations throughout the country. For example, a majority of borrowers interviewed who received standard microfinance or microagricultural loans said that their personal income had increased; however, whether mobile banking or microinsurance effected the increase was unclear. Furthermore, although progress lagged in achieving targets for program objectives, rural banks and other implementing partners, such as insurance companies, did believe the contractor excelled in helping pass microfinance regulations.

¹⁶ The MABS program began in 1997.

However, other problems remained. A survey known as a poverty assessment tool, developed for the Philippines in 2007, concluded that nearly 12 percent of the country's households were living on less than \$1 per day. However, OIG observations, site visits, and interviews with the mission and the contractor suggest that the poverty percentage could be understated, which in turn would understate the program's accomplishments. The survey counts certain consumer goods owned by the family—such as discarded TVs, radios, and furniture—as assets or wealth. The survey developers may not have known that in the Philippines such discarded consumer goods are plentiful and can be acquired for very little or no money through junk stores or by scavenging; possessing these consumer items does not remove households from a class of extreme poverty.

USAID decided to end the program early, in the fall of 2012 as the result of budget constraints. The mission has not performed nor does it plan to perform a program evaluation of this phase of the program. Four evaluations were completed under the previous phases of the program, the last being in 2006, covering the impact that access to microfinance loans had on borrowers' savings, income, and employment. However, these prior evaluations did not cover the new products under the most recent phase, such as microinsurance, microagricultural loans, microhousing loans, and mobile phone banking

services. Furthermore, these evaluations did not document best practices that could be shared throughout USAID.

Management decisions have been reached on OIG's two recommendations.

Audit of USAID/Pakistan's Entrepreneurs Project (Report No. G-391-12-005-P).

In June 2009, USAID awarded a 5-year, \$30 million cooperative agreement to Mennonite Economic Development Associates to significantly increase the incomes of 120,000 predominantly female owners of microenterprises in 20 districts in Pakistan. In March 2011, the mission modified the project's goal from 120,000 to 75,000 microentrepreneurs in response to the displacement of more than 1 million people in Swat Valley from the devastating 2010 floods and ongoing conflict.

The project focuses on developing value chains in four sectors: dairy, embellished fabrics, medicinal and aromatic plants, and honey. Value chains take products from raw materials to processing and ultimately to distribution and sale. The value chain is based on the premise that when the microentrepreneurs are in control of the process, they earn higher incomes.

OIG found that the project has provided training to local partners on USAID's administrative requirements related to financial management, procurement, and human resources. Local partners have received technical instruction in

the value-chain concept to enable them to help microentrepreneurs to expand opportunities by improving their commodities' quantity, quality, and marketability. The project trained more entrepreneurs than expected in business development, achieving 123 percent of its target, and achieved 80 percent of its target for providing training in business management and marketing.

However, building capacity in developing value chains did not start until May 2011, almost 2 years after the award, because of diversion of project resources to support assistance to internally displaced persons from the extensive flooding. Local partners also lacked awareness of the value-chain process, causing further delays in implementing the project. The project undertook a laborious process for selecting and training local partners before work would begin to help the microentrepreneurs. As of December 2011, only \$6.6 million had been allocated to helping microentrepreneurs develop value chains.

The project did not measure the change in beneficiaries' incomes to assess project impact. Without periodically collecting and recording data on change in income, the project's primary performance indicator, the mission may not be able to make timely adjustments, if needed, to project implementation. It is also unlikely that the project will achieve its objective for the honey sector on schedule because of delays caused by a longer-than-expected grant approval process.

After approval, a feasibility study to determine the best bee species to use and why bees in the target area died in the recent past also slowed progress. Two recommendations were made, and management decisions were reached on both.

Audit of USAID/Kosovo's Activities for Economic Growth (Report No. 9-000-12-004-P). Although Kosovo has made significant progress in transitioning to a market-based economy since declaring its independence in 2008, the country continues to face serious economic challenges, particularly in the agricultural sector. To help address these challenges, USAID/Kosovo's economic growth activities strive to increase private sector growth and investment. In July 2010, USAID awarded Chemonics International, Inc. a 3-year, \$16.1 million task order to implement the Business Enabling Environment Program (BEEP) and in January 2011, awarded a \$15.9 million task order to Tetra Tech ARD, Inc. to carry out the New Opportunities for Agriculture Project (NOA).

OIG determined that BEEP and NOA activities have made progress towards increasing private sector growth and investment. BEEP, for instance, eliminated or reduced several business-related fees, resulting in a potential economic impact of over \$50 million. NOA stimulated investment in improved agricultural technology and infrastructure to help improve plant health and increase yields, as well as in equipment

necessary to comply with international health and safety standards.

Despite these achievements, OIG noted that several BEEP and NOA activities are not on track to meet their goals. One area of concern is the failure of BEEP and NOA to focus on activities that encourage gender equality and minority participation in agriculture and business sectors, although both task orders identified these as priorities. The lack of implementation and adequately tracking results makes it difficult to address gender and social inclusion issues.

OIG also identified several other areas for improvement. For instance, BEEP has made no progress in improving tender transparency, NOA has made little progress toward achieving its goal of increasing exports and is unable to determine its progress toward increasing rural incomes, and USAID/Kosovo has sent conflicting messages on its support of municipalities raising funds through licenses, fees, and permits. Furthermore, performance management plans and indicators need to be improved.

OIG made 13 recommendations to improve Kosovo's economic growth activities. Management decisions have been made on all of them, and final action has been taken on one.

Environment and Climate Change

Audit of USAID/Haiti's Watershed Initiative for National Natural Environmental Resources Program (Report No. I-521-12-003-P).

Haiti's watersheds have long been in decline and, as a result of unchecked logging and increasing demand for charcoal, only 2 percent of Haiti is estimated to be forested today. USAID/Haiti initiated the Watershed Initiative for National Natural Environmental Resources (WINNER) program in June 2009 to reduce environmental and economic vulnerability through the rehabilitation and improved management of specific watersheds in Haiti. To implement the WINNER program, USAID/Haiti signed a \$128 million, 5-year contract with Chemonics International Inc. (Chemonics).

Following the devastating earthquake in January 2010, USAID/Haiti, in collaboration with the State Department, realigned its country strategy. Instead of conducting activities throughout the country, USAID/Haiti began to concentrate its activities in the three geographic corridors that were expected to provide the greatest opportunity for industry, exports, and agricultural production.

OIG noted several accomplishments: During its first 2 years of operation under the original strategy, the program implemented numerous activities that could reduce economic and



Garbage accumulates in a site recently cleared of garbage by the WINNER program (photo by OIG).

environmental vulnerability through improved management and rehabilitation of watersheds. Specifically, the program improved watershed management by promoting local watershed governance, fortifying ravines and rivers against flooding, and dredging rivers and canals. On the economic side, the program promoted alternate sources of income (such as poultry and flower production), trained farmers in modern agricultural techniques, and set up numerous demonstration farms to disseminate improved agricultural practices. The program also

supported the installation of effective low-tech early flood warning systems.

Despite these accomplishments, OIG disclosed problems related to the various implementation issues, including insufficient environmental oversight, not meeting biodiversity requirements, risk to a \$2.3 million USAID/Haiti infrastructure project as a result of continued mining and trash disposal in the Grise River, and a lack of controls to prevent improper use of pesticides.

OIG made 12 recommendations to help USAID improve the efficiency and effectiveness of the WINNER program. Management decisions were reached on all but one recommendation, and final action was taken on another.

Review of USAID/Regional Development Mission for Asia’s Coral Triangle Support Partnership (Report No. 5-493-12-001-S).

In 2008, USAID entered into the Coral Triangle Support Partnership, a 5-year, \$32 million cooperative agreement with World Wildlife Fund, Conservation International, and the Nature Conservancy. The Coral Triangle region spans six countries, and some experts consider it to be the global epicenter of marine biodiversity. The partnership is one of three agreements the U.S. Government initiated to improve the management of biologically and economically important coastal and marine resources and the associated ecosystems that support the livelihoods of people and economies in the Coral Triangle.

OIG found that the overall U.S. support efforts (and the partnership by extension) have made significant progress developing the national and regional platforms needed to stimulate and sustain integrated marine and coastal management among the six governments in the Coral Triangle. However, it was not possible to confirm that the partnership is meeting its stated goals because of tracking and data problems. OIG determined that the partnership did not

develop program-specific indicators to track progress. In addition, the data used to evaluate progress was not reliable, and USAID’s assessment of the data quality did not adequately identify reliability issues. Some key programmatic priorities were not addressed sufficiently in the partnership’s work, including the formation of public-private partnerships and the need to develop alternative livelihoods to counter the effects of some sustainability initiatives, such as decreased fishing.

Moreover, there was very little awareness in the community of the U.S. Government’s role in funding and supporting the initiative. The partnership’s branding strategy and marking plan stipulates that it will find opportunities to publicize the American people’s support of the Coral Triangle initiative. However, 27 of 34 community members interviewed during the site visits were unaware of USAID entirely or unaware of its connection with the partnership.

OIG made 14 recommendations for improvement, and management decisions have been reached on all of them. Final action has been taken on ten.

Audit of USAID/Peru’s Environmental Activities (Report No. I-527-12-008-P).

In 2006, the United States signed a trade promotion agreement with the Government of Peru. In addition to providing market access, the agreement covers environmental protection,

requiring both countries to uphold their domestic environmental laws and to implement laws and other measures as necessary. To help Peru fulfill its requirements, USAID/Peru focused its environmental portfolio activities in that country on improving the government's environmental policy and strengthening environmental institutions so that they can promote sustainable forest management and protect biodiversity. OIG audited three of USAID/Peru's largest environmental programs—two dealing with forest governance and one promoting biodiversity—that were implemented by Chemonics, the U.S. Forest Service, and the Field Museum of Natural History in Chicago. Cumulatively, the projects had spent \$20 million at the time of the audit.

OIG found that the projects had moderately improved Peru's environmental policy and strengthened its environmental institutions. For example, the Peruvian Congress passed a landmark forestry law written with USAID support and assistance, which regulates the use of forest lands and resources and establishes protections for the indigenous people living in forests. This effort was particularly important because it brought together groups that had previously clashed on environmental issues, sparking demonstrations in 2009 that cost many protesters and police officers their lives.

Despite these important achievements, OIG noted several areas where improvements were

needed. One forestry project was significantly behind schedule, with nearly half of activities not progressing as planned. As a result, USAID has paid Chemonics overhead expenses with few results to show for its investment. Another project to preserve and improve Cordillera Azul National Park was not expected to be sustainable once USAID funding ends in 2013. Efforts to sell carbon credits and establish a \$40 million endowment fund have not materialized, and neither USAID nor the Field Museum has a realistic backup plan for sustaining the park.

Monitoring, evaluation, and reporting were problematic in some instances (e.g., the mission did not have an approved country development cooperation strategy nor a performance management plan for environmental work and it did not prepare complete data quality assessments). Some projects did not follow marking requirements, and as a result, U.S. taxpayers will receive no acknowledgement for their 9-year, \$10 million investment.

Furthermore, one implementer, Chemonics, was not using management information systems that were key to the efficient implementation of the project.

Management decisions have been made on OIG's 13 recommendations to improve oversight of USAID's environmental activities in Peru, and final action has been taken on 3.

Education

Three Education Officials Terminated for Theft of Food Items.

In April 2012, a community member from northern Sindh contacted the OIG hotline to report the theft and diversion of cooking oil and high energy biscuits from a school-based Food for Education (FFE) program implemented by the U.N. World Food Programme (WFP). OIG subsequently referred the matter to the WFP Beneficiary Feedback team which conducted an inquiry in the field. The inquiry revealed large amounts of these food items in the local market and determined that three school employees sold food items designated for the FFE project to vendors in a local market. As a result of the matter being referred to the Sindh Department of Education, all three employees were terminated.

Review of Selected USAID/Caucasus’s School Rehabilitation Activities (Report No. 2-114-12-005-S).

The conflict between Georgia and Russia in August 2008 damaged or destroyed elements of critical infrastructure and displaced entire communities. The U.S. Government responded by pledging \$1 billion in assistance to Georgia. This assistance was designed to help internally displaced persons, rebuild infrastructure, revitalize the economy, and restore investor confidence. Of the assistance, \$200 million was allocated for construction and rehabilitation activities,

including two USAID/Caucasus programs, that focused on the rehabilitation of schools and were both implemented by CHF International.

One program, BAVSHVI,¹⁷ intended to provide improved learning conditions in 50 Georgian schools. Similarly, the Conflict Affected Schools Rehabilitation Component of the Georgian Employment and Infrastructure Initiative (GEII) sought to improve the physical learning environment of 16 schools in a region impacted by the 2008 conflict. The primary and common element of both programs was to ensure that minimum standards for learning environments in schools were achieved.

OIG’s review of the programs found that they were achieving their goals of improving the schools’ physical conditions and learning environments. Schools refurbished under the BAVSHVI and GEII programs met the Georgian Ministry of Education and Science’s minimum standards for partial renovation: The schools have roofs, windows and doors, heating systems, and toilets. From all 66 schools covered by the programs, the review team selected a sample of 41 schools for inspection. The review team confirmed the existence of these minimum standards at 40 schools—almost all of the inspected schools.

Although the programs achieved these goals, the review noted implementation problems. A risk of

¹⁷ Georgian for “child.”

asbestos exposure was present in the gymnasiums that were attached to eight schools that USAID rehabilitated. Contrary to the Agency's rigorous standard practices, USAID decided not to address the exposure risk because of budget limitations and competing priorities. In addition, the implementer submitted improper claims for cost-sharing contributions. To meet its \$2.5 million cost-sharing obligation, it claimed amounts spent on routine school operations and maintenance, furnishings, and community meetings—expenditures that did not contribute to program goals or were not included in the approved budget.



The roof of the Kuchatani school's attached gymnasium is made of asbestos-containing materials (photo by OIG).

OIG made three recommendations to help USAID/Caucasus improve the impact of its school rehabilitation program. Management decisions were made on all three, and final action was taken on one.

Audit of USAID/Lebanon's University Student Assistance Program I (Report No. 6-268-12-006-P).

In September 2010, USAID/Lebanon awarded about \$13.5 million under the University Student Assistance Program I (USAP I) to Haigazian University and Lebanese American University. Under the 7-year program, the funds are intended to give full, needs-based scholarships to promising Lebanese public high school students and provide tuition, books, housing, and a living allowance for the duration of their studies. Scholarships have been awarded for study in a variety of fields, including engineering, business, computer science, nursing, and education, at an average cost of about \$10,530 per student per semester.

Despite the mission's achievements, OIG determined that several areas needed improvement to continue the program's success. For instance, the last USAP I student is projected to graduate by the end of the spring semester of 2016, about 14 months before the grant's end date. In addition, USAID/Egypt procurement office staff members said mission officials did not notify them that students would finish their studies in 2016. Therefore, university officials have budgeted for activities during the final year of the program, long after students have graduated. Commitment of funds and mission employees beyond the time actually needed to ensure program success are an ineffective use of Agency resources.

Another problem stems from the lack of financial controls. Although several audit reports and mission management reviews have shown that Haigazian University does not have a sound financial management system, USAID/Egypt's regional procurement office did not modify the grant agreement to discontinue advance payments. In addition, audits conducted on both universities did not conform to Office of Management and Budget (OMB) standards. Further, lack of monitoring and oversight by the mission over the universities' funds led to multiple problems.

OIG made seven recommendations. Management decisions have been made on all of them, and final action has been taken on four.

Food Security

USAID Proposes Sindh Rural Support Organization for Debarment by USAID.

In May 2012, USAID proposed the Sindh Rural Support Organization (SRSO) for debarment, after having suspended the organization from participation in future USAID projects. The decision came after a yearlong OIG investigation of the organization's alleged mismanagement, theft, and corruption associated with its participation in several USAID-funded projects and a related forensic audit conducted by the WFP and OIG.

Thus far, the OIG investigation has resulted in the termination of 25 of the organization's

personnel. Two individuals were terminated after the investigation revealed that they had harassed a group of villagers who had filed complaints with the OIG hotline and ultimately had the villagers sign falsified documentation indicating that they had received payment under a USAID project when they had not. The investigation revealed that the organization's CEO sent the employees to the village and that the falsified documents were submitted as an official response to the ongoing OIG investigation. In addition, the United Nations has also suspended SRSO from any future WFP projects.

Contractor Employee Soliciting and Receiving Kickbacks Suspended and Proposed for Debarment.

An employee of ABT Associates in Mozambique solicited and received a kickback in connection with the USAID-funded Agrifuturo program. The employee solicited the kickback in return for awarding a contract to a vendor for installing IT equipment. Specifically, the vendor installed substandard cable in an office. When pressed to explain the substandard material, the vendor voluntarily disclosed that it was necessitated by the payment of a "commission" to the employee in return for the award. The contractor terminated the employee and reported him to the local police for prosecution. In September 2012, the employee was suspended and proposed for debarment from conducting business with the U.S. Government.

Audit of USAID's Food for Peace Activities in Mauritania (Report No. 7-682-12-005-P).

According to a March 2010 joint WFP–Government of Mauritania study, Mauritania suffers from a structural food deficit, which creates a reliance on food imports to meet nutritional needs. Food prices have risen, while household incomes in Mauritania's rural areas have declined, making food less accessible. USAID's Office of Food for Peace signed a 5-year cooperative agreement with Counterpart International (Counterpart) to implement the Community Action, Nutrition, and Livelihoods Program, which is designed to help people in four regions of Mauritania improve health, nutrition, and hygiene practices, provide for household needs, and mitigate food insecurity. USAID agreed to provide goods and cover shipping and administrative costs of just over \$20 million.

As of January 2012, USAID had provided Counterpart with 39,480 metric tons of food for the program. Of this amount, Counterpart monetized (i.e., sold the products for local currency) 35,370 metric tons of wheat, earning \$10.5 million for the program. It also directly distributed 4,110 metric tons of vegetable oil, bulgur, a corn–soy blend, and lentils.

OIG found that the program appeared to be improving health and nutrition capabilities in all the communities visited. Representatives of targeted communities credited the program with

increasing beneficiaries' ability to treat mild malnutrition and minor health problems without traveling long distances to health posts, as well as to identify cases that need urgent treatment from medical professionals. Representatives also noted that improved hygiene reduced the number of cases of diarrhea among children in their communities.

However, it was not possible to confirm that the program was meeting its goals because of tracking and data problems affecting the performance monitoring system, as well as unreliable survey results. In addition, during the first 4 years of implementation, the program faced challenges including delays in obtaining a host-country agreement, a military coup that necessitated revisions to program activities, limited USAID oversight, and high turnover of key program personnel. Moreover, USAID emphasized the difficult conditions affecting work in Mauritania, including poor roads, long distances between sites, and limited capacities of local staff. OIG also noted several implementation problems, such as lower-than-projected cost recoveries during the monetization process and unrealistic estimates of shipping costs. Further, inventory documentation was problematic.

OIG made five recommendations for improvement, four of which were completed by the time the audit was issued. OIG is awaiting a management decision on one recommendation.

Audit of USAID/Haiti's Public Law 480 Title II Programs (Report No. I-521-12-004-P). The Food for Peace Act (Agricultural Trade Development and Assistance Act of 1954), also known as Public Law 480 (PL 480) or Food for Peace, is the U.S. Government's principal mechanism for implementing its international food assistance initiatives. USAID/Haiti currently supports three 5-year projects: a \$61.7 million agreement implemented by Catholic Relief Services (CRS), a \$91.5 million agreement implemented by World Vision, and a \$37.4 million agreement implemented by ACDI/VOCA.

OIG determined that USAID/Haiti's implementation of PL 480 Title II nonemergency assistance generally has improved conditions for targeted beneficiaries and reportedly reduced the number of underweight and stunted children younger than 5 years of age—measures of program success. Site visits and beneficiary interviews indicated that positive impacts include awareness and implementation of improved agricultural practices, increased crop yields, improved hygiene and sanitation practices, access to credit through savings groups, and increased breastfeeding. In addition, OIG found that the mission is generally doing a good job of managing the program, making frequent site visits and meeting with sponsors to discuss problems and share successful methodologies. These accomplishments came about despite many environmental challenges,

such as natural disasters, a cholera outbreak, and political upheaval.

Despite the many successes, OIG found multiple issues with the program. For instance, assistance programs are awarded through cooperative agreements versus contracts so USAID's control is limited to choosing the cooperating sponsors who respond with the best relative proposals, which may or may not include desired interventions. In addition, the three implementers are not always integrating their maternal and child health and nutrition components with the livelihood and agricultural components of the program. This practice makes the programs harder to track and can result in long-term sustainability issues.

The three groups were also using different methods to implement common activities to varied success. ACDI/VOCA used the recommended care group model in running its mothers' clubs,¹⁸ while CRS and World Vision were using a traditional, older model. As a result, ACDI/VOCA was more efficient, training 100 people for every 9 trained by World Vision. However, not all women who qualified for the traditional mothers' clubs were allowed to participate because they hadn't been chosen by the community volunteers. In addition, World

¹⁸ Mothers' clubs are the primary means to train local communities in child feeding practices, treatment of diarrhea, nutrition, immunization, family planning, and hygiene.

Vision was the only implementer of the three to consistently use best practices for preventing malnutrition.

USAID is also duplicating efforts by funding similar programs that operate in the same Title II regions as Haiti. In one example, the Batey Relief Alliance is funded by USAID and is distributing food within the same area and to the same target population as ACDI/VOCA. Officials at the mission acknowledged the duplication and said they had communicated this to USAID/Washington but never received a response.

OIG made ten recommendations, of which two have received a management decision.

Humanitarian Assistance

USAID Grantee Withholds Nearly \$25,000 in Project Funds from Service Provider. A hotline complaint led to an investigation of the Visions in Action¹⁹ executive director, alleging that he defrauded a USAID ocean freight reimbursement grant. OIG's investigation confirmed that the individual inappropriately kept nearly \$25,000 intended for a USAID grant by not paying a service provider. After being approached by OIG more than a year after receiving the freight services, the subject paid the service provider in full. The case was referred to USAID for appropriate action.

¹⁹ Also known as African Development Corps.

Global Health and Health Systems

HIV/AIDS

Fifty-One Employees Referred for Debarment for Voucher Fraud. An OIG investigation revealed that one USAID employee and 51 local employees of John Snow International (JSI) had submitted false receipts for lodging expenses—totaling approximately \$25,000—following official trips in Tanzania. Some of the contractors paid employees at the hotels for receipts written for more than what the hotel charged. Others stayed at a relative's house and bought fake blank hotel receipts to use for reimbursement. In August 2012, the USAID employee was suspended for one week, 14 of the 51 JSI employees had either resigned or were fired, and all 51 contractors were referred to USAID for debarment consideration. JSI refunded USAID almost \$17,000.

Audit of USAID/Ethiopia's PEPFAR-Funded Activities for Prevention of Transmission of HIV (Report No. 4-663-12-007-P). Launched in 2003, the President's Emergency Plan for AIDS Relief (PEPFAR) is a comprehensive approach to combating HIV/AIDS around the world. PEPFAR encourages the governments in its partner countries, like Ethiopia, to create comprehensive HIV/AIDS prevention programs. According to the August 2009 Next Generation Indicators

Reference Guide, the programs can be offered in a variety of ways, such as in community-based workshops or through media campaigns, and they should be paired with appropriate medical and social services, such as counseling and testing. For fiscal year 2011, USAID and the Department of State requested \$324 million for HIV/AIDS activities in Ethiopia. For this audit, OIG focused on five projects totaling nearly \$73 million implemented by Population Council, Population Services International, Save the Children, and World Learning.

OIG found that USAID's HIV/AIDS activities in Ethiopia generally achieved their main goal to prevent sexually transmitted HIV diseases.

However, OIG found significant problems with the underlying data. USAID reported to the Office of the U.S. Global AIDS Coordinator (OGAC) that overall, the implementing partners were on schedule to meet their annual targets. OIG could not confirm this assertion because of data quality problems. Although the mission was able to properly support the data it reported to OGAC and implementing partners were able to properly support data received from the subpartners, the OIG found errors and inconsistencies with data reported to USAID.

OIG made three recommendations to strengthen USAID/Ethiopia's implementation of its PEPFAR-funded activities for prevention of transmission of HIV. Final action has been taken on all three recommendations.

Audit of USAID/Ghana's Efforts to Integrate Gender Into HIV/AIDS Activities (Report No. 7-641-12-006-P).

To assist Ghana with reducing its HIV/AIDS infection rate, USAID and PEPFAR support programs that integrate gender into HIV/AIDS activities. USAID recognized the need to focus its efforts on certain groups of people who are especially vulnerable to HIV infection: female sex workers, men who have sex with men,²⁰ and *kayayei*.²¹ Two projects valued at a total of \$24 million are focused on these activities: Strengthening HIV/AIDS Response Partnerships with Evidence-Based Results (SHARPER) was led by FHI 360, and Increasing Access to Sexual and Reproductive Health Services and Reducing Gender-Based Violence within the Kayayei Community was led by Marie Stopes International. OIG found that the mission is not only successfully integrating gender into its HIV/AIDS activities but also has expanded gender-related activities through FHI and piloted a new project on gender issues with Marie Stopes International.

FHI's SHARPER project has been proactive in integrating gender into its programming.

²⁰ In Ghana, between 30 and 45 percent of female sex workers and 26 percent of male sex workers are HIV positive.

²¹ *Kayayei* is a Ghanaian term for a porter who carries baggage or items on his or her head. *Kayayei* are vulnerable to unsafe living conditions, sexual exploitation, and violence that leave them susceptible to contracting HIV/AIDS and other sexually transmitted diseases.

Although addressing gender-based violence was not part of the original scope of work, FHI took the initiative to integrate it into the project because the organization realized its importance. Marie Stopes International's project is a pilot for gender-specific programming with funding from the PEPFAR Gender Challenge Fund. It focuses on increasing the kayayei community's access to sexual and reproductive health services and reducing gender-based violence against them. Though little is known about how prevalent HIV is in this subpopulation, Marie Stopes International's preliminary research suggests that the kayayei are vulnerable to gender-based violence and to contracting HIV and sexually transmitted infections because of their living conditions.

Despite the many successes of the programs, OIG found several weaknesses. Although the subpartners OIG met confirmed they had conducted gender training for the organization, the subpartners did not understand how to use what they had learned because the training was inadequate. Gender action plans were also developed poorly. One subpartner admitted that he did not know exactly what activities would be performed because he did not fully understand the key gender concepts or how to integrate gender into project activities. Subpartners also had trouble defining and reporting data, leading to results that could not be verified.

Beneficiaries OIG interviewed were excited about the program and its benefits, but some were unable to identify USAID or the American people as its sponsors. Some beneficiaries said program officials had not told them anything about the sponsors. Additionally, signs at FHI and subpartner offices and service delivery sites were not branded with appropriate USAID logos and markings. However, of the three subpartners that were audited, the only one that was exempt from the requirements had the most branding.

Management decisions have been made on all eight OIG recommendations, and final action has been taken on one.

Audit of USAID/Barbados' Eastern Caribbean Community Action Project

(Report No. I-534-12-006-P). According to the Caribbean Regional HIV and AIDS Partnership Framework of 2010-2014,²² the Caribbean is home to one of the largest populations of people with HIV/AIDS, second only to sub-Saharan Africa. To address this issue, in November 2007, USAID/Barbados awarded a 3-year, \$10.5 million cooperative agreement to the International HIV/AIDS Alliance (IHAA) to implement the Eastern Caribbean Community Action Project (ECCAP). The agreement was

²² A joint effort of the U.S. Government, the Caribbean Community, the Organization of Eastern Caribbean States, and the governments of Antigua and Barbuda, the Bahamas, Barbados, Belize, Dominica, Grenada, Jamaica, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, and Trinidad and Tobago.

managed on a daily basis by the Caribbean HIV/AIDS Alliance (CHAA), a member of the IHAA family, and was extended through February 2011. In March 2011, USAID/Barbados awarded CHAA a 3.5-year, \$16.1 million follow-on cooperative agreement known as ECCAP II. As with the original ECCAP agreement, this project has the goal of increasing access to HIV prevention services, treatment, and care, but it was expanded to include Dominica, Grenada, and Saint Lucia, in addition to original ECCAP members Antigua, Barbados, St. Kitts, and St. Vincent.

OIG found that although ECCAP had succeeded to some degree by using outreach to improve access to HIV services, it was not achieving all goals. For instance, ECCAP did not achieve sustainable results. The strategy of simply working closely with government agencies and community organizations was well intended, but this strategy failed to develop commitments to keep serving the target populations when ECCAP ended. The strategy also failed because CHAA and USAID/Barbados did not consider and implement specific measures to integrate the program into other U.S.-supported HIV/AIDS activities, or to analyze and address weaknesses

related to the institutional capacity of community and civil society organizations.

Under ECCAP, the CHAA regional office collected and reported results from all the country program offices to USAID. However, the auditors could not verify some of the results because the supporting documentation was not available at the office. For the information that was available, auditors noted multiple discrepancies with the number of information, education, and communication materials that CHAA delivered. In addition, CHAA did not maintain records for any of the commodities received or distributed, with the exception of female and male condoms—and records for those contained discrepancies.

IHAA and CHAA also did not have clear policies and procedures on how to address human trafficking. Although CHAA officials agreed that they need to train the community on handling trafficking victims, CHAA had not done so at the time of the audit. In addition, the mission did not enforce compliance with the agreement by requiring the recipient to track budgets on a country-by-country basis. Further, some advances and reimbursements were not processed properly by the mission and were sometimes late.

Date	Issue Receipt Voucher No.	Receipt	Date	Balance	Initials	Date	Issue/Receipt Voucher No.	Receipt	Issue	Balance	Initials	
10/3/10	pharmacy			9		28/10	KEMSA N/A	5100		17	52857	
11/10/10	KEMSA N/A	8		17		12/11	pharmacy	8750	3	15	26200	
23/3/10	pharmacy		5	12	272938	12/11	pharmacy		10	26	424570	
11/10/10	pharmacy		4	3	27393	16/10	pharmacy		6	20	424573	
27/10/10	pharmacy		3	3		16/10	pharmacy			23	5600 AL	
11/10/10	pharmacy		3	N/A	273938	16/10	pharmacy			-38	52272	
11/10/10	pharmacy		5	15		16/10	KEMSA N/A	15		35		
11/10/10	pharmacy		5	10		16/10	pharmacy		6	29	4245674	
11/10/10	pharmacy		2	3	304170	23/10	pharmacy		12	17	424565	
11/10/10	pharmacy		2	6	304170	23/10	pharmacy			32	52494	
11/10/10	pharmacy		6	N/A	304170	23/10	KEMSA N/A	15		10	22	4749512
12/10/10	pharmacy	15		15		23/10	pharmacy		10	12	4749521	
12/10/10	pharmacy		3	12								
12/10/10	pharmacy		2	7	304170							
12/10/10	pharmacy	15		22	304170							
12/10/10	pharmacy			22								
12/10/10	pharmacy		3	19								
12/10/10	pharmacy		203	16	327511							
12/10/10	KEMSA N/A	15		16	327511							
12/10/10	pharmacy		21	378750								

This ACT inventory record contains mathematical errors in the Receipt, Issue, and Balance columns and unexplained adjustments (photo by OIG).

Management decisions have been reached on all 12 recommendations, and final action has been taken on 5.

Malaria, Tuberculosis, and Neglected Tropical Diseases

Audit of Commodities Funded Under the President’s Malaria Initiative in Kenya (Report No. 4-615-12-011-P). To support the President’s Malaria Initiative (PMI), USAID/Kenya allocated \$40 million for malaria activities, of which \$23.9 million was designated for the purchase of commodities. The mission

procures commodities through JSI’s DELIVER Project and it also funds three other programs that affect supply chains for artemisinin-based combination therapies (ACT) and nets: PSI’s Health Communication and Marketing Project, Management Sciences for Health’s (MSH) Health Commodities and Services Management Program in Kenya, and Deloitte Consulting’s Kenya Medical Supplies Agency (KEMSA) Support Program.

OIG determined that most of the commodities were reaching the intended beneficiaries;

however, OIG also identified weaknesses in the distribution systems that prevented verification. As a result, of the 23 Kenyan health facilities that auditors visited, 18 had missing or incomplete records. Further, 14 received 19,470 PMI-funded therapies during March 2011, and 4,980 treatments could not be accounted for. These missing treatments cost USAID an estimated \$5,700.²³ Further, the treatments purchased with USAID funds are not properly marked to deter theft.

The mission was also not monitoring its programs adequately. For example, the agreement officer's representative did not notice a \$1.3 million discrepancy in the cost-sharing requirement. The representative also did not notice that PSI was reporting results based on a calendar year rather than a fiscal one. Mission officials reported exceeding targets for commodities in 2011 but used the wrong supporting documentation. For instance, the mission reported 6.9 million treatments distributed; however, the actual result was 3.3 million, which is less than the 5.8 million target. In addition, the performance monitoring plan and annual work plan were missing multiple performance targets and indicators.²⁴ When asked, officials could not locate one of two

²³ The matter was referred to OIG investigators.

²⁴ Noted in a previous audit of Kenya's PMI activities, "Audit of USAID/Kenya's PEPFAR-Funded Activities for the Prevention of Transmission of HIV," Report No. 7-615-10-010-P, July 29, 2010.

official award files for the PSI program. Because of the missing file, the agreement officer was unable to answer certain questions from the audit team on how the award was structured.

Mission officials also noted that they have not exercised their right to limit the transfer of funds between direct-cost categories, meaning PSI treated all donor funds as a single pool of resources and shifted resources as needed to cover costs. When PSI came under budget for malaria net distribution costs by nearly \$300,000, the implementer used the savings to cover expenses such as rent, utilities, and office supplies that were already adequately budgeted. PSI should have passed those savings along to the U.S. Government or redirected them to additional malaria prevention efforts benefiting the Kenyan people.

Management decisions have been made on all 12 recommendations, and final action has been taken on 8.

Audit of USAID/Senegal's Activities Under the President's Malaria Initiative (Report No. 7-685-12-007-P). Since 2007, USAID/Senegal has implemented the \$51 million PMI with 11 partners, including ChildFund Senegal, IntraHealth International, John Hopkins University, Research Triangle Institute, and Abt Associates.

OIG determined that the mission was successfully meeting its goals for PMI activities.

Successes included spraying more than 490,000 structures to deter residential mosquito populations, providing more than 3 million bed nets to beneficiaries (including the completion of three phases of national distribution campaigns covering 10 of the 14 regions), and training more than 20,000 people on malaria prevention and treatment techniques. All of these successes occurred although the mission was faced with multiple setbacks and challenges.

However, OIG noted that partners are not always providing enough monitoring and support to health facilities and beneficiaries. For example, in health offices and posts in the district of Malem Hodar, auditors found expired artemisinin-based combination therapy medications. It was unclear whether any of the pharmacies had dispensed the drugs following their expiration dates because none of the locations maintained accurate inventories of their stocks. Personnel who were interviewed said that they had requested new shipments but that they had yet to receive any replacements. At one health post, the doctor was using quinine as a placebo to treat patients. In addition, at the district office, OIG found approximately 300 bed nets that were part of the national campaign and had not been distributed.

The same kinds of problems were found in the district of Guinguineo. In addition to the lack of accurate inventory records, OIG determined that the rapid diagnostic tests and children's therapy treatments were expired. Further, OIG found

314 remaining bed nets in the district warehouse that the mission believed had already been distributed. At one health facility, OIG found that the community health worker had not treated any patients in more than a year because she had not received any stock of malaria drugs or rapid diagnostic tests in that timeframe.

The usage of bed nets also varied greatly. In one village OIG visited, none of the 25 nets given to four families were being used as prescribed. In total, of the sample 88 nets donated by USAID during the 2011 national campaign, OIG found that fewer than half (47 percent) were hung and had been used the night before.

Final action has been taken on OIG's two recommendations.

Audit of USAID/Mozambique's Tuberculosis Activities (Report No. 4-656-12-012-P). USAID has several initiatives to help the people of Mozambique combat tuberculosis. The Tuberculosis CARE Program (TB CARE) is a \$225 million worldwide initiative implemented through a cooperative agreement with the Royal Netherlands Chemical Society (KNCV) Tuberculosis Foundation, an international leader in fighting TB. In Mozambique, TB CARE is primarily implemented by FHI 360 under an agreement with KNCV Tuberculosis Foundation. The Clinical HIV/AIDS Services Strengthening (CHASS) Project in Sofala, Manica, and Tete and

the CHASS Project in Niassa are integrated HIV programs, of which TB-related activities are one component. These two programs are implemented by Abt Associates and FHI 360, respectively, and receive funding from PEPFAR. OIG found that although a number of first-year targets were not met because of delays in formulating the initial work plan, activities were being implemented as designed and in accordance with established technical guidance. Implementing partner staff, government officials, and community volunteers all said that TB CARE had expanded treatment services, enhanced laboratory capacity, and detected more TB cases by increasing the number of trained volunteers. One TB patient lauded the program and especially the volunteers working with him from the moment he was diagnosed throughout his treatment. The two CHASS programs were providing HIV testing, TB screening, and antiretroviral therapy (ART) treatment to people with both diseases.

However, other issues with the program still need to be addressed. For instance, the annual target for the percentage of HIV-positive TB patients initiating antiretroviral therapy was neither achievable nor evidence based. In addition, although overall HIV testing of TB patients nearly reached its target, testing was significantly lower in provinces with the highest HIV prevalence, resulting in missed opportunities for HIV prevention and treatment.

Obtaining data on gender-based barriers to accessing treatment is critical to monitoring and evaluating program performance effectively. However, although health facilities collect disaggregated data, the Ministry of Health does not compile or report it because the Ministry's aim has been to combat the disease generally and not focus on women specifically. As a result, women may not be receiving adequate TB diagnostic and treatment services. Further, TB CARE includes activities to improve laboratory capabilities in Mozambique. Nevertheless, OIG found some problems with laboratory infrastructure, personnel, and equipment.

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

General Health Programs

Sixteen Contractor Employees in Malawi Debarred for Submitting False Hotel

Receipts. In May 2012, USAID debarred 16 contractors working on a health related program after OIG received a self-disclosure from CRS in Malawi into fraudulent claims by their employees. CRS disclosed almost \$5,000 had been fraudulently claimed by their employees. Based on this information, OIG referred the matter to USAID and the employees were debarred.

Review of USAID/Caucasus’s Public Hospital Infrastructure Project (Report No. 2-114-12-006-S). After the 2008 Russia-Georgia War, the United States pledged \$1 billion in aid to Georgia. Of this sum, \$574 million was programmed through USAID, including a \$250 million direct cash transfer to the Government of Georgia. This pledge was made to encourage democratic reform while rebuilding Georgia’s infrastructure and economy, restoring investor confidence, and improving health services to vulnerable groups, including ethnic minorities and internally displaced people.

As part of the improved health services component, USAID/Caucasus rehabilitated three public hospitals (Akhalsikhe, Ninotsminda, and Akhalkalaki) under the Public Hospital Infrastructure Project. All are located in Samtskhe-Javakheti, a region in southern Georgia. USAID entered into an interagency agreement with the U.S. Army Corps of Engineers to rehabilitate the hospitals from March 2010 through September 2011. The project’s completion date was extended to February 2012 because of repeated delays. USAID/Caucasus initially invested \$1.6 million in the project; its final cost was nearly \$3.2 million.

Many problems occurred on the project, causing multiple delays. The mission was aware of the delays from the start of the project in 2010 and had ongoing concerns regarding contractor

performance, quality of work, estimates, and cost of items. However, mission officials said they made a studied decision to continue to push the Army Corps to finish the project properly and on schedule. The absence of Agency-wide policies and guidance for infrastructure projects, as well as the mission’s lack of comprehensive internal policies, procedures, checklists, and reporting mechanisms hampered its ability to react to delays.

In addition, officials from the mission and the Army Corps said they were not aware of guidelines for infectious disease facilities. However, both the World Health Organization and the Centers for Disease Control have published guidelines for infection control in health-care facilities. Moreover, hospital licensing in Georgia is governed by a decree that defines basic requirements for hospitals with infectious disease departments, as well as specifications for ventilation systems. As no guidelines were followed, the rehabilitations will need to be redone.

Two recommendations were made, and management decisions have been reached on both.

Management

Science and Technology

Audit of USAID's Contracts for Cloud Computing Services. (Report No. A-000-12-004-P).

OIG conducted this audit to determine whether USAID's contracts for cloud computing services included best practices and controls. OIG found that, of the 11 best practices and control areas selected for review, only one was included in its entirety in both contracts. OIG made seven recommendations to improve the Agency's contracting practices and controls for cloud computing services, and management decisions have been made on all of them.

Financial Management

Audit of USAID/Afghanistan's Internal Controls in the Administration of the Involuntary Separate Maintenance Allowance (Report No. F-306-12-003-P).

The separate maintenance allowance is a nontaxable cost-of-living allowance that USAID may provide to "assist an employee to meet the additional expenses of maintaining members of family elsewhere than at the employee's foreign post of assignment."²⁵ In 2011, USAID/Afghanistan paid more than \$2 million in

involuntary separate maintenance allowance (ISMA)²⁶ to 212 people.

OIG determined that the mission had not established a system of internal controls to help ensure that ISMA applications complied with applicable laws and regulations and that compliance was documented. For instance, OIG identified some instances in which U.S. direct-hire employees acknowledged signing for their spouses on ISMA applications (these ISMA applications were approved in USAID/Washington). Staff members responsible for reviewing and approving ISMA applications admitted that they did not have a defined set of internal controls to apply when reviewing ISMA applications. In fact, the former supervisory executive officer said that she assumed someone had reviewed ISMA applications before sending them to her for approval.

OIG also determined that although the mission had established internal controls to help ensure that ISMA payments complied with applicable laws and regulations, those controls did not prevent improper payments. In several cases, the mission made ISMA payments for dependents who had reached or passed the age of 21 and who were not eligible for those payments. In addition, the mission also incorrectly underpaid one

²⁵ Department of State Standardized Regulations, Section 260, "Separate Maintenance Allowance."

²⁶ Involuntary separate maintenance allowance is used when the employee is assigned to a post where he or she is unable to bring family members.

employee and delayed a \$13,000 payment by more than 20 months. These incorrect payments occurred because the mission did not have written procedures or tools, such as checklists, to guide its staff and because employees involved in the payment process were not familiar with the ISMA guide.

OIG made eight recommendations. Management decisions have been reached on five recommendations, and final action has been taken on two.

Review of USAID/Pakistan's Cost Estimates for Shipping and Storage (Report No. G-391-12-001-S). Employees transferring to Pakistan are eligible to ship personal effects of up to 2,000 pounds by sea and 1,000 pounds by air. They are also entitled to ship one vehicle and to place items in storage. To cover the shipping and storage expenses associated with these transfers, USAID/Pakistan obligates an estimated amount, typically \$25,000 though sometimes more, without documenting the basis of the estimate. Current mission officials do not know how the mission previously set the \$25,000 estimate. The actual expenses were much lower.

By reducing the standard obligation conservatively to \$15,000, OIG found that the mission could put approximately \$480,000 annually (\$2.4 million over 5 years) to better use. OIG also recommended that the mission review

\$860,000 for potential deobligation. In response to the recommendations, the mission reduced the standard obligation to \$15,000 and completed its review of unliquidated obligations, resulting in a total deobligation of \$653,259.

Final action has been taken on OIG's two recommendations.

Management Capabilities

Former USAID Contractor, Wife and Others Plead Guilty to Fraud in Washington, D.C.

A former USAID contractor employee and his wife were arrested in Washington, D.C., for fabricating expenses that the employee submitted to his employer. The expenses were related to the Analysis, Information Management, and Communication project of USAID's Bureau for Global Health. USAID unknowingly paid hundreds of thousands of dollars to a home remodeler who refurbished the subject's house. The subject then fabricated bills for USAID project services, which resulted in large payments to the home remodeler, a friend of the subject. The home remodeler, also charged with fraud, retained payment for the home construction work and forwarded the rest of the money to the former USAID contractor. The individuals pled guilty of theft of program funds and wire fraud. In April 2012, three subjects were suspended indefinitely from conducting business with the U.S. Government.

Audit of USAID/Iraq's Performance Evaluation and Reporting for Results Management Program (Report No. E-267-12-004-P).

Security concerns and restrictions on personnel movement in Iraq hamper USAID/Iraq's ability to carry out normal oversight functions. To help address this issue, USAID/Iraq awarded a contract to the QED Group (QED) to provide monitoring and evaluation services under the Performance Evaluation and Reporting for Results Management Program (PERFORM). The contract, managed by the mission's program office, began in October 2009 and totaled \$7.5 million for a 2-year base contract. In June 2011, the mission exercised the option year, which extended the program to August 2012 and increased the amount to \$14.3 million.

OIG determined that the program did not operate entirely as intended. PERFORM fell significantly short of expectations because, according to the mission's programmatic review, the mission's technical officers did not take advantage of PERFORM to monitor activities as intended. In interviews, the directors of all three technical offices said that they had no need for PERFORM to conduct routine monitoring of activities. Two directors explained that they relied on Iraqi counterparts to verify the implementer's reported performance data. As a result, QED did not deliver on the planned number of monitoring projects in the first year, nor did it

plan any for the second year of its contract implementation.

During the same period when the mission's technical offices relied on other measures for field monitoring, OIG and the Office of the Special Inspector General for Iraq Reconstruction conducted several performance audits reporting on a recurring finding that the mission did not have sufficient monitoring of the audited programs. For instance, in November 2011, OIG reported that the contractor for the program overstated the number of direct beneficiaries of its activities in greater Baghdad. The mission did not verify the performance data reported by the contractor or assess the quality of the data.

In addition, the evaluation reports and statements of work issued to contract for the evaluation in some cases were technically flawed. There was also evidence of bias in several of the evaluations. In one example, a QED evaluation team leader, who had previously worked for the implementer he was evaluating, reported positive results despite evidence to the contrary. Further, the mission did not effectively manage the program, which contributed to unsatisfactory and late reports. Lastly, the audit found that the mission did not completely implement recommendations from a prior OIG audit conducted of PERFORM's predecessor program, the Monitoring and Evaluation Performance Program, Phase II.

Management decisions have been made on OIG's five recommendations, and final action has been taken on one.

Review of USAID/Afghanistan's Monitoring and Evaluation System

(Report No. F-306-12-002-S). A significant and continuing constraint to USAID/Afghanistan's program monitoring and evaluation is the security situation in Afghanistan. The country remains a high-threat environment, and security concerns often constrain the mission's ability to implement and monitor projects throughout the country. USAID/Afghanistan has repeatedly identified this impediment in annual reports to USAID/Washington. In addition, the constant staff turnover at the mission erodes the staff knowledge base because managers and subordinate staff members are often unfamiliar with the projects under their purview.

As of March 2012, the mission reported having 95 active awards with \$4.5 billion in obligations and \$3.6 billion in disbursements. Besides involving large dollar amounts, these programs—in agriculture, economic growth, infrastructure, democracy and governance, health, education, and stability—are widely dispersed geographically and often implemented in active war zones. Although the mission has implemented several elements of an effective monitoring and evaluation system, that system can be strengthened.

The mission did not issue guidance on monitoring and does not have a current mission order addressing monitoring in general or its onsite monitoring program in particular. Further, no mission order details the roles and responsibilities of mission staff members in monitoring on-budget assistance. One office director noted that clarification is needed of the roles and responsibilities of the agreement and contracting officers' representatives (AOR/CORs) who manage projects and of the onsite monitors (OSMs) who are to oversee those projects. Further, some AORs/CORs do not believe that all OSMs have the technical skills necessary to monitor their projects properly. In addition, while most certified AORs and CORs were aware of their required biannual refresher training (to stay certified), more than half had not completed the training.

Two of the projects reviewed, the Southern Region Agriculture Development Program and the District Delivery Program with combined budgets of \$73 million, were not using the standard information system, Afghan Info, to report on their activities. Moreover, discussions with staff members of the Office of Program and Project Development revealed that there might be additional projects whose implementers were not reporting performance results in Afghan Info. In addition, several of the AORs and CORs did not use spot checks or periodic reviews to validate the data in reports submitted by their implementing

partners. In fact, one AOR said he expected OIG to verify his data during the course of its audits and reviews.

OIG made ten recommendations. Management decisions were made on all ten, and final action has been taken on three.

Audit of USAID/Pakistan’s Assessment and Strengthening Program (Report No. G-391-12-009-P).

In September 2008, the United States endorsed the Accra Agenda for Action, a commitment by international donors to strengthen and use developing-country systems to the extent possible to carry out development activities. To implement an overall U.S.

Government civilian strategy in accordance with the Accra Agenda, USAID/Pakistan launched the Assessment and Strengthening Program in October 2010. To achieve the program’s goals, the mission awarded three 5-year separate cooperative agreements to the Rural Support Programmes Network (RSPN), Lahore University of Management Sciences (LUMS), and Associates in Development (AiD), totaling \$44 million.

According to USAID/Pakistan, the program was to establish a mechanism that would enable the mission to work with local implementing partners and host-government entities, many of which have insufficient institutional capacity. The program would also provide technical assistance required to manage USAID funds effectively. However, because the mission did not

identify which key partner organizations should receive strengthening, RSPN and AiD came up with their own list and estimated in its agreement they would strengthen 253 organizations throughout the program. Neither RSPN officials nor AiD could provide auditors a basis for the estimate and both groups said the number proposed was ambitious and likely unrealistic. As a result, no targets were met during the first year.

Part of this problem was from poor planning by the mission. The results framework and preliminary performance management plan were not established until a year after the program began, and the USAID/Pakistan office managing the program lacked experience designing, planning, and implementing programs that, like this one, seek to build capacity in areas other than finance.

Management decisions have been made on all three recommendations.

Survey of USAID’s Efforts to Address Its Backlog of Expired Awards (Report Number 9-000-12-002-S).

USAID’s Office of Acquisition and Assistance (OAA) implements programs by issuing and administering contracts, grants, and cooperative agreements, collectively referred to as “awards.” OAA’s work is essential to the success of USAID’s development objectives because the Agency executes virtually all of its international development and humanitarian assistance programs through these instruments.

USAID officials acknowledged the Agency's backlog of incomplete closeout and deobligation activities as an internal control weakness in the fiscal year 2010 financial report. According to the report, as of July 2010, USAID had nearly \$252 million in program funds and \$13 million in operating expenses that could be deobligated. Agency officials later said the report inadvertently overstated the amount of funds that could be deobligated and that the right amount was probably closer to \$120 million. This problem was noted as a significant deficiency in the Agency's fiscal year 2011 financial report.

Overall, the survey found that USAID's actions to address the backlog of awards awaiting closeout were not sufficient. For example, USAID did not require OAA to explore alternative closeout procedures when feasible; such procedures could have helped OAA reduce the backlog of expired contracts and increase the number of awards that were closed out on time. In addition, USAID did not address whether OAA could have public accounting firms perform incurred cost audits instead of relying exclusively on the Defense Contract Audit Agency to perform them. Finally, it did not address the AOR's or COR's roles in reviewing contracts for excess funds prior to closeout.

From 2009 to 2011, OAA reported that it closed almost 1,400 awards. However, most of these were not closed within the time frames required. OIG found that closeout actions for nearly two-

thirds of all awards during that period took almost 3 years longer than they should have. The delay in closing out expired awards is a concern because it hinders USAID from complying with the Federal Acquisition Regulation (FAR). If the Agency does not take steps to address the backlog of contractor audits and insufficient funding of closeout and deobligation activities, it also risks losing the use of program funds. In addition, in 2011 OAA reported that it deobligated nearly \$51 million from 747 awards; however, AORs and CORs did not identify more than \$23 million in excess funds before closeout.

Management decisions have been reached on all four recommendations.

Audit of USAID's Small Business Utilization Practices (Report No. 9-000-12-005-P).

The Small Business Act requires that a fair proportion of total U.S. Government expenditures for property and services be directed to small businesses. The Small Business Administration (SBA) establishes annual goals for federal agencies for small business use and implements other related requirements. SBA annually issues a small business procurement scorecard that (1) measures how well federal agencies reach their small business goals; (2) provides accurate, transparent contracting data; and (3) reports on agency-specific progress.

USAID's OAA in the Management Bureau oversees procurement for the Agency and collects and reports Agency acquisition data that SBA

uses to monitor progress on reaching small business utilization goals.

OIG audited USAID's small business utilization practices and found that the Agency significantly increased its obligations to small businesses from fiscal year 2009 to fiscal year 2011. USAID steadily improved its scorecard grade from an F in fiscal year 2009, to a C in fiscal year 2010, and to an A in fiscal year 2011.

However, USAID has not met all its small business utilization goals. For example, USAID needs to make greater progress in increasing obligations to HUBZone²⁷ businesses and businesses run by Service-disabled veterans. In addition, USAID did not review, monitor, or enforce subcontracting plans for the contracts it entered into both because of a lack of internal controls and direction for which officials were responsible for these tasks. Although USAID had policies in place to manage its small business utilization program, these directives are no longer applicable or are unsuitable to current operations and must be updated. Further, data quality in acquisition reporting was problematic; the Agency's automated system for managing acquisition has improved overall data quality reported to external sources, but data used by SBA is still inaccurate and incomplete.

²⁷ Historically underutilized business zones.

Management decisions have been reached on all ten OIG recommendations to improve the Agency's program.

Employee Misconduct

Termination of Two Local National Employees Working at the Embassy

Housing Office in Pakistan. Two Housing Office employees were terminated from State Department employment in July 2012 as a result of fraudulent activity related to the procurement of housing for USAID and other Pakistan Embassy employees. The activity was confirmed by a joint investigation by the OIGs from USAID and the State Department, which uncovered misconduct, solicitation, and acceptance of bribes from property owners by the two employees in exchange for favorable lease terms from landlords. In September 2012, the case was referred to the Pakistan National Accountability Bureau to pursue local prosecution.

USAID Contracting Officer Resigns

Following OIG Investigation. As reported in OIG's previous semiannual report, OIG investigated a USAID contracting officer for submitting false claims to the government for reimbursement of his child's special education allowances. The investigation found that he submitted false claims of more than \$3,000 over the course of a year, stating that he was providing a special tutor for his child when in fact he had his nanny and housekeeper provide tutoring. In

May 2012, the employee resigned after receiving a letter of proposed removal.

USAID Employee in Afghanistan Terminated for Theft of Cell Phone Cards

Cards. In May 2012, a Foreign Service National employee was terminated from his position with USAID in Afghanistan following the completion of an OIG investigation into allegations of fraud. OIG discovered that 188 cell phone cards purchased for use by USAID's Foreign Service National employees, valued at approximately \$2,000, were missing. The subject of the investigation, who confessed to the theft, was solely responsible for ordering, storing, and distributing the cards.

Investigation of USAID Contracting Specialist Confirms Travel Voucher Fraud

Fraud. This investigation revealed that a contracting specialist for USAID, a Haitian national who attended training in Washington, D.C., submitted a false statement in an effort to receive reimbursement for expenses he did not incur. The individual accrued a substantial sum in room service and long-distance telephone calls from his hotel room. In an effort to recover his expenses, he fabricated a claim for excessive taxi expenses. In June 2012, the employee was suspended and placed on 1 year's probation. His employment was terminated shortly thereafter for unrelated issues.

USAID Employee Forced to Resign from USAID Egypt for Inflating Overtime Hours Worked

OIG received a tip that local USAID employees were allegedly claiming and receiving payment for inflated overtime hours. Investigators discovered that one particular employee, who had worked for USAID for 23 years, submitted and received an average of 50 hours of overtime, per pay period. The investigation confirmed that at least half of these hours were falsely claimed. For fiscal year 2011 alone, the local employee fraudulently submitted, and received payment, for at least \$15,000 in overtime hours. OIG investigators confronted the employee with the evidence, and the employee was immediately placed on administrative leave. Shortly after, the employee resigned from his job. Mission officials plan to recover the funds obtained by the local employee by withholding the employee's separation benefits.

Expanding Accountability

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

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

Expanding Supreme Audit Institutions'

Capabilities. OIG continues to work closely with selected supreme audit institutions (SAIs) in countries where USAID is present. SAIs are the principal government audit agencies in the recipient countries and are often the only organizations that have a legal mandate to audit the accounts and operations of their governments.

Thus, SAIs may be called upon to audit funds provided to host governments by USAID or other donors. OIG and USAID missions have signed memorandums of understanding (MOUs) with SAIs in 23 countries, including an MOU with the Auditor General of Rwanda during this reporting period.

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

This training helps build capacity within SAIs to enhance their ability to audit all public funds. The SAI, the USAID mission, and OIG then sign an MOU that outlines the standards and procedures to be used in auditing USAID funds provided to the host government.

As part of the shift to use host-country systems to deliver foreign assistance, USAID and OIG

intend to rely more heavily on SAIs and continue working to build their capacity.

During this reporting period, SAIs issued 12 audit reports covering approximately \$8.3 million in USAID funds. They reported approximately \$1.4 million in questioned costs, 20 internal control weaknesses, and 42 material instances of noncompliance with agreements.

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

Cost Principles Training. USAID's contracts and grants include cost principles provisions that define the types of costs that can be legitimately charged to USAID programs. Although the full text of these cost principles is contained in the FAR and various OMB circulars, USAID agreements generally contain only a single sentence that refers to these principles.

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

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

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

During this reporting period, OIG provided training in cost principles and related subjects to a total of 175 individuals in Pakistan and Rwanda. These individuals included staff from USAID, non-governmental organizations, local government and SAI officials, and auditors from local public accounting firms.

Fraud Awareness Training. OIG also provided 68 fraud awareness training sessions to 1,584 individuals during the reporting period.

Contractor and Grantee

Accountability—Audits

Overall Audit Activity. USAID is required by FAR, the Single Audit Act,²⁸ OMB circulars, and its own internal policies and procedures to obtain appropriate and timely audits of its contractors, grantees, and enterprise funds. OIG provides oversight of these audit activities, ensuring that audits are conducted in accordance with appropriate quality standards and that they enhance accountability over USAID contractors and grantees.

²⁸ Single Audit Act of 1984, Public Law 98-502, as amended.

Also, in accordance with provisions in USAID contracts and agreements, OIG reviews reports of audits conducted on foreign organizations that receive USAID funds.

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

During this reporting period, OIG reviewed and transmitted 11 DCAA reports covering approximately \$932 million in costs (with questioned costs of more than \$2.6 million).

Audits of U.S.–Based Grantees and Enterprise Funds.

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

- Significant deficiencies involving major programs.
- Material noncompliance with laws and regulations.
- Known fraud affecting a federal award.

- Misrepresentations of the status of prior audit findings.
- Reasons why the auditor's report on compliance for major programs is other than unqualified.

OIG provides oversight for the nonfederal auditors performing these audits and reviews to determine whether auditors have prepared audit reports in accordance with the reporting requirements of OMB Circular A-133.

OIG also conducts quality control reviews to determine whether the underlying audits complied with OMB A-133 audit requirements and generally accepted government auditing standards. In some instances, OIG contracts with DCAA to perform special financial audits and with independent public accounting firms to perform Agency-contracted financial audits of U.S.-based grantees.

Enterprise funds are U.S.-based nonprofit organizations established under the Support for East European Democracy (SEED) Act of 1989.²⁹ USAID currently has two enterprise funds, one that invests in Eastern Europe and another that invests in South Africa. Enterprise funds are subject to annual audits of financial statements performed by private accounting firms and reviewed by OIG.

During the reporting period, OIG issued 35 reviews for A-133 Single Audit Act reports and issued 17 reviews for Agency-contracted audit reports covering USAID funds of approximately \$2.7 billion spent by U.S.-based grantees.

Audits of Foreign-Based Contractors and Grantees. OMB Circular A-133 does not apply to foreign-based contractors and grantees. Given the high-risk environment in which USAID operates, however, USAID has extended similar audit requirements to its foreign-based contractors and grantees through standard provisions included in grants, cooperative agreements, and contracts through OIG's *Guidelines for Financial Audits Contracted by Foreign Recipients* (February 2009). Financial audits of foreign-based contractors and grantees are normally conducted by independent audit firms approved by OIG's overseas regional offices.

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

USAID's financial audit requirements concerning its contracts, grants, and cooperative agreements are normally satisfied under the recipient-contracted audit program. However, Agency-contracted audits may be initiated by

²⁹ Public Law 101-179.

either USAID or OIG to provide additional audit coverage or address specific concerns.

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

During this reporting period, OIG reviewed and transmitted 179 audits of foreign-based organizations, covering more than \$423 million in expenditures and resulting in about \$12 million in questioned costs; 3 audits of foreign government funding, covering \$2.8 million in expenditures and \$10 million³⁰ in questioned costs. OIG also completed 6 quality control reviews to ensure that the audits were completed in accordance with appropriate audit standards.

³⁰ The audited amount of one close-out audit pertained to the period July 1, 2011 to March 31, 2012, whereas the amount of questioned cost sharing was related to shortfall over the life of project over 6 years i.e., from February 3, 2006, to March 31, 2012. Because the recipient was to provide the cost-sharing amount throughout the project, questioned costs pertain to the shortfall in cost sharing from the close-out audit period.

Contractor and Grantee

Accountability—Investigations

Mercy Corps Employee in Afghanistan Debarred After Stealing More Than

\$250,000. A contract employee was debarred in June 2012 after an OIG investigation discovered that the employee had stolen more than \$250,000 from his employer, Mercy Corps, a USAID implementing partner in Afghanistan. Mercy Corps reported that the theft occurred by the employee's altering and cashing a check issued by the organization. The employee was believed to have fled to Pakistan; the Afghan National Police were alerted to the scheme and began their own investigation. Mercy Corps fully cooperated with the investigation, and the subject was debarred.

OIG Investigation in Pakistan Results in NGO Employee Termination and Referral for Debarment.

In 2011, a USAID contract was awarded to the National Rural Support Program (NRSP) to provide locally registered Pakistani nongovernmental organizations with financial assistance to improve education, health, and economic growth throughout the country. OIG received an allegation of possible fraud related to the implementation of a subgrant by the Khushal Welfare Organization (KWO). The OIG investigation revealed that the Chairman of KWO paid a bribe to a field operations officer of

the implementing partner in exchange for a favorable grant closeout report. The KWO Chairman admitted to making false reports and in response, NRSP terminated the field operations officer in April 2012. Based on a referral from OIG, the NRSP field operations officer, KWO and its Chairman were suspended and proposed for debarment by USAID in September 2012.

DAI Employee Previously Convicted of Theft From USAID Program in Afghanistan Debarred. In August 2012,

USAID debarred a contract employee who had previously been convicted of fraud in connection with a \$114 million program economic development program in Afghanistan. OIG had received the allegation about the employee from DAI, the program implementer. OIG's investigation revealed that the employee had solicited and received a kickback from the president of a grantee company. The employee has been arrested by Afghan authorities and sentenced to 3 years' imprisonment with a \$10,000 fine.

**Significant Recommendations Described Previously Without
Final Action
USAID
April 1–September 30, 2012**

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

Report Number	Subject of Report	Issue Date	Rec. No.	Management Decision Date	Final Action Target Date
1-511-09-004-P	Audit of Engender Health's Management of Activities Financed by USAID/Bolivia	01/15/09	2 3 5 7 8	01/15/09 01/15/09 01/15/09 04/27/09 04/27/09	03/31/13 03/31/13 03/31/13 03/31/13 03/31/13
A-000-10-001-P	Audit of USAID's Compliance with the Federal Information Security Management Act for Fiscal Year 2009	11/17/09	15	11/17/09	12/31/12
A-000-11-002-P	Audit of USAID's Compliance with the Federal Information Security Management Act of 2002 for Fiscal Year 2010	11/09/10	3 8 10 25	11/09/10 11/09/10 11/09/10 11/09/10	12/31/12 06/30/13 06/30/13 02/28/15
0-000-11-001-C	Audit of USAID's Financial Statements for Fiscal Years 2010 and 2009	11/12/10	1 2	11/12/10 11/12/10	12/31/12 06/30/13

Report Number	Subject of Report	Issue Date	Rec. No.	Management Decision Date	Final Action Target Date
A-000-12-003-P	Audit of USAID's Fiscal Year 2011 Compliance With the Federal Information Security Management Act of 2002	11/15/2011	1.1-1.4	11/15/11	03/31/13
			2.1-2.6	11/15/11	03/31/13
			3.1-3.6	11/15/11	03/31/13
			4.1-4.3	01/24/12	11/15/12
			5.1-5.3	11/15/11	03/31/13
			6.1	11/15/11	01/30/13
			7	11/15/11	10/31/12
			8	11/15/11	3/31/13
			9.1-9.5	11/15/11	12/31/12
			10.4	11/15/11	03/31/13
			11.1-11.3	11/15/11	03/31/13
			13.1-13.2	11/15/11	10/31/12
			14	11/15/11	10/31/12
			15.1-15.2	11/15/11	03/31/13
			16	11/15/11	03/31/13
			17.1	11/15/11	03/31/13
			17.2	11/15/11	06/30/13
			17.3	11/15/11	03/31/13
			17.4	11/15/11	01/30/13
			18.1-18.2	11/15/11	03/31/13
			20	11/15/11	03/31/13
			21	11/15/11	01/30/13
			22	11/15/11	03/31/13
			23	11/15/11	10/31/12
			24	11/15/11	10/31/12
			25.1-25.3	11/15/11	03/31/13
			26	11/15/11	03/31/13
			27	11/15/11	03/31/13
			28.1-28.3	11/15/11	03/31/13
			29	11/15/11	03/31/13
			31	11/15/11	10/31/12
			33	11/15/11	03/31/13
			34.1-34.3	01/24/12	11/15/12
			7-681-11-003-P	Audit of USAID'S HIV/AIDS Activities in Cote d'Ivoire	02/04/11
1-511-11-006-P	Audit of USAID/Bolivia's Integrated Food Security Program	07/28/11	8 12	07/28/11 07/28/11	12/31/12 10/31/13
5-386-11-010-P	Audit of Phase III of USAID/India's Innovations in Family Planning Services Project	08/25/11	3	08/25/11	03/31/13

Report Number	Subject of Report	Issue Date	Rec. No.	Management Decision Date	Final Action Target Date
F-306-11-005-S	Review of USAID/Afghanistan's Afghan Civilian Assistance Program	08/31/11	7	02/14/12	03/31/13
I-518-11-009-P	Audit of USAID/Ecuador's Environment Program	09/26/11	2 4	09/26/11 09/26/11	03/31/13 03/31/13
F-306-11-004-P	Audit of USAID/Afghanistan's On-budget Funding Assistance to the Ministry of Public Health in Support of the Partnership Contracts for Health Services Program	09/29/11	5 6	09/29/11 09/29/11	10/31/12 10/31/12
2-000-12-001-S	Review of USAID's Compliance With Procedures for Approving Conference Expenses	10/26/11	4	04/06/12	12/31/12
5-119-12-001-P	Audit of USAID/Tajikistan's Productive Agriculture Program	10/28/11	1 2 3 4 5 6 7 8	10/28/11 10/28/11 10/28/11 10/28/11 10/28/11 10/28/11 10/28/11 10/28/11	10/31/12 10/31/12 10/31/12 10/31/12 10/31/12 10/31/12 10/31/12 10/31/12
G-391-12-001-P	Audit of USAID/Pakistan's Firm Project	11/03/11	6	11/03/11	12/31/12
F-306-12-001-P	Audit of USAID/Afghanistan's Afghanistan Stabilization Initiative for Southern Region	11/13/11	13	03/17/12	12/31/12
0-000-12-001-C	Audit of USAID's Financial Statements for Fiscal Years 2011 and 2010	11/15/11	2.1 2.2 3.1 3.2 3.3	11/15/11 11/15/11 11/15/11 11/15/11 11/15/11	06/30/14 06/30/14 09/30/14 09/30/14 09/30/14

Report Number	Subject of Report	Issue Date	Rec. No.	Management Decision Date	Final Action Target Date
G-391-12-002-P	Audit of USAID/Pakistan's Energy Efficiency and Capacity Program	11/23/11	1	11/23/11	12/31/12
6-278-12-002-P	Audit of USAID/Jordan's Design for Sustainability In Its Water Resources Program	12/22/11	1	12/22/11	12/22/12
			2	12/22/11	12/22/12
			3	12/22/11	12/22/12
			4	12/22/11	12/22/12
			6	12/22/11	12/22/12
7	12/22/11	12/22/12			
F-306-12-001-S	Review of Responses to Internal Audit Findings on the Local Governance and Community Development Project	12/26/11	6	12/26/11	10/31/12
			7	12/26/11	10/31/12
2-000-12-002-S	Review of Audits of Foreign Organizations Expending Centrally Funded Assistance	12/28/11	1	12/28/11	12/31/12
			2	12/28/11	12/31/12
			3	12/28/11	12/31/12
			4	12/28/11	12/31/12
G-391-12-003-P	Audit of USAID's Pakistan Transition Initiative Program	02/03/12	1	02/03/12	12/31/12
4-654-12-006-P	Audit of USAID/Angola's Public-Private Partnerships for Development	02/27/12	7	08/28/12	05/31/13
5-493-12-004-P	Audit of USAID/Regional Development Mission for Asia's Sapan Program in Thailand	02/27/12	3	02/27/12	02/27/13
			4	02/27/12	02/26/13
			6	02/27/12	02/27/13
			7	02/27/12	02/26/13
			8	02/27/12	02/26/13
0-000-12-001-S	Independent Auditor's Report on USAID's Compliance With the Improper Payments Elimination and Recovery Act of 2010	03/16/12	1	03/16/12	12/31/12
E-267-12-002-P	Audit of the Sustainability of USAID/Iraq-Funded Information Technology Systems	03/21/12	1	03/21/12	11/30/12
			2	03/21/12	11/30/12
			3	03/21/12	11/30/12
			4	03/21/12	11/30/12
			5	03/21/12	11/30/12
			6	03/21/12	11/30/12
			7	03/21/12	11/30/12
E-267-12-003-P	Audit of USAID/Iraq's Electoral Technical Assistance Program	03/22/12	3	07/10/12	12/31/12
			4	03/22/12	12/31/12
			9	03/22/12	12/31/12
			11	09/13/12	01/31/13

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

USAID

April 1–September 30, 2012

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

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

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

USAID

April 1–September 30, 2012

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
<i>Foreign Government Funding</i>				
G-391-12-012-R	05/10/12	Financial Audit USAID/Pakistan Grant Agreement No. 391-IL-00-08-01111-00, Managed by Health Service Academy, for the Period From July 1, 2010, to June 30, 2011	5 5	QC UN
G-391-12-016-R	07/20/12	Close-out Financial Audit of the Pakistan Competitiveness Support Fund, USAID/Pakistan Limited Scope Grant Agreement No. 391-G-00-06-01073-00, Managed by Competitiveness Support Fund (CSF), for the Period From July 1, 2011, to March 31, 2012	9,105	QC
G-391-12-018-R	09/25/12	Financial Audit of the Program Titled "Merit and Need Based Scholarship Project," USAID/Pakistan Agreement No. 391-G-00-04-01023-00, for the Year Ended June 30, 2011; Managed by Higher Education Commission	1,326 1,326	QC UN
<i>Foreign-Based Organizations</i>				
0-000-12-045-R	04/26/12	Audit of GOAL, Under Multiple Agreements for Fiscal Year Ended December 31, 2007	217 217	QC UN
0-118-12-046-R	05/14/12	Audit of Perspektiva, Under Multiple Agreements for Fiscal Year Ended December 31, 2010		
0-000-12-047-R	05/09/12	Audit Report of the European Cooperative for Rural Development (EUCORD) Under USAID Cooperative Agreement No. GHO-A-00-09-00008-00 for Fiscal Year Ended December 31, 2009	3	QC
0-000-12-048-R	05/09/12	Audit of Woord En Daad, Under USAID Cooperative Agreement No. GHO-A-00-08-00003-00, for the Period Ended March 31, 2010		
0-000-12-049-R	05/21/12	Closeout Audit of Woord En Daad, Under USAID Cooperative Agreement No. GHO-A-00-08-00003-00, for the Period Ended March 31, 2011		

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
0-000-12-050-R	05/15/12	Audit of Deutsche Welthungerhilfe e.V., Under Multiple Agreements for Fiscal Year Ended December 31, 2009	39	QC
0-000-12-051-R	05/16/12	Audit of GOAL, Under Multiple Agreements for Fiscal Year Ended December 31, 2008	41 41	QC UN
0-000-12-052-R	05/17/12	Audit of Deutsche Welthungerhilfe e.V., Under Multiple Agreements for the Fiscal Year Ended December 31, 2010	203	QC
0-118-12-053-R	05/23/12	Closeout and Annual Audit of Foundation for Independent Radio Broadcasting, Under Cooperative Agreement Nos. 118-A-00-04-00075, 118-A-00-10-00069-00 and Contract No. PNMC-FY12-01 With the International Research and Exchange Board (IREX) for Fiscal Year Ended December 31, 2011		
0-118-12-054-R	07/09/12	Close-out Audit of Memorial International Historical, Educational, Charitable and Human Right Society, Under USAID Agreement No. 118-A-00-02-00178 for Period From September 27, 2002, Through May 29, 2012	486 486	QC UN
0-000-12-055-R	06/07/12	Audit of Merlin, Under USAID Multiple Agreements for Fiscal Year Ended December 31, 2008		
0-000-12-056-R	06/12/12	Audit of GOAL, Under Multiple Agreements for Fiscal Year Ended December 31, 2009	6 6	QC UN
0-000-12-057-R	06/14/12	Audit Report of the European Cooperative for Rural Development (EUCORD) Under USAID Cooperative Agreement No. GHO-A-00-09-00008-00 for Fiscal Year Ended December 31, 2010		
0-121-12-058-R	06/22/12	Audit Report of Charitable Organization "Commercial Law Center" Under USAID Cooperative Agreement Nos. 121-A-00-07-00708-00 and 121-A-00-08-00704-00 for the Fiscal Year Ended December 31, 2010		
0-114-12-059-R	07/12/12	Audit Report of Association for Protection of Landowners' Rights Under USAID Grant Agreement No. 114-A-00-05-00091-00 for Fiscal Year Ended December 31, 2010		
0-000-12-060-R	07/12/12	Audit of Merlin, Under USAID Multiple Agreements for Fiscal Year Ended December 31, 2009		
0-000-12-061-R	08/02/12	Audit of Oxfam GB under USAID Multiple Agreements for Fiscal Year Ended March 31, 2011	55 2	QC UN

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
0-000-12-062-R	08/09/12	Audit of Kindernothilfe e.V. Under USAID Grant Agreement No. GHO-A-00-09-00012-00 for Fiscal Year Ended December 31, 2011		
0-000-12-063-R	08/10/12	Audit of Deutsche Welthungerhilfe e.V., Under Multiple Agreements for Fiscal Year Ended December 31, 2011	3	QC
0-000-12-064-R	08/13/12	Audit Report of The Mentor Initiative (TMI) Under USAID Multiple Agreements for Fiscal Year Ended September 30, 2011		
0-000-12-065-R	09/18/12	Close-out Financial Audit of Transparency Azerbaijan Public Anti-Corruption Association for the Project Entitled "Anti-Corruption Advocacy and Legal Advice Centers" Under Cooperative Agreement No. 112-A-00-08-00003-00 dated June 18, 2008 for the Period From July 1, 2008, Through June 30, 2012		
0-000-12-066-R	09/24/12	Audit of Centers for Civic Initiatives, Under USAID Agreement No. 168-A-00-05-00104-00 for Fiscal Year Ended December 31, 2010		
0-000-12-067-R	09/25/12	Audit of GOAL, Under Multiple Agreements for Fiscal Year Ended December 31, 2010	9 9	QC UN
I-527-12-003-N	08/20/12	Audit of the Certified Expenditures Report of USAID Resources Provided Under Contract No. AID-527-C-08-00010 "Strengthening Institutions and Policies," Managed by Consultandes S.A. for the Period From January 1, 2010, to December 31, 2011		
I-522-12-004-N	09/21/12	Audit of the Financial Statements of the Trust Fund Agreement of the Government of Honduras, Managed by USAID/Honduras, for the Period From October 1, 2009, to September 30, 2011		
I-532-12-036-R	04/09/12	Audit of the Fund Accountability Statement Under Cooperative Agreement No. 532-3Ed-AA for Tropical Storm Gustav-Improved Education of Targeted Jamaican Youth Assistance Project Managed by the Ministry of Education, for the Period From February 23, 2009, to December 31, 2010	25	QC

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
I-517-12-037-R	04/09/12	Financial Audit of the Fund Accountability Statement of the "Civil Society Action for Improved Public Sector Performance Program," Grant Agreement No. 517-A-00-09-00103-00 and "Formation of Young Leaders of Political Parties in the Dominican Republic Phase II Program," Grant Agreement No. 517-A-00-09-00105-00; Managed by Participación Ciudadana for the Period From September 1, 2010, to September 30, 2011		
I-517-12-038-R	04/26/12	Financial Audit of the Effective Schools Program, Cooperative Agreement No. 517-A-00-10-00102-00, Administered by the Pontificia Universidad Catolica Madre y Maestra (PUCMM), for the Period From July 1, 2010, to June 30, 2011		
I-518-12-039-R	05/08/12	Audit of the Cooperative Agreement No. 518-A-00-03-00054-00 for the Strengthening Democracy in Ecuador Program; Managed by Corporación Participación Ciudadana Ecuador (PC) for the Period From January 1 to December 31, 2010	1,351 1,319	QC UN
I-517-12-040-R	05/04/12	Close-out Audit of USAID Resources, Cooperative Agreement No. 517-G-00-10-00108-00, For the "Haiti Earthquake Rapid Response Small Grants Program," Managed by Instituto Dominicano de Desarrollo Integral, Inc. (IDDI), for the Period From January 20, 2010, to July 31, 2010	6	QC
I-517-12-041-R	05/04/12	Close-out Audit of USAID Resources, Cooperative Agreement No. 517-G-00-08-00107-00 for the "Out of School and At-Risk Children and Youth Program," Managed by Instituto Dominicano de Desarrollo Integral, Inc. (IDDI), for the Period From May 20, 2008, to December 30, 2010	13 9	QC UN
I-517-12-042-R	05/11/12	Close-out Audit of USAID Resources, Cooperative Agreement No. 517-G-00-08-00110-00, for the "Hurricane Gustav Emergency Response Program," Managed by Instituto Dominicano de Desarrollo Integral, Inc. (IDDI), for the Period From September 8, 2008, to December 8, 2008		
I-521-12-043-R	05/14/12	Close-out Audit of the Haiti Reconstruction and Recovery Program, Implementation Letter No. 521-IL-IHRC-ORIG, Administered by the Interim Haiti Recovery Commission (IHRC), for the Period From December 3, 2010, to January 31, 2012	171	QC

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
I-512-12-044-R	05/16/12	Audit of the Cooperative Agreement No. AID-512-A-09-00001-00 for the "Brazil Indigenous Based Biodiversity Conservation Program," Managed by the Instituto Internacional de Educaçao do Brasil (IEB), for the Period From October 1, 2009, to December 31, 2010	10	QC
I-517-12-045-R	05/18/12	Audit of USAID Resources, Cooperative Agreement No. AID-517-A-10-00001 for the "Environmental Management and Conservation Program," Managed by Instituto Dominicano de Desarrollo Integral, Inc. (IDDI), for the Period From May 24, 2010, to December 31, 2010		
I-517-12-046-R	06/05/12	Audit of USAID Resources, Cooperative Agreement No. 517-A-00-09-00109-00 for the "Major League Baseball Dominican Development Alliance USAID Incentive Fund," Managed by Instituto Dominicano de Desarrollo Integral, Inc. (IDDI), for the Period From May 18, 2009, to December 31, 2010	7	QC
I-511-12-047-R	06/08/12	Audit of the Fund Accountability Statement of the "Communitarian Health Project," Cooperative Agreement No. 511-A-00-05-00113-00, Managed and Implemented by the Integral Health Coordination Program (PROCOSI), for the Period From January 1 to September 30, 2011		
I-520-12-048-R	07/23/12	Audit of the Fund Accountability Statement of the Program to Strengthen Competitiveness of Guatemalan Business and Products, Cooperative Agreement No. 520-A-00-05-00009-00, Administered by the Asociación Guatemalteca de Exportadores (AGEXPORT), for the Year Ended December 31, 2011		
I-511-12-049-R	07/23/12	Financial Audits of Multiple Projects Implemented by Sustainable Technologies Promotion Center (STPC)	292 235	QC UN
I-512-12-050-R	07/27/12	Close-out Audit of the USAID Cooperative Agreement No. 512-A-00-08-00005-00, Ethno-Environmental Protection of Isolated Peoples in the Brazilian Amazon Program, Managed by Centro de Trabalho Indigenista (CTI), for the Period From January 1, 2010, to September 30, 2011	124	QC
I-526-12-051-R	07/27/12	Audit of Cooperative Agreement No. AID-526-A-10-00003 "Support Governmental Reform to Improve Management and Policy Making Systems" Managed by Gestion Ambiental (GEAM), for the Period From October 1, 2010, to December 31, 2011	26 26	QC UN

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
I-522-12-052-R	07/27/12	Audit of the Cooperative Agreement No. AID-522-A-11-00001 for the "Decentralization Enabling Environment (DEE) Project," Managed by the Federation of Non-Governmental Organizations for the Development of Honduras (FOPRIDEH), for the Period From February 22, to December 31, 2011	7 6	QC UN
I-522-12-053-R	08/08/12	Financial Audit of USAID Assistance Agreement No. 522-0480 "More Responsive Governance Program and Elections and Political Processes Element," Managed by the Supreme Electoral Tribunal (TSE) for the Period From April 1, 2011, to December 31, 2011	28 28	QC UN
I-512-12-054-R	08/10/12	Close-out Audit of the USAID Cooperative Agreement No. RLA-A-00-06-00065-05, "Ethno-Environmental Protection of Isolated Peoples in the Brazilian Amazon Program," Managed by Instituto Internacional de Educaçao do Brasil (IEB) for the Periods From October 1, 2009, to September 30, 2010, and October 1, 2010, to September 30, 2011	23	QC
I-511-12-055-R	08/16/12	Audit of the Fund Accountability Statement, Agreement No. 511-0660, Managed by the Rural Roads Project (CC.VV.) for the Strategic Objective Economic Diversification Increasingly Sustainable in Coca Leaf-Growing Areas and Associated Areas for the Year Ended December 31, 2011	42 4	QC UN
I-520-12-056-R	08/27/12	Audit of USAID Resources "Food Program," Under PL-480 Title II, Cooperative Agreements No. FFP-A-00-07-00010-00, DFD-G00-09-00293-00, and AID-OFDA-G-10-000112, Managed by Asociación SHARE de Guatemala (SHARE), for the Period October 1, 2010, Through September 30, 2011		
I-527-12-057-R	08/28/12	Audit of the Fund Accountability Statement of Cooperative Agreement No. 527-A-00-08-00014-03 "Youth Development in Peruvian Coca Growing Zones" and Agreement No. 1055PER10.24, "Work Obra (International Youth Foundation IYF)," Managed by the Information and Education Center for the Prevention of Drug Abuse (CEDRO), for the Period From March 1, 2011, to January 31, 2012		
I-514-12-058-R	08/29/12	Audit of the Grant Agreement No. AID-514-A-10-00004 for the "Strengthening the Mental Health of Post-Conflict Victims in Rural Areas - Welfare," Managed by Corporación Impacto Vital (CIV), for the Period From August 11, 2010, to December 31, 2011		

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
I-527-12-059-R	08/28/12	Audit of the Fund Accountability Statement of Cooperative Agreement No. AID-527-A-10-00003 "Promoting Governance in Decentralized Governments Through Civil Society Participation," Managed by Centro de Estudios Para el Desarrollo y la Participación (CEDEP), for the Period From June 10, 2010, to December 31, 2011	2 2	QC UN
I-522-12-060-R	08/30/12	Audit of the Grant Agreement No. 522-0433 "Investing in People: Healthier and Better Educated People," Managed by the Honduran Secretariat of Health Through the Unit for Extension of Coverage and Funding (UECF) for the Period From November 15, 2010, to March 31, 2012	1	QC
I-524-12-061-R	08/30/12	Audit of the Fund Accountability Statement Under Cooperative Agreement No. 524-A-00-06-00005-00 for the "Families United for their Health – FamiSalud/USAID," Managed by Federación Red NicaSalud, for the Period From April 1, 2010, to March 31, 2011	169 169	QC UN
I-532-12-062-R	09/18/12	Audit of Program Assistance No. 532-HE-2010-AA for the "National HIV/STI Programme," Managed by the Ministry of Health (MOH), for the Period From June 1, 2010, to September 30, 2011		
I-514-12-063-R	09/18/12	Close-out Audit of the Fund Accountability Statement of the Project Health Services for Displaced Population and Other Vulnerable Groups, Managed by the Association for Colombian Family Welfare, PROFAMILIA, Under the Cooperative Agreement 514-A-00-07-00300-00, for the Period From January 1, 2010, to September 30, 2011		
I-522-12-064-R	09/20/12	Audit of the Fund Accountability Statement Under the Assistance Agreement No. 522-0441, for the Community Led Infrastructure Program of the Merida Initiative and the Central American Regional Security Initiative (MERIDA/CARSI) Managed by the Honduran Social Investment Fund (FHIS) Through the Directorate of Major Infrastructure (DIM), for the Period From February 2 to December 31, 2011		

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
I-522-12-065-R	09/24/12	Audit of the Fund Accountability Statement for the "Expanding Access to Family Planning for Marginalized Rural Populations Program," Grant No. 522-G-00-06-00-304-00, Managed by the Asociación Hondurena de Planificación de Familia (ASHONPLAFA), for the Period From January 1 to December 31, 2011		
I-522-12-066-R	09/24/12	Close-out Audit of the Fund Accountability Statement Under USAID Project No. 522-0433, Implementation of the 2011 Demographic Health Survey (DHS), Managed by the National Statistics Institute (INE), for the Period From March 28, 2011, to March 31, 2012	4 2	QC UN
I-526-12-067-R	09/25/12	Audit of the Fund Accountability Statement of the Project "Strengthening and Expanding Civil Society Institutional Capacities," Cooperative Agreement No. 526-A-10-00004, Managed by Semillas Para la Democracia, for the Period From October 1, 2010, to December 31, 2011	7 7	QC UN
I-514-12-068-R	09/27/12	Audit of the Cooperative Agreement No. 514-A-00-08-00302-00 for the "Afro-Descendant Leaders Training Program," Managed by Fulbright Colombia, for the Period From December 14, 2007, to September 30, 2011	4 4	QC UN
4-611-12-006-N	05/30/12	Agency Contracted Close-out Audit of USAID Resources Managed by Zambia Agribusiness Technical Assistance Centre Limited (ZATAC) Under Cooperative Agreement No. 611-A-00-07-00002-00 for the Eighteen Month Period Ended September 30, 2010	275 5	QC UN
4-617-12-007-N	05/31/12	Agency Contracted Audit of USAID Resources Managed by Deloitte (Uganda) Limited Under Contract No. 617-C-00-07-00004-00 for the Year Ended June 30, 2011		
4-663-12-054-R	04/19/12	Audit of USAID Resources Managed by Bethzatha Health Service Private Limited Company Under Contract No. 663-C-00-08-00418-00 (Technical Services For Monitoring Support Project) for the Year Ended June 30, 2011		
4-621-12-055-R	04/19/12	Audit of USAID Resources Managed by Ifakara Health Institute Under Cooperative Agreement No. 621-A-00-08-00007-00 for the Year Ended June 30, 2011		

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
4-621-12-056-R	05/08/12	Audit of USAID Resources Managed by Women in Law and Development in Africa (WiLDAF) Under Cooperative Agreement No. 621-A-00-10-0004-00 for the Period October 16, 2009, to December 31, 2010	6 1	QC UN
4-623-12-057-R	05/08/12	Audit of USAID Resources Managed by Regional Centre for Quality of Health Care (RCQHC) Under Strategic Objective Agreement No. 623-SOAG6230011.02-60088 for the Year Ended June 30, 2011	175	QC
4-936-12-058-R	05/09/12	Audit of USAID Resources Managed by Otse Community Home Based Care Trust Under Cooperative Agreement No. GHO-A-00-09-00003-00 for the Year Ended March 31, 2011	29 29	QC UN
4-902-12-059-R	05/09/12	Audit of USAID Resources Managed by Horn Relief Under Grant Agreement Nos. DFD-G-00-10-00046-00 and AID-OFDA-G-10-00014 and Closeout Audit of USAID Resources Managed by Horn Relief Under Grant Agreement Nos. DFD-G-00-07-00190-00 and DFD-G-00-09-00047-00 for the Period From September 7, 2007, to December 31, 2010	145 34	QC UN
4-617-12-060-R	05/29/12	Audit of USAID Resources Managed by Joint Clinical Research Centre (JCRC) Under Cooperative Agreement No. AID-617-A-10-00006 for the Period June 10, 2010, to June 30, 2011	99	QC
4-623-12-061-R	05/29/12	Audit of USAID Resources Managed by East, Central and Southern Africa Health Community (ECSA-HC) Under Strategic Objective Agreement No. 6230011.02-60087 for the Year Ended June 30, 2011		
4-615-12-062-R	05/30/12	Audit of USAID Resources Managed by Lewa Wildlife Conservancy Through the Northern Rangelands Trust for the Northern Rangelands Trust Support Program Under Cooperative Agreement No. 623-A-00-09-00011-00 for the Year Ended December 31, 2010	1	QC
4-936-12-063-R	06/11/12	Audit of USAID Resources Managed by Youth Health Organization Under Cooperative Agreement No. NPI-GHH-A-00-07-00011-00 for the Year Ended March 31, 2009		

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
4-663-12-064-R	06/21/12	Audit of USAID Resources Managed by Hamlin Fistula Welfare and Research Trust, Addis Ababa Fistula Hospital, USAID Support for Fistula Identification, Referral and Treatment in Ethiopia, Under Grant Agreement No. 663-G-00-06-00418-00 for the Year Ended June 30, 2011	8 8	QC UN
4-617-12-065-R	06/22/12	Audit of USAID Resources Managed by Mulago-Mbarara Teaching Hospitals' Joint AIDS Program (MJAP) Under Cooperative Agreement No. AID-617-A-09-00006 for the Year Ended September 30, 2011		
4-623-12-066-R	06/22/12	Audit of USAID Resources Managed by Common Market for Eastern and Southern Africa (COMESA) Under Strategic Objective Grant Agreement No. 62300010.02-60100-10, Limited Scope Grant Agreement Nos. 623-1005.01-3-50079 and 623-LSGA0010.02-3-60078, Integrated Partnership Assistance Agreement 623-AA-09-001-00-EA and Closeout Audit of Strategic Objective Grant Agreement No. 6231005.01-3-30001 for the Year Ended December 31, 2010	1,481 1,475	QC UN
4-617-12-067-R	06/25/12	Audit of USAID Resources Managed by Hospice Africa Uganda Under Cooperative Agreement No. 617-A-00-05-00010-00 for the Year Ended March 31, 2011	3 2	QC UN
4-612-12-068-R	06/26/12	Audit of USAID Resources Managed by Partners in Hope Under Cooperative Agreement No. 674-A-00-10-00035-00 for the Period March 1, 2010, to March 31, 2011		
4-621-12-069-R	07/09/12	Audit of USAID Resources Managed by Research and Education for Democracy in Tanzania (REDET) Under Cooperative Agreement No. 621-A-00-09-00010-00 for the Period September 14, 2009, to June 30 2011		
4-623-12-070-R	07/10/12	Closeout Audit of USAID Resources Managed by Mildmay International Kenya Under Cooperative Agreement No. 623-A-00-07-00014-00 for the Period April 1, 2010, to June 30, 2011 and the Audit of USAID Resources Managed by Mildmay International Tanzania Under Cooperative Agreement No. 621-A-00-07-00008-00 for the Period April 1, 2010, to July 31, 2011, and the Audit of USAID Resources Managed by Mildmay International Rwanda Under Subagreement No. 2007-11 for the Period November 1, 2007, to March 31, 2011	85 80	QC UN

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
4-674-12-071-R	07/10/12	Audit of USAID Resources Managed by Link Community Development Under Cooperative Agreement No. 674-A-00-09-000137-00 for the Year Ended October 31, 2011	101 97	QC UN
4-936-12-072-R	07/10/12	Closeout Audit of USAID Resources Managed by Botswana Retired Nurses Society (BORNUS) Under Cooperative Agreement No. GHO-A-00-09-00013-00 for the Period April 1, 2011, to January 31, 2012	147 147	QC UN
4-615-12-073-R	07/16/12	Audit of USAID Resources Managed by the Kenya Community Development Foundation Under Cooperative Agreement No. AID-623-A-11-00013 for the Period From February 7, 2011, to September 30, 2011	3	QC
4-621-12-074-R	07/16/12	Audit of USAID Resources Managed by the Ministry of Health and Social Welfare-Kigoma Zonal Training Centre Under Strategic Objective Grant Agreement No. 621-0011.01, Implementation Letter No. 30 and No. 35 for the Year Ended June 30, 2011	2 2	QC UN
4-936-12-075-R	07/19/12	Closeout Audit of USAID Resources Managed by Youth Health Organisation under Cooperative Agreement No. NPI-GHH-A-00-07-00011-00 for the 17 Months Ended August 31, 2010	67 5	QC UN
4-674-12-076-R	07/19/12	Audit of USAID Resources Managed by Wits Health Consortium Under Cooperative Agreement No. 674-A-00-08-00005-00 for the Year Ended September 30, 2011	272 22	QC UN
4-621-12-077-R	07/25/12	Audit of USAID Resources Managed by Deloitte Consulting Limited-TUNAJALI Program under HIV/AIDS Care, Treatment and Rapid Funding Envelope Contract No. 621-C-007-00002-00, and the Community Care for PLWA and OVC Cooperative Agreement No. 621-A-00-07-00023-00 for the Year Ended December 31, 2009, and PEPFAR mission Support Services Indefinite Quantity Contract (MSS IQC-II) Contract No. 621-I-00-08-00003-00 for the 26 Months Ended December 31, 2009	40	QC

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
4-621-12-078-R	07/25/12	Audit of USAID Resources Managed by Deloitte Consulting Limited-TUNAJALI Program under HIV/AIDS Care and Treatment and Rapid Funding Envelope Contract No. 621-C-007-00002-00, Community Care for PLWHA and OVC Cooperative Agreement No. 621-A-00-07-00023-00 and PEPFAR Mission Support Services Indefinite Quantity Contract (MSS IQC-II) Contract No. 621-I-00-08-00003-00 for the Year Ended December 31, 2010	6	QC
4-663-12-079-R	07/25/12	Audit of USAID Resources Managed by Justice for All-Prison Fellowship Ethiopia Under Cooperative Agreement No. 663-A-00-07-00416-00 for the Year Ended December 31, 2010		
4-663-12-080-R	07/25/12	Audit of USAID Resources Managed by Justice for All-Prison Fellowship Ethiopia Under Cooperative Agreement No. 663-A-00-07-00416-00 for the Year Ended December 31, 2011		
4-621-12-081-R	07/26/12	Audit of USAID Resources Managed by the Ministry of Health-Social Welfare-Centre for Educational Development in Health Arusha (CEDHA) Under Strategic Objective Grant Agreement No. 621-0011.01, Implementation Letters No. 20, 26 and 29 for the Year Ended June 30, 2010		
4-621-12-082-R	07/26/12	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. 621-0011.01, Implementation Letter No. 29 and No. 34 for the Year Ended June 30, 2011		
4-621-12-083-R	07/26/12	Audit of USAID Resources Managed by the Ministry of Health and Social Welfare-Primary Health Care Institute in Iringa Under Strategic Objective Grant Agreement No. 621-0011.01, Implementation Letter Nos. 28 and 33, for the Year Ended June 30, 2011		
4-612-12-084-R	07/26/12	Audit of USAID Resources Managed by Total Land Care-Spice Promotion in Commercial Enterprise Project (SPICE) and Kulera Biodiversity Project Under Cooperative Agreement Nos. 674-A-00-09-00051-00 and 674-A-00-09-00140-00 for the Year Ended September 30, 2011		

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
4-621-12-085-R	07/27/12	Audit of USAID Resources Managed by Tanzania Community Civic Initiative Under Cooperative Agreement No. 621-A-00-10-00017-00 for the Period From February 2, 2010, to August 31, 2011		
4-663-12-086-R	08/06/12	Closeout Audit of USAID Resources Managed by Organization for Social Services for AIDS (OSSA) USAID Support for Care Services for HIV Infected and Affected Orphans and Vulnerable Children Under Agreement No. 663-A-00-08-00423-00 for the Period September 10, 2008, to November 9, 2011	91	QC UN
4-674-12-087-R	08/06/12	Audit of USAID Resources Managed by ANOVA Health Institute Under Cooperative Agreement No. 674-00-08-00009-00 and Johns Hopkins Health and Education in South Africa Subaward No. JHHESA-01-09 for the Year Ended September 30, 2011		
4-936-12-088-R	08/08/12	Audit of USAID Resources Managed by Aga Khan Foundation Mozambique Under Cooperative Agreement No. GHN-A-00-09-00009-00 Malaria Communities Program for the 15-Month Period From October 1, 2009, to December 31, 2010		
4-612-12-089-R	08/20/12	Audit of USAID Resources Managed by Dignitas International Under Grant Agreement No. 674-A-00-10-00034-00 for the Period From May 1, 2010, to December 31, 2010		
4-673-12-090-R	08/22/12	Audit of USAID Resources Managed by Nawalife Trust Under Cooperative Agreement No. 690-A-00-07-00103-00 for the Year Ended February 28, 2011	2	QC
4-673-12-091-R	08/23/12	Closeout Audit of USAID Resources Managed by Nawalife Trust Under Cooperative Agreement No. 690-A-00-07-00103-00 for the 10 Months Ended December 31, 2011	150	QC UN
4-611-12-092-R	08/27/12	Audit of USAID Resources Managed by Comprehensive HIV-AIDS Management Programme (CHAMP) Under Cooperative Agreement No. 611-A-00-08-00009-00 and Other Agreements for the 24 Months Ended September 30, 2011	535 461	QC UN
4-615-12-093-R	08/28/12	Audit of USAID Resources Managed by Children of God Relief Institute (COGRI) for Lea Toto Program Under Cooperative Agreement No. AID-623-A-09-00008 and for Nyumbani Village Under Program Cooperative Agreement No. AID-623-A-00-09-00027 for the Year Ended December 31, 2011	5	QC

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
4-617-12-094-R	09/07/12	Audit of USAID Resources Managed by AVSI Uganda Under Cooperative Agreement No. AID-617-A-11-00001 and JSI Research and Training Institute Subagreement No. 016 and International HIV/AIDS Alliance Subagreement TS01 for the Year Ended December 31, 2011		
4-674-12-095-R	09/17/12	Audit of USAID Resources Managed by Foundation for Professional Development Under Cooperative Agreement No. 674-A-00-08-0006-00 for the Year Ended December 31, 2011	2	QC
4-969-12-096-R	09/18/12	Audit of USAID Resources Managed by ADPP Mozambique Under Cooperative Agreement No. GHH-A-00-07-00038-00, Subagreement No. 00022-01, and Subagreement No. 5544-06-MOZ7 for the Year Ended December 31, 2007	79 79	QC UN
4-673-12-097-R	09/18/12	Audit of USAID Resources Managed by The Society for Family Health Trust Under Cooperative Agreement No. 674-A-00-11-00017-00. Strengthening HIV Prevention for Most at Risk Population in Namibia. for the Year Ended December 31, 2011	18 18	QC UN
4-615-12-098-R	09/19/12	Audit of USAID Resources Managed by Laikipia Wildlife Forum Under Cooperative Agreement No. AID-623-09-00002 for the Year Ended December 31, 2011	35 10	QC UN
4-673-12-099-R	09/19/12	Closeout Audit of USAID Resources Managed by Namibia Nature Foundation Under Cooperative Agreement No. 690-A-00-02-00209-00 for the Period March 1, 2005, to December 31, 2008	876 874	QC UN
4-615-12-100-R	09/26/12	Audit of USAID Resources Managed by Lewa Wildlife Conservancy Through the Northern Rangelands Trust (NRT) for the NRT Support Program Under Cooperative Agreement No. 623-A-00-09-00011-00 for the Year Ended December 31, 2011	2	QC
5-367-12-005-N	07/06/12	Financial Audit of USAID Resources Managed by the Department of Education – Ministry of Education, Government of Nepal, Under USAID Strategic Objective Grant Agreement Project No. 367-009, Implementation Letter No. 16 for the Period from July 16, 2010, to July 15, 2011	19 14	QC UN

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
5-386-12-018-R	04/30/12	Financial Audit of Health of the Urban Poor Program, USAID/India Cooperative Agreement No. 386-A-00-09-00305, Managed by Population Foundation of India (PFI), for the Period From October 1, 2009, to March 31, 2011		
5-386-12-019-R	04/30/12	Financial Audit of the Innovations in Family Planning Services – Uttar Pradesh, Project No. 386-0527, Managed by State Innovations in Family Planning Services Agency (SIFPSA), for the Period From April 1, 2010, to March 31, 2011		
5-386-12-020-R	05/24/12	Audit of Subaward Costs of Bangalore Electricity Supply Company Limited (BESCOM) Reimbursed by USAID Under Its Prime Award to Power Finance Corporation (PFC) to Implement Demonstration Equipment of the Distribution Reform, Upgrades and Management (DRUM) Component of the Project Titled "Energy Conservation and Commercialization" (ECO), USAID/India Project No. 3860542, for the Period From April 1, 2010, to March 31, 2011		
5-497-12-021-R	05/29/12	Financial Audit of the Statement of Costs Incurred and Billed to USAID/Indonesia by Swisscontact to Implement The Aceh Polytechnic Program (TAPP), USAID/Indonesia Contract No. 497-C-00-08-00001-00, for the Period From January 1, 2011, to December 31, 2011		
5-386-12-022-R	06/06/12	Financial Audit of the AVERT Project, USAID/India Project No. 386-0544, Managed by the Avert Society, for the Period From April 1, 2010, to March 31, 2011	153 125	QC UN
5-386-12-023-R	06/22/12	Financial Audit of the Innovations in Family Planning Services III Uttarakhand, Project No. 386-0527, Managed by Uttarakhand Health & Family Welfare Society (UKHFWS), for the Period From April 1, 2010, to March 31, 2011		
5-367-12-024-R	07/25/12	Financial Audit of Ghar Ghar Ma Swasthya (GGMS) Program, USAID/Nepal Cooperative Agreement No. AID-367-A-10-00002, Managed by Nepal CRS Company Pvt Ltd (CRS), for the Period From May 1, 2010, to July 31, 2011		

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
5-486-12-025-R	08/31/12	Closeout Audit of the Association of South East Asian Nations Wildlife Enforcement Network (ASEAN-WEN): Phase II of the Support Program, USAID/RDMA Cooperative Agreement No. 486-A-00-08-00045-00, Managed by Freeland Foundation, for the Period from January 1, 2010, to December 31, 2010	45 9	QC UN
5-116-12-026-R	09/24/12	Financial Audit of USAID Funds Managed by the Eurasia Foundation of Central Asia-Kyrgyzstan for the Period from January 1, 2011, to December 31, 2011		
5-493-12-027-R	09/27/12	Financial Audit of the Program for Enhancement of Emergency Response (PEER3), Agreement No. DFD-A-00-09-00026-00, Managed by the Asian Disaster Preparedness Center (ADPC), for the Period from January 1, 2011, to December 31, 2011		
6-294-12-002-O	07/26/12	Close-out Examination of Al Mosleh for General Contractings Compliance With Terms and Conditions of Sub-Firm Fixed Price Contract Numbers PACE-FPC-08-2009, PACE-FPC-25-2009, and PACE-FPC-18-2010, Under Chemonics International Inc. Task Order Number DFD-I-06-05-00219-00, Palestinian Authority Capacity Enhancement Project, for the Period From June 26, 2009, to July 30, 2010		
6-263-12-002-R	05/07/12	Close-out Financial Audit of USAID Resources Managed and Expenditures Incurred by Hand In Hand for Egypt, Under Effective Political Participation of Historically Disadvantaged Groups Project, Cooperative Agreement Number 263-A-00-09-00041-00, for the Period From February 1, 2010, to May 31, 2011		
6-294-12-003-O	08/21/12	Close-out Examination of Al Widad Contracting and General Trading Company's Compliance With Terms and Conditions of Sub-Fixed Unit Price Contract Number EO2-SA-CW-048, Under Prime ANERA, Cooperative Agreement Number 294-A-00-08-00219-00, Emergency Water and Sanitation Program II, for the Period From August 25, 2010, to August 1, 2011		
6-263-12-003-R	05/07/12	Financial Audit of USAID Resources Managed and Expenditures Incurred by the Arab Program for Human Rights Activists, Under Support of Decentralization and Quality of Education Project, Grant Agreement Number 263-G-00-09-00005-00, for the Period From January 25, 2009, to January 31, 2011		

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
6-294-12-004-O	08/21/12	Close-out Examination of Al Eswed Company for Contracting's Compliance With Terms and Conditions of Sub-Fixed Unit Price Contract Number EOI-Y-CW-027, Under Prime ANERA, Cooperative Agreement Number 294-A-00-08-00219-00, Emergency Water and Sanitation Program II, for the Period From November 2, 2009, to August 23, 2010		
6-294-12-004-R	06/21/12	Close-out Audit of USAID Resources Managed by Massar Consulting and Technical Services Private Ltd. Under Subcontract Number TFP WBG 001 With Chemonics International, Under Task Order Number 294-EEM-I-04-07-00008-01, Trade Facilitation Project, for the Period From October 1, 2009, to August 6, 2011		
6-294-12-005-O	08/21/12	Close-out Examination of Abaad Joint Venture's Compliance With Terms and Conditions of Sub-Fixed Unit Price Contract Number EOI-H-CW-030, Under Prime ANERA, Cooperative Agreement Number 294-A-00-08-00219-00, Emergency Water and Sanitation Program II, for the Period From April 21, 2010, to August 1, 2011		
6-263-12-005-R	06/27/12	Close-out Financial Audit of Results Package Grant Agreement for Partnership for Competitiveness, Grant Agreement Number 263-0266, Implementation Letter Number 3, Experts for the Central Bank of Egypt Project, for the Period January 1, 2006, Through July 31, 2008	63 59	QC UN
6-294-12-006-O	08/22/12	Close-out Examination of Al-Remah General Contracting Company's Compliance With Terms and Conditions of Sub-Fixed Unit Price Contracts Number EOI-Y-CW-031 and EO2-SA-SW-046, Under Prime ANERA, Cooperative Agreement Number 294-A-00-08-00219-00, Emergency Water and Sanitation Program II, for the Period From November 19, 2009, to December 12, 2010		
6-263-12-006-R	06/27/12	Financial Audit of the Fund Accountability Statement of USAID/Egypt Resources Managed and Expenditures Incurred by El Mashreq Association for Development and Population, Transparency in Election & Governance Project, Grant Number 263-G-00-10-00056-00, for the Period From September 26, 2010, to November 30, 2011	29 12	QC UN

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
6-294-12-007-O	08/22/12	Close-out Examination of Al-Tayseer for Contracting & Trading's Compliance With Terms and Conditions of Sub-Fixed Unit Price Contract Number EO2-SA-CW-069, Under Prime ANERA, Cooperative Agreement Number 294-A-00-08-00219-00, Emergency Water and Sanitation Program II, for the Period From June 10, 2010, to November 10, 2010		
6-294-12-008-O	08/23/12	Close-out Examination of Tbaileh Company for Engineering and Contracting's Compliance With Terms and Conditions of Sub-Fixed Unit Price Contract Number EO2-H-NW-045, Under Prime ANERA, Cooperative Agreement Number 294-A-00-08-00219-00, Emergency Water and Sanitation Program II, for the Period From February 25, 2010, to May 30, 2011		
6-294-12-009-O	08/23/12	Close-out Examination of Diyar Consulting Company's Compliance With Terms and Conditions of Sub-Fixed Unit Price Contracts Number TO2-WSO-CW-520, TO2-Y-CW-521, TO2-H-CW-532, and TO2-H-CW-529, Under Prime ANERA, Cooperative Agreement Number 294-A-00-08-00219-00, Emergency Water and Sanitation Program II, for the Period From October 8, 2009, to August 1, 2011		
6-294-12-010-O	09/06/12	Close-out Examination of Al Emad Contracting and Investing Company's Compliance With Terms and Conditions of Sub-Fixed Unit Price Contract Number EO1-WSO-SW-020, Under Prime ANERA, Cooperative Agreement Number 294-A-00-08-00219-00, Emergency Water and Sanitation Program II, for the Period From September 7, 2009, to March 7, 2010		
6-294-12-011-O	09/06/12	Close-out Examination of Al Moheet, Ocean Infrastructure and Investment Company's Compliance With Terms and Conditions of Sub-Fixed Unit Price Contract Number EO1-WSO-SW-011, Under Prime ANERA, Cooperative Agreement Number 294-A-00-08-00219-00, Emergency Water and Sanitation Program II, for the Period From April 1, 2010, to January 1, 2011		
6-294-12-012-O	09/06/12	Close-out Examination of Al Awaysa General Contracting Company's Compliance With Terms and Conditions of Sub-Fixed Unit Price Contract Number EO2-AR-SW-050, Under Prime ANERA, Cooperative Agreement Number 294-A-00-08-00219-00, Emergency Water and Sanitation Program II, for the Period From May 5, 2010, to October 30, 2010		

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
6-294-12-013-O	09/06/12	Close-out Examination of Ali Abu Safieh and Partners for General Contracting Compliance With Terms and Conditions of Sub-Fixed Unit Price Contract Number EO1-WSO-SW-017, Under Prime ANERA, Cooperative Agreement Number 294-A-00-08-00219-00, Emergency Water and Sanitation Program II, for the Period From March 21, 2010, to December 30, 2010		
6-294-12-014-O	09/06/12	Close-out Examination of Al Petra for Excavation's Compliance With Terms and Conditions of Sub-Fixed Unit Price Contract Number EO1-WSO-SW-019, Under Prime ANERA, Cooperative Agreement Number 294-A-00-08-00219-00, Emergency Water and Sanitation Program II, for the Period From September 27, 2009, to February 17, 2011		
6-294-12-015-O	09/06/12	Close-out Examination of General Construction and Trade Company's Compliance With Terms and Conditions of Sub-Fixed Unit Price Contract Number EO2-SA-SW-052, Under Prime ANERA, Cooperative Agreement Number 294-A-00-08-00219-00, Emergency Water and Sanitation Program II, for the Period From June 15, 2010, to January 15, 2011		
6-294-12-016-O	09/06/12	Close-out Examination of General Excavation Company's Compliance With Terms and Conditions of Sub-Fixed Unit Price Contracts Numbers EO1-WSO-NW-035, and EO1-WSO-CW-033, Under Prime ANERA, Cooperative Agreement Number 294-A-00-08-00219-00, Emergency Water and Sanitation Program II, for the Period From October 11, 2009, to March 20, 2011		
6-294-12-017-O	09/16/12	Close-out Examination of Khalil Contracting Establishment's Compliance With Terms and Conditions of Sub-Fixed Unit Price Contract Number EO2-SA-CW-070 Under Prime ANERA, Cooperative Agreement Number 294-A-00-08-00219-00, Emergency Water and Sanitation Program II, for the Period From September 29, 2010, to August 1, 2011		
6-294-12-018-O	09/16/12	Close-out Examination of Hinnawi Contracting Company's Compliance With Terms and Conditions of Sub-Fixed Unit Price Contract Number EO2-WSO-NW-043 Under Prime ANERA, Cooperative Agreement Number 294-A-00-08-00219-00, Emergency Water and Sanitation Program II, for the Period From February 22, 2010, to January 5, 2011		

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
6-294-12-019-O	09/16/12	Close-out Examination of Al-Saleh for Building and Construction Company's Compliance With Terms and Conditions of Sub-Fixed Unit Price Contracts Number EO2-SA-NW-056 and EO2-H-CW-060 Under Prime ANERA, Cooperative Agreement Number 294-A-00-08-00219-00, Emergency Water and Sanitation Program II, for the Period From May 11, 2010, to April 15, 2011		
6-294-12-020-O	09/16/12	Close-out Examination of Al-Murjan Contracting Company's Compliance With Terms and Conditions of Sub-Fixed Unit Price Contracts Number EO1-WSO-CW-036 and EO2-AR-CW-066 Under Prime ANERA, Cooperative Agreement Number 294-A-00-08-00219-00, Emergency Water and Sanitation Program II, for the Period From December 9, 2009, to September 30, 2010		
6-294-12-021-O	09/16/12	Close-out Examination of Musa Abu Hatab for General Contracting and Trading's Compliance With Terms and Conditions of Sub-Fixed Unit Price Contracts Number EO2-WSO-NW-044 and EO1-WSO-CW-010 Under Prime ANERA, Cooperative Agreement Number 294-A-00-08-00219-00, Emergency Water and Sanitation Program II, for the Period From March 15, 2010, to July 31, 2011		
6-294-12-022-O	09/23/12	Close-out Examination of Madar Consulting Engineers Compliance With Terms and Conditions of Sub-Fixed Price Contract Under APCO/ArCon, Contract Number 294-I-00-08-00221-00, Infrastructure Needs Program, for the Period From September 1, 2008, to November 14, 2009		
6-294-12-023-O	09/27/12	Close-out Examination of Apcoarcan for Investment and Contracting's Compliance with Terms and Conditions of Sub-Fixed Unit Price Contract Number TO-22-AIC, Under Prime APCO/ArCon. Indefinite Quantity Contract Number 294-I-00-08-00221-00 Task Order Number 22 "Infrastructure Needs Program I", for the Period From May 1, 2010, to September 25, 2010		
6-294-12-025-O	09/26/12	Close-out Examination of Awad Contracting Co.'s Compliance With Terms and Conditions of Sub-Fixed Unit Price Contract Number 2009-Road-TO-41, Under Prime International Relief & Development, IQC Number 294-I-00-08-00217-00, Task Order Number 41, Infrastructure Needs Program, for the Period From March 14, 2010, to September 15, 2010		

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
6-294-12-026-N	04/24/12	Close-out Examination of Al-Sadek Company for Contracting Compliance With Terms and Conditions of Sub-Fixed Price Contract, Under Prime APCO/ArCon, Task Order Number 22, Under Indefinite Quantity Contract Number 294-I-00-08-00221-00, Infrastructure Needs Program, for the Period From January 5, 2010, to September 5, 2010		
6-294-12-026-O	09/30/12	Examination of Site Group for Services and Well Drilling Ltd. Co.'s Compliance With Terms and Conditions of Sub-Fixed Unit Price Contract Number 2009-Water-TO-43, Under Prime International Relief & Development, Task Order Number 43, Under Indefinite Quantity Contract Number 294-I-00-08-00217-00, Infrastructure Needs Program, for the Period From December 5, 2010, to September 25, 2011		
6-294-12-027-N	04/24/12	Close-out Examination of Al-Fakher for General Contracting Compliance With Terms and Conditions of Sub-Fixed Price Contract, Under Prime APCO/ArCon, Task Order Number 25, Under Indefinite Quantity Contract Number 294-I-00-08-00221-00, Infrastructure Needs Program, for the Period From December 5, 2009, to December 13, 2010		
6-294-12-028-N	04/24/12	Close-out Examination of Al-Qaisy Contracting Compliance With Terms and Conditions of Sub-Fixed Price Contract, Under Prime APCO/ArCon, Task Order Number 17, Under Indefinite Quantity Contract Number 294-I-00-08-00221-00, Infrastructure Needs Program, for the Period From October 28, 2009, to December 5, 2010		

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
6-294-12-028-O	09/30/12	Close-out Examination of Tarifi Contracting & Reconstruction Co.'s Compliance With Terms and Conditions of Sub-Fixed Unit Price Contract Number 2009-Road-TO-38, Under Prime International Relief & Development, Indefinite Quantity Contract Number 294-I-00-08-00217-00, Task Order Number 38, Infrastructure Needs Program, for the Period From August 19, 2010, to July 10, 2011		
6-294-12-029-N	04/24/12	Close-out Examination of Kanater for Contracting Co. Compliance With Terms and Conditions of Sub-Fixed Price Contract, Under Prime APCO/ArCon, Task Order Number 8, Under Indefinite Quantity Contract Number 294-I-00-08-00221-00, Infrastructure Needs Program, for the Period From October 16, 2008, to August 27, 2010		
6-294-12-029-O	09/30/12	Close-out Examination of United Newland for Investments Ltd.'s Compliance With Terms and Conditions of Sub-Fixed Unit Price Contract Number 2009-Road-TO-37, Under Prime International Relief & Development, Indefinite Quantity Contract Number 294-I-00-08-00217-00, Task Order Number 37, Infrastructure Needs Program, for the Period From July 10, 2010, to April 14, 2011		
6-294-12-030-N	04/24/12	Close-out Examination of Al-Harith Company for Investment & Construction Compliance With Terms and Conditions of Sub-Fixed Price Contract, Under Prime APCO/ArCon, Task Order Number 36, Under Indefinite Quantity Contract Number 294-I-00-08-00221-00, Infrastructure Needs Program, for the Period From November 17, 2009, to September 1, 2010		

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
6-294-12-031-N	04/24/12	Close-out Examination of Al-Nammoura Modern Investment General Contracting Compliance With Terms and Conditions of Sub-Fixed Price Contract, Under Prime APCO/ArCon, Task Order Number 35, Under Indefinite Quantity Contract Number 294-I-00-08-00221-00, Infrastructure Needs Program, for the Period From November 4, 2009, to May 8, 2010		
6-294-12-032-N	04/24/12	Close-out Examination of Arab Brothers for Precast Industrials & Contracting Compliance With Terms and Conditions of Sub-Fixed Price Contract, Under Prime APCO/ArCon, Task Order Numbers 26 & 30, Under Indefinite Quantity Contract Number 294-I-00-08-00221-00, Infrastructure Needs Program, for the Period From November 23, 2009, to April 1, 2011		
6-263-12-033-N	04/24/12	Close-out Financial Audit of Enhancing Citizenship Participation in Democracy Project, Implemented by Coptic Evangelical Organization for Social Services Under USAID Agreement Number 263-G-00-05-00060-00, for the Period From January 1, 2007, to December 31, 2008	4 4	QC UN

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
6-294-12-034-N	04/26/12	Close-out Audit of USAID Resources Managed by Al-Mustakbal Foundation for Strategic and Policy Studies, and Economic Cooperation Foundation, Under Grant Number 001-2-AMF-ECF, Middle East Bridges-Private Sector Initiative Solution-Oriented Macro-Assessment Program, Under USAID Task Order Number AFP-I-01-03-00020-00, With CARANA Corporation, for the Period From January 11, 2006, to August 31, 2007	225	QC
6-263-12-035-N	05/02/12	Close-out Financial Audit of USAID Resources Managed and Expenditures Incurred by Center for Development Services, Under Young Women's Leadership Program, Grant Agreement Number 263-G-00-07-00097-00, for the Period From September 27, 2007, to September 30, 2009		
6-294-12-046-N	09/23/12	Audit of Locally Incurred Costs by Agency for Technical Cooperation and Development, Sub-Grant Numbers ARDWBG 365, ARDWBG 387, and ARDWBG 450, Under Prime Associates In Rural Development, Main Contract Number DFD-I-04-05-00218-00, the Civic Engagement Program II, for the Period From July 27, 2009, to July 16, 2010		
6-294-12-048-N	09/26/12	Audit of the Cost Representation Statement of USAID Resources Managed by Center for Engineering and Planning, Subcontract Number 24024-08-SA-001, Under Prime Cooperative Housing Foundation, Cooperative Agreement Number 294-A-00-07-00213-00, the Emergency Jobs Program, for the Period From October 1, 2007, to June 30, 2009		
6-294-12-049-N	09/27/12	Close-out Audit of the Fund Accountability Statement of USAID Resources Managed by Sinokrot Food Company, Subgrant Number 005 HASAD, Under CARANA, Task Order Number AFP-I-01-03-00020-00, Jordan Valley Agriculture Development Program, for the Period from July 9, 2007, to February 29, 2008	78	QC
6-294-12-050-N	09/30/12	Audit of the Fund Accountability Statement of USAID Resources Managed by Al-Khaizaran Agribusiness Co., Tubas Herb Farm, Subaward Cooperation Agreement Number 171, Under CARANA Task Order Number AFP-I-01-03-00020-00, for the Period From September 27, 2005, to September 26, 2007		

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
6-294-12-051-N	09/30/12	Close-out Audit of the Fund Accountability Statement of USAID Resources Managed by Al-Khaizaran Agribusiness Co., Tubas Herb Farm, Subaward Cooperation Agreement Number 171, Under CARANA Task Order Number AFP-I-01-03-00020-00, for the Period From September 27, 2007, to June 15, 2008	200 128	QC UN
7-624-12-012-R	04/18/12	Consolidated Audit of USAID, Other Donors, Member States, and Internally Generated Resources Managed by the Permanent Interstate Committee for Drought Control in the Sahel for the Period January 1, 2010, to December 31, 2010	97 97	QC UN
7-620-12-013-R	05/18/12	Recipient-Contracted Audit of USAID Resources Managed by the Catholic Secretariat of Nigeria under the Scale-Up of the Catholic Community Based Outreach in Response to HIV/AIDS Program (CA No. 620-A-00-07-00217-00) for the Period From November 1, 2009, to October 31, 2010	16	QC
7-624-12-014-R	05/18/12	Recipient-Contracted Audit of USAID Resources Managed by the West and Central African Council for African Research and Development (CA No. 624-A-00-07-00046) for the Period From January 1, 2010, to December 31, 2010		
7-685-12-015-R	08/24/12	Recipient-Contracted Audit of USAID Resources Managed by the Coalition Forum Civil/ENDA GRAF (CA No. 685-A-00-09-00005) under the Partnership for Civil Society Improving Governance Program for the Period From June 26, 2009, to December 31, 2010		
7-620-12-016-R	09/25/12	Recipient-Contracted Audit of USAID Resources Managed by the Women Farmers Advancement Network (WOFAN) Under the Access to Safe Drinking Water, Sanitation and Hygiene Project (WASH) (CA No. 620-A-00-09-00017-00) for the Period January 1, 2011 to December 31, 2011		
G-391-12-001-O	07/31/12	Report on Agreed-Upon Forensic Procedures Performed on Procurement Costs Incurred by Rafi Peer Theatre Workshop to Implement Pakistan Children Television Project, USAID/Pakistan Agreement No. 391-A-00-10-01161-00, for the Period from May 07, 2010, to May 31, 2012	2,030 2,030	QC UN
G-391-12-008-R	04/03/12	Financial Audit of the USAID Resources Managed by National Rural Support Programme, for the Period From July 1, 2010, to June 30, 2011	40	QC

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
G-391-12-009-R	04/17/12	Financial Audit of the Project Titled "Monitoring and Evaluation Project," USAID/Pakistan Contract No. 391-C-00-10-01138-00, and Program Titled "Assessment and Strengthening Program," USAID/Pakistan Cooperative Agreement No. 391-C-00-10-01203-00, Managed by Associates in Development (Private) Limited, for the Period From January 1, 2010, to June 30, 2011	317 26	QC UN
G-391-12-010-R	04/19/12	Financial Audit of the Program Titled "Pakistan Children Television," USAID/Pakistan Agreement No. 391-A-00-10-01161-00, Managed by Rafi Peer Theatre Workshop, for the Period From May 7, 2010, to June 30, 2011	733 706	QC UN
G-391-12-011-R	04/24/12	Financial Audit of Projects Managed by Lahore University of Management Sciences: Foreign Recipient Contracted Assessment and Strengthening Program Under Cooperative Agreement # 391-A-00-11-01202-00, and Sub Recipient Contracted Merit and Needs Based Scholarship Program Under Grant Agreement # 391-G-00-04-01023-00, for the Year Ended June 30, 2011		
G-391-12-013-R	06/12/12	Financial Audit of the Program Titled: "Gender Equity Program," USAID/Pakistan Agreement No. 391-A-00-10-01162-00, Managed by Aurat Publication and Information Service Foundation, for the Period From August 15, 2010, to June 30, 2011		
G-391-12-014-R	07/10/12	Close-out Financial Audit of the USAID Resources Managed by Pakistan Poverty Alleviation Fund, for the Period from August 12, 2010, to June 30, 2011		
G-391-12-015-R	07/12/12	Financial Audit of the USAID Resources Managed by Khushhali Bank Limited, for the Year Ended December 31, 2011		
G-391-12-017-R	09/13/12	Close-out Financial Audit of the Programs Titled "Aga Khan University's (AKU) Flood Response Program," USAID/Pakistan Agreement No. 391-G-00-10-01188-00, and "National Nutrition Survey Supplement," USAID/Pakistan Grant No. 391-G-11-00001-00, for the Period From January 1, 2011, to February 29, 2012; Managed by The Aga Khan University		

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
G-391-12-019-R	09/26/12	Financial Audit of the Program Titled: "Emergency Relief and Early Recovery for Flood Affectees Across Pakistan," USAID/Pakistan Agreement no. 391-A-00-11-01204-00, Managed by Rural Support Programmes Network, for the Period From October 15, 2010, to June 30, 2011	3	QC
<i>Local Currency Trust Fund</i>				
5-492-12-006-N	08/22/12	Financial Audit of USAID/Philippines' Peso Trust Fund for Operating Expenses, for the Period from January 1, 2011, to December 31, 2011	0	
<i>U.S.-Based Contractors</i>				
0-000-12-013-D	05/03/12	Parsons Infrastructure & Technology Group, Inc. Report on Final Incurred Costs Fiscal Year (FY) 2005		
0-000-12-014-D	05/14/12	Bechtel Group, Inc. and Bechtel Systems and Infrastructure, Inc. Report on Incurred Costs for the Period January 1, 2005, through December 31, 2005		
0-000-12-015-D	06/05/12	Planning & Development Collaborative Int'l, Inc. Report on Incurred Costs for January 1, 2004, through September 30, 2004	126 116	QC UN
0-000-12-016-D	06/12/12	Frontier Finance International, Inc. Supplemental Report on Audit of Incurred Costs for Fiscal Years (FY) 2001 and 2002	1,136 1,136	QC UN
0-000-12-017-D	07/12/12	Black and Veatch Corporation Report on Incurred Costs for Fiscal Year (FY) 2007	302	QC
0-000-12-018-D	07/27/12	Desk Review of Camp Dresser & McKee, Inc. Corporate Incurred Costs for Fiscal Year 2005		
0-000-12-019-D	08/02/12	Nathan Associates, Inc. Report on Incurred Costs for Fiscal Year (FY) 2005		
0-000-12-020-D	08/14/12	Booz Allen Hamilton Worldwide Technology Business (BAH) Report on Incurred Cost for Contractor Fiscal Year (FY) Ending March 31, 2005	593	QC
0-000-12-021-D	09/20/12	Black & Veatch Special Project Corporation Report on Incurred Cost for Fiscal Year (FY) December 31, 2007	426	QC
0-000-12-022-D	09/21/12	Black & Veatch Special Project Corporation Report on Incurred Costs for Fiscal Year (FY) Ended December 31, 2006		
0-000-12-023-D	09/25/12	John Snow, Inc. (JSI) Report on Control Environment and Overall Accounting System		

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
6-294-12-001-O	07/22/12	Close-out Examination of International Relief and Development Compliance With Terms and Conditions of USAID Contract Number 294-I-00-08-00217-00, Task Order Numbers 3, 4, 6, 7, and 10, Infrastructure Needs Program, for the Period From August 20, 2008, to September 16, 2009		
6-294-12-007-R	09/20/12	Audit of Locally Incurred Costs of USAID Resources Managed by Chemonics International Under Contract Number 294-EEM-I-04-07-00008-01, Trade Facilitation Project, for the Period from July 1, 2010, to September 30, 2011		
6-294-12-023-N	04/24/12	Audit of Locally Incurred Costs of the Cost Representation Statement of ShoreBank International, a Sub-Contractor Under Prime Academy for Educational Development, Sub-Contract Number 3569-010, Under Cooperative Agreement Number 294-A-00-08-00222-00, Expanded and Sustained Access to Financial Services, for the Period From October 1, 2008, to September 30, 2009		
6-294-12-024-O	09/26/12	Close-out Examination of International Relief and Development's Compliance With Terms and Conditions of Task Orders Number 37, and 50, and Examination of Task Order Number 43, Issued Under USAID Indefinite Quantity Contract Number 294-I-00-08-00217-00, Infrastructure Needs Program, for the Period From August 12, 2009, to September 25, 2011		
6-294-12-027-O	09/30/12	Close-out Examination of CDM Constructors Inc.'s Compliance With Terms and Conditions of Sub-Fixed Unit Price Contract Under Prime International Relief & Development, Task Order Number 44, Under Indefinite Quantity Contract Number 294-I-00-08-00217-00, Infrastructure Needs Program, for the Period From October 28, 2009, to September 23, 2010		
6-294-12-030-O	09/30/12	Close-out Examination of International Relief and Development's Compliance With Terms and Conditions of Task Orders Number 11,12,13,14,15, 18,20,32,34,42 and 44 Under Indefinite Quantity Contract Number 294-I-00-08-00217-00, Infrastructure Needs Program, for the Period From July 1, 2009, to December 30, 2010		

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
6-294-12-037-N	06/17/12	Audit of the Cost Representation Statement of USAID Resources Managed by Louis Berger Group, Inc. Under Contract Number 294-C-00-05-00233-00, for the Period From September 27, 2005, to March 15, 2006	173 173	QC UN
6-294-12-040-N	06/14/12	Close-out Audit of the Cost Representation Statement of Locally Incurred Costs Under Award Number DFD-I-00-04-00129-00, Strengthening Legislative Transparency and Accountability, Managed by Development Alternatives Inc., for the Period From October 1, 2007, to September 29, 2008		
6-294-12-043-N	09/12/12	Audit of the Cost Representation Statement Covering Locally Incurred Costs by Chemonics Under Task Order Number 294-DFD-I-00-05-00219-00, Palestinian Authority Capacity Enhancement – PACE Project, for the Period From July 1, 2008, to June 30, 2010		
6-267-12-044-N	09/12/12	Audit of the Cost Representation Statement of Locally Incurred Costs by AECOM, Under Contract Number 267-C-00-10-00005-00, Iraq Financial Development Project-IFDP, for the Period From July 18, 2010, to September 30, 2011		
6-294-12-045-N	09/20/12	Close-out Audit of Costs Incurred by the Academy for Educational Development Under Task Order Number EEE-I-07-810-01-00010-00, Presidential Scholarship Program, for the Period From September 30, 2006, to October 31, 2007		
6-294-12-052-N	09/30/12	Close-out Audit of the Cost Representation Statement of USAID Resources Managed by Development Alternatives, Inc. Under Task Order Number 294-M-00-05-00231-00, Private Enterprise Development Project, for the Period From September 22, 2006, to October 20, 2008		
<i>U.S.-Based Grantees</i>				
0-000-12-002-N	07/13/12	Report on Examination of Incurred Costs and Reported by the Partnership for Supply Chain Management System on the USAID Rwanda Project for the Period October 1, 2007, to September 30, 2010	20 20	QC UN
0-000-12-056-T	04/02/12	OMB Circular A-133 Audit Report of American University in Cairo for Fiscal Year Ended August 31, 2011		

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
0-000-12-057-T	04/02/12	OMB Circular A-133 Audit Report of Helen Keller International Inc. for Fiscal Year Ended June 30, 2011		
0-000-12-058-T	04/18/12	Desk Review of OMB Circular A-133 Audit Report MUCIA, Inc. for Fiscal Year Ended June 30, 2010		
0-000-12-059-T	04/04/12	Aid To Artisans, Inc., OMB Circular A-133 Audit Report For Fiscal Year Ended September 30, 2011		
0-000-12-060-T	04/05/12	OMB Circular A-133 Desk Review of International Foundation for Electoral Systems for Fiscal Year Ended September 30, 2010		
0-000-12-061-T	04/16/12	OMB Circular A-133 Audit Report of World Vision International and World Vision, Inc. (U.S.A.) for Fiscal Year Ended September 30, 2010	104	QC
0-000-12-062-T	04/06/12	OMB Circular A-133 Desk Review of Aga Khan Foundation USA for Fiscal Year Ended December 31, 2010		
0-000-12-063-T	04/17/12	OMB Circular A-133 Audit Report of FXB USA, Inc. for Fiscal Year Ended December 31, 2010		
0-000-12-065-T	05/01/12	OMB Circular A-133 Audit Report of Population Services International, for Fiscal Year Ended December 31, 2009	61 61	QC UN
0-000-12-066-T	05/09/12	OMB Circular A-133 Audit Report of Population Services International, for Fiscal Year Ended December 31, 2010	38 38	QC UN
0-000-12-069-T	05/22/12	Desk Review of OMB Circular A-133 Audit of JSI Research and Training Institute, Inc. for the Fiscal Year Ended September 30, 2011		
0-000-12-070-T	05/29/12	OMB Circular A-133 Audit Report of the Partnership for Supply Chain Management for Fiscal Year Ended September 30, 2011		

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
0-000-12-071-T	06/01/12	OMB Circular A-133 Audit Report of World Vision International and World Vision, Inc. (USA) for Fiscal Year Ended September 30, 2011	17 1	QC UN
0-000-12-073-T	06/08/12	Desk Review of the Joint Development Associates International, Inc. A-133 Audit Report for the Fiscal Year Ended December 31, 2011		
0-000-12-074-T	06/15/12	Desk Review of OMB Circular A-133 Audit Report for Consortium For Elections and Political Process Strengthening for Fiscal Year Ended September 30, 2010		
0-000-12-075-T	06/21/12	Desk Review of International College OMB Circular A-133 Audit Report for Fiscal Year Ended June 30, 2011		
0-000-12-076-T	06/19/12	Desk Review of International Research & Exchange Board, Inc. OMB Circular A-133 Audit Report for Fiscal Year Ended June 30, 2010		
0-000-12-077-T	07/09/12	Desk Review of OMB Circular A-133 Audit Report for International Medical Corps for the Fiscal Year Ended June 30, 2010		
0-000-12-078-T	07/11/12	Desk Review of OMB Circular A-133 Audit Report for Lebanese American University for Fiscal Year Ended September 30, 2010		
0-000-12-079-T	07/18/12	OMB Circular A-133 Audit Report of Plan International, Inc. for Fiscal Year Ended June 30, 2010		
0-000-12-080-T	07/19/12	OMB Circular A-133 Audit Report of Plan International USA, Inc. d/b/a Plan USA for Fiscal Year Ended June 30, 2010		
0-000-12-081-T	08/09/12	OMB Circular A-133 Audit Report of Population Services International, for Fiscal Year Ended December 31, 2007		
0-000-12-082-T	08/15/12	OMB Circular A-133 Audit Report of National Albanian American Council for Fiscal Year Ended December 31, 2009		
0-000-12-083-T	08/21/12	Catholic Relief Service-US Conference of Catholic Bishops, OMB Circular A-133 Audit Report for Fiscal Year Ended September 30, 2009	92 92	QC UN

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
0-000-12-085-T	09/06/12	University Research Corporation International, OMB Circular A-133 Audit Report for Fiscal Year Ended June 30, 2011	14	QC
0-000-12-086-T	09/05/12	Joint Development Associates International, Inc. OMB Circular A-133 Audit Report for Fiscal Year Ended December 31, 2009	10	QC
0-000-12-087-T	09/07/12	The Asia Foundation, OMB Circular A-133 Audit Report for Fiscal Year Ended September 30, 2011	78	QC
0-000-12-088-T	09/12/12	International Foundation for Education and Self Help, OMB Circular A-133 Audit Report of the for Fiscal Year Ended September 30, 2011	415	QC
0-000-12-089-T	09/18/12	OMB Circular A-133 Audit Report of World Vision International and World Vision, Inc. (U.S.A.) for Fiscal Year Ended September 30, 2007	1,279 14	QC UN
0-000-12-090-T	09/17/12	Winrock International Institute for Agricultural Development, OMB Circular A-133 Audit Report for Fiscal Year Ended December 31, 2011	11	QC
0-000-12-091-T	09/17/12	Catholic Relief Services – U.S. Conference of Catholic Bishops, OMB Circular A-133 Audit Report for Fiscal Year Ended September 30, 2011	53 53	QC UN
0-000-12-092-T	09/27/12	Private Agencies Collaborating Together, Inc. (PACT), OMB Circular A-133 Audit Report For Fiscal Year Ended September 30, 2008	14	QC
0-000-12-093-T	09/28/12	International Foundation for Education and Self Help, OMB Circular A-133 Audit Report for Fiscal Year Ended September 30, 2010	5 5	QC UN
4-615-12-001-O	05/09/12	Agency Contracted Cost Incurred Forensic Audit of USAID Resources Managed by Engender Health-APHIA II Nyanza Under Cooperative Agreement No. 623-A-00-06-00020-00 for the Period From June 7, 2006, to December 31, 2010	2,360 2,314	QC UN
6-294-12-024-N	04/24/12	Audit of Locally Incurred Costs of USAID Resources Managed by America-Mideast Educational and Training Services, Inc. Under Cooperative Agreement Number 294-A-00-05-00234-00, Palestinian Faculty Development Program, for the Period From July 1, 2008, to June 30, 2010		

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
6-294-12-025-N	04/24/12	Audit of the Fund Accountability Statement of USAID Resources Managed by Catholic Relief Services Under Cooperative Agreement Number 294-A-00-09-00210-00, Youth Voices for Community Action, for the Period From July 17, 2009, to June 30, 2010		
6-294-12-036-N	06/14/12	Audit of the Fund Accountability Statement of USAID Resources Managed by Search for Common Ground Under Cooperative Agreement Number 294-A-00-09-00215-00, Promoting Common Ground Print and Broadcast News in Israel, the West Bank and Gaza Program, for the Period From September 30, 2009, to June 30, 2010		
6-294-12-038-N	06/18/12	Close-out Audit of Locally Incurred Costs of USAID Resources Managed by Cooperative Housing Foundation International Under Cooperative Agreement Number 294-A-00-05-00209-00, Palestinian American Recreation and Conservation Services Program, for the Period From May 4, 2007, to December 31, 2008		
6-294-12-039-N	06/17/12	Audit of the Fund Accountability Statement of USAID Resources Managed by Cooperative Housing Foundation International Under Cooperative Agreement Number 294-A-00-05-00242-00, Local Democratic Reform Program, for the Period From October 1, 2007, to June 30, 2008		
6-294-12-041-N	06/27/12	Audit of USAID Resources Managed by International Foundation for Electoral Systems Through the Consortium for Elections and Political Process Strengthening, Under Cooperative Agreement Number 294-A-00-05-00202-00, Technical Assistance to the Central Elections Commission of the Palestinian Authority and to the Elections Reform Support Group Program, for the Period From July 1, 2008, to June 30, 2009	10	QC
6-294-12-042-N	07/24/12	Close-out Audit of Locally Incurred Costs of USAID Resources Awarded to International Foundation for Electoral Systems, Under Cooperative Agreement Number 294-A-00-05-00202-00, Technical Assistance to the Central Election Commission of the Palestinian Authority and to the Elections Reform Support Group, for the Period From July 1, 2009, to December 31, 2010		

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
6-294-12-047-N	09/24/12	Close-out Audit of Locally Incurred Costs by World Vision Under Cooperative Agreement Number 294-A-00-02-00226-00, Jobs Opportunities Through Development of Small Scale Basic Community Infrastructure, for the Period From July 1, 2007, to December 31, 2007		
F-306-12-006-N	05/12/12	Financial Audit of Local Costs Incurred by International Relief and Development, Inc. (IRD) under Strategic Provincial Roads – Southern and Eastern Afghanistan (SPR-SEA) Program, Cooperative Agreement No. 306-A-00-08-00509-00, for the Period October 01, 2009, to September 30, 2010		

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

USAID

April 1–September 30, 2012

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
I-521-12-003-P	04/27/12	Audit of USAID/Haiti's Watershed Initiative for National Natural Environmental Resources Program		
I-521-12-004-P	07/20/12	Audit of USAID/Haiti's Public Law 480 Title II Programs		
I-514-12-005-P	08/14/12	Audit of USAID/Colombia's Access to Justice Program		
I-534-12-006-P	08/17/12	Audit of USAID/Barbados' Eastern Caribbean Community Action Project		
I-523-12-007-P	09/07/12	Follow-Up Audit of USAID/Mexico's Rule of Law and Human Rights Program		
I-527-12-008-P	09/19/12	Audit of USAID/Peru's Environmental Activities		
I-521-12-009-P	09/26/12	Audit of USAID's Haiti Recovery Initiative Activities Managed by the Office of Transition Initiatives		
4-663-12-007-P	04/23/12	Audit of USAID/Ethiopia's PEPFAR-Funded Activities for Prevention of Transmission of HIV		
4-613-12-008-P	05/10/12	Audit of USAID's Office of Foreign Disaster Assistance Activities in Zimbabwe		
4-668-12-009-P	05/25/12	Audit of USAID/South Sudan's Programs Implemented by Mercy Corps	1,576 202	QC UN
4-668-12-010-P	06/13/12	Follow-Up Audit of USAID/South Sudan's Road Infrastructure Activities		
4-615-12-011-P	06/28/12	Audit of Commodities Funded Under the President's Malaria Initiative in Kenya	293	QC
4-656-12-012-P	08/07/12	Audit of USAID/Mozambique's Tuberculosis Activities		
5-492-12-005-P	05/24/12	Audit of USAID/Philippines' Microenterprise Access to Banking Services Program, Phase Four		
5-383-12-006-P	07/16/12	Audit of USAID/Sri Lanka's Supporting Regional Governance Program		
6-268-12-006-P	04/30/12	Audit of USAID/Lebanon's University Student Assistance Program I	2 2	QC UN
7-682-12-005-P	04/11/12	Audit of USAID's Food for Peace Activities in Mauritania	36	QC

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
7-641-12-006-P	05/04/12	Audit of USAID/Ghana's Efforts to Integrate Gender Into HIV/AIDS Activities		
7-685-12-007-P	08/07/12	Audit of USAID/Senegal's Activities Under the President's Malaria Initiative		
9-000-12-004-P	08/21/12	Audit of USAID/Kosovo's Activities for Economic Growth		
9-000-12-005-P	09/27/12	Audit of USAID's Small Business Utilization Practices		
A-000-12-004-P	04/12/12	Audit of USAID's Contracts for Cloud Computing Services		
E-267-12-004-P	07/30/12	Audit of USAID/Iraq's Performance Evaluation and Reporting for Results Management Program		
F-306-12-003-P	06/25/12	Audit of USAID/Afghanistan's Internal Controls in the Administration of the Involuntary Separate Maintenance Allowance	4	QC
F-306-12-004-P	06/29/12	Audit of USAID/Afghanistan's Incentives Driving Economic Alternatives for the North, East, and West Program		
G-391-12-005-P	04/20/12	Audit of USAID/Pakistan's Entrepreneurs Project		
G-391-12-006-P	05/21/12	Audit of USAID/Pakistan's Support to the Benazir Income Support Program		
G-391-12-007-P	08/16/12	Audit of USAID/Pakistan's Reconstruction Program in Earthquake-Affected Areas	118 118	QC UN
G-391-12-008-P	08/24/12	Audit of USAID/Pakistan's Gomal Zam Multipurpose Dam Project		
G-391-12-009-P	09/30/12	Audit of USAID/Pakistan's Assessment and Strengthening Program		

Miscellaneous Reports
Associated Questioned Costs, Unsupported Costs, and
Value of Recommendations That Funds Be Put to Better Use
USAID

April–September 30, 2012

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
<i>Quality Control Reviews</i>				
0-000-12-001-Q	04/03/12	Quality Control Review of RAFFA, Inc. for OMB Circular A-133 Audit Report of International Relief and Development, Inc. for Fiscal Year Ended December 31, 2010		
0-000-12-002-Q	05/17/12	Quality Control Review of KPMG, LLP for the A-133 Audit of The GAVI Campaign FKA the GAVI Fund for the Fiscal Year Ended December 31, 2010		
I-519-12-001-Q	09/20/12	Quality Control Review of BDO San Salvador, El Salvador, Regarding Audit of the Fund Accountability Statement of the Project "Strengthening Health Care and Basic Education," Cooperative Agreement No. 519-A-00-06-00033-00 Between the United States Agency for International Development (USAID), Mission in El Salvador, and Fundación Empresarial Para el Desarrollo Educativo (FEPADE), for the Year Ended December 31, 2010		
7-608-12-001-Q	07/10/12	Quality Control Review of KPMG Rabat, Morocco Regarding the Audit of USAID Resources Managed by the Morocco Ministry of Agriculture Under the Surveillance Equipment Funded Under Limited Scope Morocco Locust Abatement Program (LGSA No. 608-0236) for the Period From April 28, 2005, to September 30, 2011		

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
G-391-12-002-Q	04/03/12	Quality Control Review of the Audit Report and Audit Documentation for the Financial Audit Conducted by Avais Hyder Liaqut Nauman of Program Titled "Anti-Corruption Program Pakistan," USAID/Pakistan Cooperative Agreement No. 391-A-00-09-01117-00, and Program Titled "Anti-Fraud Hotline," USAID/Pakistan Cooperative Agreement No. 391-A-00-10-01194-00, Managed by Transparency International Pakistan, for the Year Ended June 30, 2011		
G-391-12-003-Q	06/12/12	Quality Control Review of the Audit Report and Audit Documentation for the Financial Audit Conducted by Ernst & Young Ford Rhodes Sidat Hyder of Program Titled "Gender Equity Program," USAID/Pakistan Cooperative Agreement No. 391-A-00-10-01162-00, Managed by Aurat Publication and Information Service Foundation, for the Period From August 15, 2010, to June 30, 2011		
<i>Other</i>				
2-114-12-005-S	04/20/12	Review of Selected USAID/Caucasus's School Rehabilitation Activities		
2-114-12-006-S	08/29/12	Review of USAID/Caucasus's Public Hospital Infrastructure Project		
5-493-12-001-S	07/12/12	Review of USAID/Regional Development Mission for Asia's Coral Triangle Support Partnership		
9-000-12-001-S	05/10/12	Review of USAID Cooperative Development Programs		
9-000-12-002-S	09/18/12	Survey of USAID's Efforts to Address Its Backlog of Expired Awards		
F-306-12-002-S	09/26/12	Review of USAID/Afghanistan's Monitoring and Evaluation System		
G-391-12-001-S	06/18/12	Review of USAID/Pakistan's Cost Estimates for Shipping and Storage	3,053	BU

Reports With Questioned and Unsupported Costs

USAID

April–September 30, 2012

Reports	Number of Audit Reports	Questioned Costs (\$)	Unsupported Costs¹ (\$)
A. For which no management decision had been made as of April 1, 2012	79	83,947,993 ^{2,3}	60,516,102 ^{2,3}
B. Add: Reports issued April 1–September 30, 2012	108	31,751,350 ⁴	14,808,886 ⁴
Subtotal	187	115,699,343	75,324,988
C. Less: Reports with a management decision made April 1–September 30, 2012	111 ⁵	97,434,603 ⁶	63,148,819 ⁶
Value of costs disallowed by Agency officials		56,810,102	54,235,534
Value of costs allowed by Agency officials		40,588,486	8,913,285
D. For which no management decision had been made as of September 30, 2012	77	18,300,755 ⁷	12,176,169 ⁷

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

²The ending balances on March 31, 2012, for questioned costs totaling \$100,280,530 and for unsupported costs totaling \$77,645,110 were decreased by \$16,332,537 and \$17,129,008 respectively, to reflect adjustments in recommendations from prior periods.

³Amounts include \$53,245,170 in questioned costs and \$50,540,399 in unsupported costs for audits performed for OIG by other federal audit agencies.

⁴Amounts include \$2,583,235 in questioned costs and \$1,252,051 in unsupported costs for audits performed for OIG by other federal audit agencies.

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

⁶Amounts include \$53,245,170 in questioned costs and \$50,540,399 in unsupported costs for audits performed for OIG by other federal audit agencies.

⁷Amounts reflect \$2,583,235 in questioned costs and \$1,252,051 in unsupported costs for audits performed for OIG by other federal audit agencies.

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

April 1–September 30, 2012

<i>Reports</i>	<i>Number of Audit Reports</i>	<i>Value (\$)</i>
A. For which no management decision had been made as of April 1, 2012	0	0
B. Add: Reports issued April 1–September 30, 2012	1	3,053,259
Subtotal	1	3,053,259
C. Less: Reports with a management decision made April 1–September 30, 2012	1	3,053,259
Value of costs agreed to by Agency officials		3,053,259
Value of recommendations not agreed to by Agency officials		0
D. For which no management decision had been made as of September 30, 2012	0	0

Reports Over 6 Months Old With No Management Decision

USAID

April 1–September 30, 2012

Report Number	Auditee	Issue Date	Status
G-391-12-001-P Audit of USAID/ Pakistan's Firms Project	Pakistan	11/03/11	<p>Recommendation 5. We recommend that USAID/Pakistan determine the allowability of \$1,359,337 in questioned costs (unsupported) and recover those costs determined to be unallowable.</p> <p>To help improve Pakistan's economic stability, USAID/Pakistan awarded a 4-year, \$89.8 million contract to Chemonics International to implement the Firms Project. The project's goal is to develop and improve the productivity and competitiveness of Pakistani small to medium-size firms by increasing exports and employment. However, material weaknesses in the contractor's procurement practices existed but were not detected because the contracting officer's technical representative did not provide sufficient monitoring and oversight. OIG found that 40 of the 43 purchase orders sampled did not meet standard voucher reconciliation procedures. Purchase orders lacked (1) receiving reports confirming the exact quantity and quality of goods and services accepted, (2) required procurement plans, and (3) written specifications for the specific goods and services procured. In addition, procurement records did not document procurement solicitation bids. A management decision is being deferred until further review.</p>

Significant Revisions of Management Decisions

USAID

April 1–September 30, 2012

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

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

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

USAID

April 1–September 30, 2012

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

During this reporting period, the Inspector General agreed with all management decisions.

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

USAID

April 1–September 30, 2012

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

USAID had no issues outstanding under a remediation plan required by FFMIA.

**Significant Findings From
Contract Audit Reports
USAID**

April 1–September 30, 2012

The National Defense Authorization Act for Fiscal Year 2008 (Public Law 110-181, Section 845) requires inspectors general to submit information on contract audit reports³¹ that contain significant audit findings in semiannual reports to the Congress.

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

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

³¹ Includes grants and cooperative agreements.

Significant Findings and Activities

Millennium Challenge Corporation

Economic Growth

Review of MCC–Funded Project Activities in Benin (Report No. M–000–I2–005–S).

On February 22, 2006, MCC signed a 5-year, \$307 million compact with the Republic of Benin. The compact's goals were to improve core physical and institutional infrastructure and increase private sector activity and investment. Most funds were allocated to the Access to Markets Project, a project that involved rehabilitating and expanding the port of Cotonou as well as related designs and reform efforts. This project consumed \$189 million (62 percent) of the total \$307 million.

Operational since 1965, the Port of Cotonou is a transit point for the neighboring landlocked countries of Burkina Faso, Chad, and Niger. It is also a port relay for Nigeria. Thus, the port's sustainability and security are important and have regional significance for commerce and development in West Africa. However, OIG found several issues that MCC must address before it develops a proposal for a second compact.

The Port of Cotonou's security needs improvement. The port's harbor master estimated that he currently has about 90 security

personnel, far fewer than the 257 that are recommended. Although there are different estimates regarding the number of security personnel needed, the current number is insufficient, and significant training is needed. There have also been five general managers at the port since the compact. This continual turnover has hindered port operations.

OIG made three recommendations. Management decisions were made on all three recommendations, and final action has been taken on one.

Audit of the Millennium Challenge Corporation–Funded Fruit Tree Productivity Project in Morocco (Report No. M–000–I2–005–P).

MCC signed a 5-year, \$697.5 million compact with the Government of the Kingdom of Morocco in August 2007. The compact was intended to stimulate economic growth through investments in five projects. At nearly \$329 million, the largest initiative is the Fruit Tree Productivity Project, which focuses on rehabilitating and expanding olive, almond, and fig tree orchards in rain-fed areas and improving the irrigation of olive and date trees.

OIG found that the rain-fed rehabilitation and expansion activity within the project was not achieving its compact goals. In particular, because of a budget shortfall, MCC and Millennium Challenge Account–Morocco (MCA–M) officials reduced the number of new olive trees to be planted by nearly 50 percent. OIG also found that the sustainability of certain trees was at risk. According to MCC and MCA–M officials, the contractors for the rain-fed expansion activity were required to plant new trees, return three times to monitor and maintain them, and ensure that all of the trees remain viable through the end of the contracts. However, because of planting delays, some of the contractors will not have time within the scope of their 2-year contracts to conduct the maintenance visits as intended. In addition, once the contractors have completed their work, the farmers will be responsible for maintaining the trees.

Contractors, government officials, and farmers expressed concern that there may be limited resources—such as fertilizer, pesticides, and occasional irrigation—for the trees until they reach maturity. If the trees are not properly maintained and do not survive, the success of the project will be at risk.

MCA–M hired a contractor to provide training to more than 30,000 farmers and youth to help them learn techniques that will increase orchard production and ultimately increase the farmers' incomes. MCA–M relies heavily on the

contractor's self-reporting and does not have procedures in place for documenting its review of the contractor's performance to confirm that training has taken place and that payment is justified. For instance, farmers are considered trained if they have attended all 4 days of a training offered; however, many attend fewer than four sessions. Consequently, MCA–M reviews attendance records for the four modules and reports the highest attendance figure as opposed to tracking only those who sign in all 4 days. Moreover, although training is for participants between the ages of 15 and 40, OIG determined that those under the age of 15 were being trained as well.

OIG made six recommendations to address the concerns noted in the audit. Management decisions were made on all six.

Good Governance

Review of MCC and Implementing Partner's Management Controls, and Compliance With Laws and Regulations Related to Drug–Trafficking and Criminal Activities (Report No. M–000–12–004–S).

In November 2006, MCC signed a 5-year, \$461 million compact with the Government of El Salvador to improve the lives of people in the northern part of the country through investments in education, public services, agricultural production, rural business development, and transportation infrastructure. Fondo Del Milenio (FOMILENIO) was designated by the

Government of El Salvador to implement the compact, which focused on three areas:

(1) productive development (i.e., developing profitable, sustainable, and productive business ventures), (2) human development (facilitating residents' ability to take advantage of employment and business opportunities), and (3) connectivity to reduce travel costs and time in the northern zone.

Part of the Productive Development Project was to provide \$7 million in loans and investment support activities to impoverished people in northern El Salvador and organizations that benefited them. Through the loans and investment support activities, the project intended to reduce poverty by creating profitable, sustainable businesses that then create jobs and significantly raise incomes. The Government of El Salvador implemented the investment support program through a trust fund managed by Banco de Desarrollo de El Salvador (BANDESAL, formerly known as Banco Multisectorial de Inversiones, or BMI), the country's national development bank, which coordinated activities with FOMILENIO.

In May 2011, an article in the newspaper El Faro claimed that a loan recipient had links to an alleged drug trafficker who operated in the northern and western regions of El Salvador. Consequently, MCC asked OIG to conduct a review of the case to determine whether implementers had complied with U.S. laws and

regulations while mitigating the risk that the funds were used in illegal activities and whether FOMILENIO had properly addressed allegations that a beneficiary had ties to drug trafficking. They also requested that OIG review whether the FOMILENIO's management controls provided reasonable assurance that the organization and recipients were using the funds as intended.

The review found that implementers needed to strengthen their internal controls to better mitigate the risk that loan recipients could use MCC funds for illegal activities. Furthermore, BANDESAL did not investigate irregular and questionable transactions by two loan recipients with ties to an alleged drug trafficker. Until these matters are addressed, the loan program's management controls cannot provide reasonable assurance that MCC funds are being used as intended.

OIG made five recommendations to help ensure that FOMILENIO and BANDESAL comply with U.S. laws, regulations, and the compact's requirements; management decisions were reached on all of them.

Management Accountability

Audit of the Millennium Challenge Corporation's Implementation of Selected Security Controls for Its E-Travel System (Report No. M-000-12-004-P). MCC uses E2 Solutions as its travel

management application. OIG initiated this audit to determine whether MCC implemented selected security controls to mitigate the risks of unauthorized access, modification, and destruction of information in its e-travel system. OIG determined that MCC did not have the proper security controls in place.

MCC made management decisions on all nine recommendations.

Financial Management

Review of the Millennium Challenge Corporation's Compact Modifications

(Report No. M-000-12-006-S). Since 2004, MCC has provided foreign assistance to developing countries meeting criteria for good governance and economic freedom. MCC signs a compact with each country it assists, building on the country's own national development strategy and documenting the objectives that the country and the United States expect to achieve during the compact. As of September 30, 2011, MCC had awarded \$8.2 billion in assistance to 23 countries through compacts.

Past audits have noted instances in which MCC significantly modified its compacts during implementation. Therefore, OIG conducted this review to determine how many compacts signed between MCC's inception and September 30, 2011, were significantly modified and what effects those modifications had on compact

results. OIG found that MCC significantly modified project activities under 9 of its 23 compacts. Consequently, those compacts did not or will not achieve planned results. In each instance, the significant modifications occurred because of incomplete planning or implementation challenges.

Under 6 of 23 compacts, the compact country committed additional funding to make up for budget shortfalls. Without this funding, MCC would not be able to achieve its planned results in El Salvador, Ghana, Lesotho, Mali, Morocco, or Tanzania. Although OIG did not determine whether MCC's actions were appropriate, MCC's position is that each significant modification represented responsible stewardship and prudent management given the circumstances.

In March 2011 and January 2012, respectively, MCC issued revised policy and guidance documents. The first, *Policy on the Approval of Modifications to MCC Compact Programs*, contains procedures for evaluating and approving contract modifications. The second, *Compact Development Guidance*, incorporates lessons that MCC and compact countries have learned about how to strengthen the compact development process (e.g., by incorporating implementation planning, integrating economic analysis, and planning for measuring results earlier in the compact development process).

The above policy changes should help MCC complete the projects outlined in its compacts and limit the number of significant modifications. Therefore, this report does not contain any recommendations to address compact planning and implementation challenges.

Audit of the Millennium Challenge Corporation's Contract Management Process (Report No. M-000-12-006-P).

OIG conducted this audit of MCC's contract management process to ensure that quality deliverables were provided by its contractors. OIG found several successes in the process that MCC had put in place. For example, qualified CORs and project monitors (PMs) were selected for the positions and were appointed to specific contracts because of their related education and work experience. Because of their specialized experience, they were able to determine whether contractors had provided quality products or services. In one instance, MCC procured independent engineering services for the energy project in Tanzania and assigned a PM who was an electrical engineer and an economist who had worked in the country on infrastructure projects.

In addition, MCC formally delegated authority for contract oversight, which identified specific responsibilities of CORs and PMs. The delegations provided them, for example, the authority to withhold payment from a contractor until an acceptable deliverable was produced.

OIG noted two examples in which payment was withheld until contract requirements were met and appropriate analyses were conducted.

Further, OIG found that the CORs and PMs reviewed had taken training as required. The designation letter states that the COR must have a minimum of 40 hours of training and must maintain necessary skills through continuous learning. PMs are required to complete 17 hours of training. Contract Grants Management (CGM) tracks the training completed by CORs and PMs.

OIG found a few areas for improvement, such as CGM's management of hardcopy contract files (i.e., ensuring that documents are available to provide a complete history of transactions) and the need to ensure that all CORs are properly monitoring contracts and not overrelying on PMs. OIG made three recommendations for improving MCC's contracting processes. Management decisions and final actions were taken on all three.

Fund Accountability Statements

OIG reviews and issues fund accountability statement audits of compact funds under recipient government management. These fund accountability statement audits are conducted by independent public auditors. Under the terms of MCC compacts, funds expended by a recipient country must be audited at least annually but are usually audited twice a year. The recipient

establishes an agency, usually an MCA, that produces financial statements documenting account activity. The audit of a fund accountability statement is conducted by a firm that OIG has approved.

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

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

During this reporting period, OIG issued 13 recommendations for the 12 fund accountability statement audits conducted.

Benin (Report No. M-000-12-017-N).

The independent audit of MCA-Benin covered incurred costs totaling approximately \$77.1 million for the period July 1, 2011, to January 10, 2012. The purpose of the \$307 million compact was to provide technical

assistance to the Government of the Republic of Benin to improve access to land, to improve financial markets, and to achieve justice for its citizens.

The auditors reported that the fund accountability statement presented fairly, in all material respects, program revenue and expenditures for the period audited. In addition, no internal control, compliance, or cost-sharing issues were reported.

El Salvador (Report No. M-000-12-016-N). The MCA-El Salvador (FOMILENIO) audit covered incurred costs in the amount of \$118.8 million for the period January 1 to December 31, 2010. The 5-year compact for approximately \$461 million supports three project-level objectives: (1) human development, (2) productive development, and (3) connectivity.

The independent auditors found that (1) the fund accountability statement presented fairly, in all material respects, the cash receipts and costs incurred and disbursements, (2) there were no instances of significant deficiencies in internal control matters, and (3) there were no material instances of noncompliance.

Ghana (Three Audits)

(Report No. M-000-12-024-N). This independent audit covered MCA-Ghana's incurred costs in the amount of \$93.5 million for the period of January 1 to June 30, 2011. The 5-year compact grant agreement with the Government of Ghana for approximately \$547 million was intended to provide technical assistance to develop agribusiness and strengthen rural services.

The auditors reported that the fund accountability statement presented fairly, in all material respects, the program revenues and costs for the period audited, except for questioned costs of (1) \$149,179 for employee advances not cleared promptly and (2) \$100,756 of ARB Apex Bank salary costs paid in excess of the authorized budget amount.

The auditors identified one instance of a material weakness in internal controls and several instances of noncompliance. However, because the compact ended in February 2012, OIG did not make audit recommendations for these internal control and compliance findings.

(Report M-000-12-025-N). This independent audit of MCA-Ghana covered funds for the period of January 1 to June 30, 2011. The purpose of the \$5.4 million grant agreement with Sea-Freight Pineapple Exporters of Ghana (SPEG) is to enable SPEG to finance the purchase of postharvest equipment by its

members in support of the association's pineapple export business. As of June 30, 2011, \$2.1 million had been disbursed.

The independent auditor reported that the fund accountability statement presented fairly, in all material respects, program revenues and expenditures for the period audited.

However, the independent auditors reported a material weakness of questioned costs involving significant loan balances in the amount of \$1.9 million that were uncollected at the time of the audit period.

(Report M-000-12-026-N). This independent audit of MCA-Ghana covered incurred costs of \$454 million by the Alliance for Green Revolution for Africa (AGRA) for the period January 1 to June 30, 2011. MCA-Ghana signed a grant agreement with AGRA to improve and sustain incomes derived from agricultural activities by working with financial institutions and investors to make low-interest loans available to key operators in the agricultural value chain. The parties established an Agricultural Scheme Agreement with Stanbic Bank Ghana Limited, which requires the Millennium Development Authority and AGRA to provide a first loan loss guarantee in the amount of \$2.5 million for the bank to lend \$25 million in furtherance of the grant project.

The independent auditor reported that the fund accountability statement presented fairly, in all

material respects, program revenues and expenditures for the period audited.

Lesotho (Report No. M-000-12-023-N).

The independent audit of MCA-Lesotho covered incurred costs totaling \$31.0 million during the period January 1 to June 30, 2011. In July 2007, MCC signed a 5-year, \$362.6 million compact with the Kingdom of Lesotho to reduce poverty through economic growth.

The auditors reported that, except for ineligible questioned costs of \$119,120, the fund accountability statement presented fairly, in all material respects, program revenues and costs incurred for the period audited. The \$119,120 in ineligible costs pertained to (1) a deficiency in an evaluation panel, (2) a deficiency in price reasonableness procedures, and (3) a deficiency in contract award procedures. The ineligible costs also resulted in multiple significant deficiencies in the internal control structure. In addition, the contract award procedure deficiency represented a material instance of noncompliance.

Mali (Report No. M-000-12-019-N). The independent audit of Mali covered incurred costs of \$160.2 million for the period January 1 to December 31, 2011. The purpose of the \$460.8 million compact is to contribute to the reduction of poverty.

The auditors reported that the fund accountability statement presented fairly, in all

material respects, program revenues and costs incurred for the audited period.

Moldova (Report No. M-000-12-027-N).

The independent audit of MCA-Moldova covered incurred costs totaling approximately \$11.3 million for the period from October 1, 2009, to December 31, 2011. The 5-year, \$262 million compact with the Government of Moldova provides for the improvement of agricultural productivity and access to markets and services through critical investments in irrigation infrastructure and roads. It also provides for building capacity in the high-value agriculture sector.

The auditors reported that the fund accountability statement presented fairly, in all material respects, program revenues and expenditures for the period audited. There were no matters involving internal control that were considered to be significant deficiencies or material weaknesses and no instances of noncompliance that were required to be reported.

Morocco (Report No. M-000-12-020-N).

The MCA-Morocco audit covered incurred costs of \$73.6 million for the period January 1 to June 30, 2011. The \$697.5 million compact aims to reduce poverty and stimulate economic growth through investments in fruit tree productivity, small-scale fisheries, and artisanal crafts.

The auditors concluded that MCA–Morocco’s fund accountability statement presented fairly, in all material respects, program revenues, costs incurred and reimbursed, and commodities and technical assistance procured directly by MCC for the period audited.

The independent auditors reported the following significant deficiencies involving internal controls: (1) an unreconciled bank statement, (2) an eligibility verification system not being used, (3) an original technical proposal that was not signed, and (4) no explanation communicated to bidders who were refused work.

Namibia (Report No. M–000–12–018–N).

The independent audit of MCA–Namibia covered incurred costs totaling \$17.9 million for the period January 1 to June 30, 2011. The 5–year, \$304.5 million compact with the Government of the Republic of Namibia was intended to increase the competence of the Namibian workforce and increase the productivity of agricultural and nonagricultural enterprises in the rural areas.

The auditors concluded that MCA–Namibia’s fund accountability statement presented fairly, in all material respects, program revenues and costs incurred. The auditors noted that three employees’ basic salaries were reduced in order to accommodate for housing allowances and car allowances. This is considered a salary reduction

and resulted in noncompliance with Namibia’s Income Tax Act.

Nicaragua (Two Audits)

(Report No. M–000–12–021–N). The MCA–Nicaragua audit covered costs of \$10.2 million for the period July 1, 2010, to May 26, 2011. The \$113.5 million compact funds are intended to advance Nicaragua’s progress toward economic growth and poverty reduction, particularly by increasing income and reducing poverty in Leon–Chinandega.

Auditors reported that except for questioned costs of \$7,516, the fund accountability statement presented fairly, in all material respects, program revenues, costs incurred and reimbursed, and commodities and technical assistance procured directly by MCC for the period audited.

(Report No. M–000–12–022–N). The MCA–Nicaragua audit covered incurred costs of more than \$1.7 million for the period May 27, 2011, to September 23, 2011. The \$113.5 million compact funds are to advance Nicaragua’s progress towards economic growth and poverty reduction, particularly by increasing income and reducing poverty in Leon–Chinandega.

The independent auditors reported instances of material weakness in the internal control structure and noncompliance with compact requirements. Except for unsupported

questioned costs of \$31,123, the fund accountability statement presented fairly, in all material respects, funds received from MCC, and program costs incurred and reimbursed.

The internal control weakness concerned the lack of supporting documentation for some disbursements. The auditors identified two material instances of noncompliance relating to (1) three rehabilitated road sections not formally delivered to Ministry of Transportation and Infrastructure (MTI), and (2) not following procedures for the disposal of assets.

Quality Control Review—Morocco (Report No. M-000-12-002-Q). During this reporting period, OIG conducted a quality control review of work performed by the firm that conducted semiannual audits of compact funds in Morocco. OIG found that the audit work was adequately planned and that the working papers supported the audit report conclusions in accordance with generally accepted government auditing standards and

other guidelines. However, the OIG made several recommendations to improve the presentation and disclosure of the fund accountability statement and the associated explanatory notes.

Quality Control Review—Namibia (Report No. M-000-12-001-Q). During this reporting period, OIG conducted a quality control review of work performed by the firm that conducted semiannual audits of compact funds in Namibia. OIG found that the audit work was adequately planned and that the working papers supported the audit report conclusions in accordance with generally accepted government auditing standards and other guidelines. However, the OIG made several recommendations to improve the presentation and disclosure of the fund accountability statement and the associated explanatory notes.

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

April 1–September 30, 2012

Report Number	Subject of Report	Issue Date	Rec. No.	Management Decision Date	Final Action Target Date
M-000-11-002-C	Audit of the Millennium Challenge Corporation's Financial Statements for the Period Ending September 30, 2010, and 2009	03/30/11	9 10 11 18	03/30/11 03/30/11 03/30/11 03/30/11	12/31/12 12/31/12 12/31/12 12/31/12
M-000-11-003-S	The Office of Inspector General's Final Report on the Review of Millennium Challenge Corporation–Funded Contracts with Government–Owned Enterprises in Ghana	05/31/11	1 2 3	05/31/11 05/31/11 05/31/11	11/30/12 11/30/12 11/30/12
M-000-11-001-O	The Risk Assessment of the Millennium Challenge Corporation's Information Technology Governance Over Its Information Technology Investments	06/01/11	1 2 3 4 5 6	09/01/11 09/01/11 09/01/11 09/01/11 09/01/11 09/01/11	10/31/12 10/31/12 12/31/12 12/31/12 12/31/12 12/31/12

Report Number	Subject of Report	Issue Date	Rec. No.	Management Decision Date	Final Action Target Date
M-000-11-002-S	Review of the Millennium Challenge Corporation's compact with the Government of Mali	06/03/11	3	09/21/11	12/31/12
M-000-11-011-S	Limited Scope Review of the Millennium Challenge Corporation (MCC) Resources Managed by the Millennium Development Authority (MiDA), Under the Compact Agreement Between the MCC and the Government of Ghana	09/21/11	10	09/21/11	12/31/12
M-000-11-026-N	Audit of the Millennium Challenge Corporation (MCC) Resources Managed by Millennium Challenge Georgia Fund-Georgia (MCG), Under the Compact Agreement Between the MCC and the Government of Georgia from July 1, 2010, to December 31, 2010	09/27/11	1	03/28/12	03/28/13
M-000-12-001-N	Audit of the Millennium Challenge Corporation (MCC) Resources Managed by Millennium Challenge Account-Lesotho (MCA-Lesotho), Under the Compact Agreement Between the MCC and the Government of Lesotho from July 1, 2010, to December 31, 2010	10/21/11	9 10	04/10/12 04/10/12	04/10/13 04/10/13

Report Number	Subject of Report	Issue Date	Rec. No.	Management Decision Date	Final Action Target Date
M-000-12-001-C	Audit of the Millennium Challenge Corporation's Financial Statements, Internal Controls, and Compliance for the Period Ending September 30, 2011, and 2010	11/15/11	1	11/15/11	11/15/12
			2	11/15/11	11/15/12
			3	11/15/11	11/15/12
			4	11/15/11	11/15/12
			5	11/15/11	11/15/12
			6	11/15/11	11/15/12
			7	11/15/11	11/15/12
			8	11/15/11	11/15/12
			10	11/15/11	11/15/12
			11	11/15/11	11/15/12
			12	11/15/11	11/15/12
			13	11/15/11	11/15/12
			14	11/15/11	11/15/12
			15	11/15/11	11/15/12
			M-000-12-002-N	Audit of the Millennium Challenge Corporation (MCC) Resources Managed by Millennium Challenge Account-Mongolia (MCA-Mongolia), Under the Compact Agreement Between the MCC and the Government of Mongolia from January 1, 2010, to December 31, 2010	11/30/11

Report Number	Subject of Report	Issue Date	Rec. No.	Management Decision Date	Final Action Target Date
M-000-12-004-N	Audit of the Millennium Challenge Corporation (MCC) Resources Managed by Millennium Challenge Account-Burkina Faso (MCA-Burkina Faso), Under the Compact Agreement between MCC and the Government of Burkina Faso from January 1, 2010, to December 31, 2010	01/24/12	5	08/01/12	08/01/13
M-000-12-007-N	Audit of the Fund Accountability Statement of the Millennium Challenge Corporation (MCC) Resources Managed by Sea-Freight Pineapple Exporters Ghana (SPEG) A Covered Provider Under the Grant Agreement Dated September 19, 2008 Between the Millennium Development Authority (MiDA) and SPEG for the Period From July 1, 2010, to December 31, 2010	02/24/12	1 2		
M-000-12-009-N	The Millennium Challenge Corporation (MCC) Resources Managed by Alliance for Green Resolution for Africa (AGRA) A Covered Provider under the Grant Agreement Dated February 25, 2010 between the Millennium Development Authority Audit (MiDA) and AGRA for the Period March 1, 2010, to December 31, 2010.	02/24/12	1 2 3 4		

Report Number	Subject of Report	Issue Date	Rec. No.	Management Decision Date	Final Action Target Date
M-000-12-011-N	Millennium Challenge Account (MCA) Ghana Audit of the Fund Accountability Statement of the Millennium Challenge Corporation (MCC) Resources Managed By Millennium Development Authority (MiDA) under the Compact Agreement Dated February 16, 2007 between the MCC and the Government of Ghana for the Period from July 1, 2010, to December 31, 2010.	03/16/12	1 2 3		
M-000-12-001-P	Audit of the Millennium Challenge Corporation's Funding of Activities in Mongolia	03/22/12	1 2 4	03/22/12 03/22/12 03/22/12	03/29/13 03/29/13 03/29/13
M-000-12-015-N	Audit of the Millennium Challenge Corporation (MCC) Resources Managed by Millennium Challenge Account-Senegal (MCA-Senegal), Under the Compact Agreement Between the MCC and the Government of Senegal from April 1, 2009 to December 31, 2010	03/29/12	1 2 3 4 5 6 7 8 9 10 11 12 13 14		

Report Number	Subject of Report	Issue Date	Rec. No.	Management Decision Date	Final Action Target Date
M-000-12-003-P	Follow-up Audit of the Millennium Challenge Corporation's Implementation of Selected Audit Recommendations	03/30/12	1 2 3 4	03/30/12 03/30/12 03/30/12 03/30/12	03/29/13 03/29/13 03/29/13 03/29/13

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

MCC

April–September 30, 2012

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

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

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

April 1–September 30, 2012

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
M-000-12-016-N	05/11/12	Audit of Millennium Challenge Corporation (MCC) Resources Managed by Millennium Challenge Account–El Salvador (MCA–El Salvador) Under the Compact Agreement Between the MCC and the Government of El Salvador From January 1, 2010, to December 31, 2010		
M-000-12-017-N	05/16/12	Audit of the Millennium Challenge Corporation (MCC) Resources Managed by the Millennium Challenge Account–Benin (MCA–Benin) Under the Compact Agreement Between the MCC and the Government of the Republic of Benin from July 1, 2011, to January 10, 2012		
M-000-12-018-N	05/16/12	Audit of the Millennium Challenge Corporation (MCC) Resources Managed by Millennium Challenge Account–Namibia (MCA–Namibia) Under the Compact Agreement Between MCC and the Government of the Republic of Namibia from January 1, 2011, to June 30, 2011, (Report No. M-000-12-018-N)		
M-000-12-019-N	06/06/12	Audit of the Millennium Challenge Corporation (MCC) Resources Managed by Millennium Challenge Account–Mali (MCA–Mali), Under the Compact Agreement Between the MCC and the Government of Mali from January 1, 2011, to December 31, 2011		

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
M-000-12-020-N	06/05/12	Audit of the Fund Accountability Statement of the Millennium Challenge Corporation (MCC) Resources Managed by Millennium Challenge Account-Morocco (MCA-Morocco) under the Compact Agreement Between MCC and the Government of Morocco for the period from January 1, 2011, to June 30, 2011		
M-000-12-021-N	06/12/12	Audit of the Millennium Challenge Corporation (MCC) Resources Managed by Millennium Challenge Account-Nicaragua (MCA-Nicaragua) Under the Compact Agreement Between MCC and the Government of Nicaragua from July 1, 2010, to May 26, 2011 (Report No. M-000-12-021-N)	8 8	QC UN
M-000-12-022-N	06/18/12	Final-Close out Audit of the Millennium Challenge Corporation (MCC) Resources Managed by Millennium Challenge Account-Nicaragua (MCA-Nicaragua) Under the Compact Agreement Between MCC and the Government of Nicaragua from May 27, 2011, to September 23, 2011	31 31	QC UN
M-000-12-023-N	08/09/12	Audit of the Millennium Challenge Corporation (MCC) Resources Managed by Millennium Challenge Account-Lesotho (MCA-Lesotho), Under the Compact Agreement Between the MCC and the Government of Lesotho from January 1, 2011, to June 30, 2011	119	QC
M-000-12-024-N	08/20/12	Audit of the Millennium Challenge Corporation (MCC) Resources Managed by Millennium Development Authority (MiDA) Under the Grant Agreement Between MCC and the Government of Ghana from January 1, 2011, to June 30, 2011	2,125 250	QC UN

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
M-000-12-025-N	08/21/12	Audit of the Millennium Challenge Corporation (MCC) Resources Managed by Sea Freight Pineapple Exporters Ghana (SPEG), a Covered Provider under the Grant Agreement Between the Millennium Development Authority (MiDA) and SPEG from January 1, 2011, to June 30, 2011		
M-000-12-026-N	08/21/12	Audit of the Millennium Challenge Corporation (MCC) Resources Managed by Alliance for Green Revolution for Africa (AGRA) a Covered Provider Under the Grant Agreement Between Millennium Development Authority (MiDA) and AGRA from January 1, 2011, to June 30, 2011		
M-000-12-027-N	09/27/12	Audit of the Millennium Challenge Corporation (MCC) Resources Managed by Millennium Challenge Account-Moldova (MCA-Moldova), Under the Compact Agreement Between the MCC and the Government of Moldova from October 1, 2009, to December 31, 2011		

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

April 1–September 30, 2012

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
M-000-12-003-S	04/10/12	Review of the Compact Closeout in Nicaragua	751	BU
M-000-12-004-P	06/07/12	Audit of the Millennium Challenge Corporation's Implementation of Selected Security Controls for Its E-Travel System		
M-000-12-004-S	06/05/12	Review of MCC and Implementing Partner Management Controls, and Compliance with Laws and Regulations Related to Drug Trafficking and Criminal Activities		
M-000-12-005-P	06/15/12	Audit of the Millennium Challenge Corporation-Funded Fruit Tree Productivity Project in Morocco		
M-000-12-005-S	06/03/12	Review of MCC-Funded Project Activities in Benin	5,400	BU
M-000-12-006-P	09/18/12	Audit of the Millennium Challenge Corporation's Contract Management Process		
M-000-12-006-S	07/16/12	Review of the Millennium Challenge Corporation's Compact Modifications		

Miscellaneous Reports
Associated Questioned Costs, Unsupported Costs, and
Value of Recommendations That Funds Be Put to Better Use
MCC

April 1–September 30, 2012

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
<i>Quality Control Reviews</i>				
M-000-12-001-Q	05/18/12	Audit of the Fund Accountability Statements of the Millennium Challenge Corporation (MCC) Resources Managed by the Millennium Challenge Account (MCA)–Namibia Under the Compact Agreement dated July 28, 2008 Between the MCC and the Government of the Republic of Namibia for the period January 1, 2011, to June 30, 2011		
M-000-12-002-Q	06/08/12	Audit of the Fund Accountability Statement of the Millennium Challenge Corporation (MCC) Managed by the Millennium Challenge Account (MCA)–Morocco Under the Compact Agreement dated August 31, 2007, Between MCC and the Government of Morocco for the period January 1, 2011, to June 30, 2011		

**Reports With
Questioned and Unsupported Costs
MCC
April 1–September 30, 2012**

Reports	Number of Audit Reports	Questioned Costs (\$)	Unsupported Costs (\$) ¹
A. For which no management decision had been made as of April 1, 2012	6	1,148,172	189,965
B. Add: Reports issued April 1–September 30, 2012	4	2,282,366	288,574
Subtotal	10	3,430,538	478,539
C. Less: Reports with a management decision made April 1–September 30, 2012	4	1,058,758	145,850
Value of recommendations disallowed by agency officials		1,080	1,080
Value of recommendations allowed by agency officials		1,057,678	144,770
D. For which no management decision had been made as of September 30, 2012	6	2,371,780	332,689

¹The ending balance at March 31, 2012, for questioned costs totaling \$1,052,408 and for unsupported cost totaling \$6,900 was increased by \$95,764 and \$183,065 respectively, to reflect adjustments in recommendations from prior periods.

<p style="text-align: center;">Reports With Recommendations That Funds Be Put to Better Use MCC April 1–September 30, 2012</p>		
Reports	Number of Audit Reports	Value (\$)
A. For which no management decision had been made as of April 1, 2012	0	0
B. Add: Reports issued April 1–September 30, 2012	2	6,150,848
Subtotal	2	6,150,848
C. Less: Reports with a management decision made April 1–September 30, 2012	2	6,150,848
Value of recommendations agreed to by agency officials		6,150,848
Value of recommendations not agreed to by agency officials		0
D. For which no management decision had been made as of September 30, 2012	0	0

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

April 1–September 30, 2012

Report Number	Auditee	Issue Date	Status
M-000-12-007-N	MiDA-Ghana	02/24/12	<p>Audit of the MCC Resources Managed By Sea-Freight Pineapple Exporters Ghana (SPEG)–A Covered Provider under the Grant Agreement Between the Millennium Development Authority (MiDA) and SPEG from July 1, 2010, to December 31, 2010.</p> <p>Ghana is the recipient of a \$547 million compact managed by the Millennium Development Authority (MiDA). The 5-year compact is designed to increase farmer income through programs to augment production of high-value cash and food crops and to enhance exports of selected crops. MiDA signed a grant agreement with Sea-Freight Pineapple Exports- Ghana, (SPEG) in the amount of \$5.4 million for postharvest equipment to benefit farmers. The independent audit of resources managed by SPEG covered approximately \$2.1 million disbursed under the first phase of the grant over the period July 1 to December 31, 2010.</p> <p>The auditors reported that the fund accountability statement presented fairly, in all material respects, program revenues, costs, and assets directly procured with MCC funds for the period audited. However, the auditors identified a material weakness in internal control related to loan repayments that were not properly reflected in the financial statements. Additionally, in their review of compliance with loan agreements, auditors found material noncompliance regarding outstanding loan balances of approximately \$2 million.</p> <p>OIG issued two recommendations to address the findings related to updating transactions in the financial records and establishing a system to address the recovery of past due loans from beneficiaries.</p> <p>Management decisions have not been made on this audit because of MCC’s limited staff resources and ability to research the pertinent issues. This research has now been conducted and MCC anticipates providing a management decision to OIG by October 31, 2012.</p>

Report Number	Auditee	Issue Date	Status
M-000-12-009-N	MiDA-Ghana	02/24/12	<p>Audit of the MCC Resources Managed By Alliance for Green Resolution for Africa (AGRA)–A Covered Provider under the Grant Agreement between the Millennium Development Authority (MiDA) and AGRA from March 31, 2010, to December 31, 2010</p> <p>Ghana’s Millennium Development Authority (MiDA), manager of its \$547 million compact, signed a grant agreement with AGRA to improve and sustain incomes derived from agricultural activities through facilitation of low-interest loans. The fund statement for the \$2.5 million guarantee was audited for the period March 1 to December 31, 2010. The guarantee is set aside to facilitate \$25 million in bank loans.</p> <p>The auditors reported that the fund accountability statement presented fairly, in all material respects, program revenues, costs incurred and reimbursed directly by MiDA and commodities and technical assistance directly procured by MCC for the 10-month period ending December 31, 2010.</p> <p>However, the auditors identified significant deficiencies involving internal controls related to management of day-to-day operations of grants and the need to promote awareness and interest in the program. Additionally, the auditors found material weakness regarding noncompliance with grant terms. Specifically, (1) documents were inadequate to justify expenditure for a special vehicle, (2) records were inadequate to ascertain whether seeds were distributed to small farmers, and (3) accounting for interest earned did not meet grant agreement provisions.</p> <p>To correct these deficiencies, OIG made four recommendations. Management decisions have not been made on this audit because of MCC’s limited staff resources and ability to research the pertinent issues. This research has now been conducted and MCC anticipates providing a management decision to OIG by October 31, 2012.</p>
M-000-12-011-N	MiDA-Ghana	03/16/12	<p>Audit of the MCC Resources Managed By Millennium Development Authority (MiDA) under the Grant Agreement between the Millennium Challenge Corporation and the Government of Ghana from July 1, 2010, to December 31, 2010</p> <p>The 5-year, \$547 million is meant to reduce poverty through economic growth, increase the production and productivity of high-value cash and food staple crops in some of the poorest</p>

			<p>regions, and enhance the competitiveness of Ghana’s agricultural products in regional and international markets.</p> <p>The independent audit of MiDA–Ghana covered incurred costs in the amount of \$71,955,605 for the period of July 1 to December 31, 2010. The independent auditors reported that, except for the questioned costs, the fund accountability statement presented fairly, in all material respects, program revenues and expenditures for the period audited. The auditors reported a significant deficiency in internal controls and instances of noncompliance.</p> <p>OIG issued three recommendations to address the findings and questioned costs. Management decisions have not been made on this audit because of MCC’s limited staff resources and ability to research the pertinent issues. This research has now been conducted and MCC anticipates providing a management decision to OIG by October 31, 2012.</p>
M-000-12-015-N	MCA-Senegal	03/29/12	<p>Audit of the MCC Resources Managed By Millennium Challenge Account–Senegal (MCA–Senegal) under the Compact Agreement between the Millennium Challenge Corporation and the Government of Senegal from April 1, 2009, to December 31, 2010</p> <p>The independent audit of MCA–Senegal covered incurred costs in the amount of \$4.2 million for the period of April 1, 2009, to December 31, 2010. The 5–year, \$540 million compact aims to rehabilitate major national roads, invest in irrigation and water resource management, and conduct policy reforms.</p> <p>The auditors reported that, except for the questioned costs, the fund accountability statement presented fairly, in all material respects, program revenues and costs incurred for the audited period. The independent auditors also identified multiple significant deficiencies in internal controls and noncompliance.</p> <p>OIG issued 14 recommendations to address the findings and questioned costs. Management decisions have not been made on this audit because of MCC’s limited staff resources and ability to research the pertinent issues. This research has now been conducted and MCC anticipates providing a management decision to OIG by October 31, 2012.</p>

Significant Revisions of Management Decisions

MCC

April 1–September 30, 2012

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

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

MCC

April 1–September 30, 2012

Section 5(a)(12) of the Inspector General Act of 1978 requires semiannual reports to include information concerning any significant management decisions with which the inspector general disagrees. During this reporting period, the Inspector General agreed with all significant management decisions.

Significant Findings From Contract Audit Reports

MCC

April 1–September 30, 2012

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

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

Significant Findings

United States African Development Foundation

Audit of the African Development

Foundation's Activities in Cape Verde

(Report No. 7-ADF-12-008-P). USADF has worked in Cape Verde since 1986 to reduce reliance on food imports and increase export potential. It also seeks to increase the availability of credit through microfinance activities. In 2008, USADF awarded a 3-year cooperative agreement to a Cape Verdean nongovernmental organization, Estrategos Consultores Asociados (Estrategos), to build its capacity to support USADF grantees in Cape Verde. USADF funded more than 29 grants, totaling just over \$5 million, that were active in Cape Verde during 2010 and 2011.

OIG found that the program in Cape Verde was successfully expanding local capacity to promote and support grassroots development. This success manifested itself in newly created jobs, increased incomes, improved living standards, and less reliance on imported goods for the beneficiaries of the USADF grants. Perhaps even more notable was that the grantees demonstrated increased managerial and technical capacity to conduct development activities, an improvement that should help to ensure the sustainability of the program's impact.

However, the extent of this success did not reach the magnitude that USADF and Estrategos

originally intended. Targets were often unrealistic and unachievable. Of the sampled targets that the grantees should have reached, only 44 percent had been achieved. In addition, the protocol authorizing USADF to fund development projects in Cape Verde states that recipients of USADF assistance are exempt from duties on equipment they import or purchase in Cape Verde. Contrary to this guidance, OIG found that Estrategos and USADF grantees were routinely paying sales tax on equipment and supplies that they purchased in Cape Verde with grant funds. Estrategos explained that the process of either removing the tax at the time of purchase or submitting a request for reimbursement of taxes paid is complicated, which resulted in the taxes being paid instead of removed. Estrategos determined that it and the grantees had paid an estimated \$36,015 worth of taxes since 2009.³²

OIG made seven recommendations.

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

³² Because the audit team identified this issue at the end of audit fieldwork, it was not able to work with Estrategos to calculate or verify the accuracy of this estimate.

**Significant Recommendations Described Previously
Without Final Action**

USADF

April 1–September 30, 2012

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

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

Incidents in Which OIG Was Refused Assistance or Information

USADF

April 1–September 30, 2012

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

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

Financial Audits
Associated Questioned Costs, Unsupported Costs, and
Value of Recommendations That Funds Be Put to Better Use
USADF
 April 1–September 30, 2012

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

Performance Audits
Associated Questioned Costs, Unsupported Costs, and
Value of Recommendations That Funds Be Put to Better Use
USADF
 April 1–September 30, 2012

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
<i>Economy and Efficiency</i>				
7-ADF-12-008-P	08/28/12	Audit of the U.S. African Development Foundation's Activities in Cape Verde	36	QC

Miscellaneous Reports
Associated Questioned Costs, Unsupported Costs, and
Value of Recommendations That Funds Be Put to Better Use
USADF
 April 1–September 30, 2012

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

Reports With Questioned and Unsupported Costs

USADF

April–September 30, 2012

Reports	Number of Audit Reports	Questioned Costs (\$)	Unsupported Costs (\$)
A. For which no management decision had been made as of April 1, 2012	0	0	0
B. Add: Reports issued April 1–September 30, 2012	1	36,015	0
Subtotal	1	36,015	0
C. Less: Reports with a management decision made April 1–September 30, 2012	1	36,015	0
Value of recommendations disallowed by Agency officials		36,015	0
Value of recommendations allowed by Agency officials		0	0
D. For which no management decision had been made as of September 30, 2012	0	0	0

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

USADF

April–September 30, 2012

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

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

USADF

April–September 30, 2012

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

Significant Revisions of Management Decisions

USADF

April–September 30, 2012

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

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

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

USADF

April–September 30, 2012

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

During this reporting period, the Inspector General agreed with all significant management decisions.

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

April–September 30, 2012

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

USADF had no instances of noncompliance to report during this reporting period.

Significant Findings From Contract Audit Reports**USADF**

April–September 30, 2012

The National Defense Authorization Act for Fiscal Year 2008 (Public Law 110-181, Section 845) requires inspectors general to submit information on contract³³ audit reports that contain significant audit findings in semiannual reports to the Congress.

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

USADF had no significant findings from contract audit reports.

³³ Includes grants and cooperative agreements.

Significant Findings

Inter-American Foundation

There were no significant findings for IAF during the reporting period.

**Significant Recommendations Described Previously
Without Final Action**

IAF

April–September 30, 2012

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

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

IAF

April–September 30, 2012

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

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

Financial Audits

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

IAF

April–September 30, 2012

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

Performance Audits

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

IAF

April–September 30, 2012

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

Miscellaneous Reports

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

IAF

April–September 30, 2012

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

Reports With Questioned and Unsupported Costs

IAF

April–September 30, 2012

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

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

IAF

April–September 30, 2012

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

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

IAF

April–September 30, 2012

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

Significant Revisions of Management Decisions

IAF

April–September 30, 2012

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

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

Management Decisions With Which the Inspector General Disagrees

IAF

April–September 30, 2012

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

During this reporting period, the Inspector General agreed with all significant management decisions.

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

April–September 30, 2012

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

IAF had no instances of noncompliance to report during this reporting period.

Significant Findings From Contract Audit Reports**IAF**

April–September 30, 2012

The National Defense Authorization Act for Fiscal Year 2008 (Public Law 110-181, Section 845) requires inspectors general to submit information on contract³⁴ audit reports that contain significant audit findings in semiannual reports to the Congress.

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

IAF had no significant findings from contract audit reports.

³⁴ Includes grants and cooperative agreements.

Abbreviations

BU	funds recommended to be put to better use
DCAA	Defense Contract Audit Agency
FFMIA	Federal Financial Management Improvement Act of 1996
IAF	Inter-American Foundation
MCA	Millennium Challenge Account
MCC	Millennium Challenge Corporation
NGO	nongovernmental organization
OIG	Office of Inspector General
OMB	Office of Management and Budget
PEPFAR	President's Emergency Plan for AIDS Relief
PMI	President's Malaria Initiative
QC	questioned costs
UN	unsupported costs
USADF	United States African Development Foundation
USAID	United States Agency for International Development

United States Agency for International Development

Office of Inspector General

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