Office of Inspector General
U.S. Agency for International Development

OIG OVERSIGHT PLAN
FOR FISCAL YEAR 2022

MESSAGE FROM THE ACTING INSPECTOR GENERAL

Thomas J. Ullom,
Acting Inspector General

I am pleased to present the Office of Inspector General's (OIG) oversight plan for FY 2022. OIG is responsible for providing independent oversight of the U.S. Agency for International Development (USAID), the Millennium Challenge Corporation (MCC), the U.S. African Development Foundation (USADF), and the Inter-American Foundation (IAF). This plan highlights our key priorities and describes how OIG plans to provide oversight coverage across the four agencies and their many associated programs and activities this fiscal year.

Through a rigorous process and consultations with various stakeholders, our planning prioritizes our work based on risk, high-dollar investments, and crosscutting initiatives. We identify challenges and vulnerabilities that affect the agencies we oversee. We also consider the work of other oversight and law enforcement bodies and coordinate efforts as appropriate.

While the rigor we apply to our planning enables us to achieve high-impact outcomes, we maintain the flexibility to respond to allegations of fraud, waste, and abuse submitted to our hotline, as well as emerging Federal government priorities. This built-in flexibility served us particularly well in 2021, as it allowed us to adapt our oversight plans to an evolving COVID-19 response and emerging Administration effort to respond to drivers of irregular migration from the Northern Triangle region. For FY 2022, OIG has identified five overarching oversight priorities and has organized this plan accordingly:

1. Maintaining Oversight of Global Health Programming During a Pandemic

2. Mitigating Humanitarian and Stabilization Assistance Risks

3. Promoting Sustainability of U.S.-Funded Development Gains

4. Advancing Accountability Initiatives Involving Multiple U.S. Agencies and International Stakeholders

5. Identifying and Addressing Vulnerabilities in Agency Controls and Core Management Functions

We will continue to assess the impact of our work and consult with Congress, the agencies we oversee, and our other stakeholders as we work to provide impactful oversight of new and evolving vulnerabilities and challenges in foreign assistance.

Contents

INTRODUCTION

OIG oversight responsibility extends to a wide array of programs and operations in support of foreign assistance efforts. It encompasses a broad range of high-risk, high-dollar activities across four primary agencies and addresses large-scale initiatives involving assistance to host governments for humanitarian assistance, reconstruction, development, and self-reliance, as well as approaches to engage the public and private sectors in these efforts.

OIG audits and evaluations assess the efficiency and effectiveness of agency programs and operations, isolate the root causes of identified weaknesses in development and humanitarian assistance activities, and make sound recommendations for addressing these vulnerabilities and improving foreign assistance efforts. OIG investigations respond to allegations of fraud, waste, and abuse—including sexual exploitation and abuse—that affect the agencies OIG oversees and, when warranted, result in the referral of cases for potential criminal, civil, and administrative actions to protect U.S. foreign assistance funds as well as the beneficiaries of associated activities. Other OIG work promotes transparency within and about agency in areas of significant risk, such as in the context of complex overseas contingency operations (OCOs) and the COVID-19 response. Ultimately, OIG's work aims to help the entities OIG oversees effectively plan, monitor, and achieve intended results while advancing accountability and maintaining needed controls in core management functions. Along the way, OIG conducts extensive outreach and coordinates with law enforcement and oversight counterparts to expand the oversight safety net around foreign assistance.

OIG's work is mandated by statute or other requirements, responsive to requests from congressional committees and members, or performed at OIG discretion. In keeping with OIG oversight mandates, OIG helps ensure accurate and transparent financial reporting, the security of information technology assets, and the proper use of travel and purchase cards. OIG verifies that agencies are complying with accountability requirements and upholding the principles that guide all Federal agencies. In addition to accounting for mandates and requests,[1] in developing this plan, we considered required resources needed to provide continued oversight over areas of heightened interest, such as the evolving situation in Afghanistan the response to irregular migration from the Northern Triangle region, and efforts to combat HIV/AIDS.

In developing our work plans and prioritizing these efforts, OIG considered many factors, including the following:

- Agency programs and operations that closely tie to national security aims and foreign policy priorities or address significant new or high-profile initiatives.

- Stakeholders' needs and requests identified through outreach with agency officials, congressional committees, relevant agency board members, and others.

---

[1] OIG work plans that respond to statutory mandates are summarized in Appendix 1. Work plans that respond to requests are noted as such in the description of our planned work.

- The source and amount of funds going to programs, countries, regions, and implementers, particularly those operating in high-risk, complex settings.

- Risks associated with agency programs and operations, including potential vulnerabilities in internal controls.

- Program areas and operations where we could potentially have the biggest crosscutting or agency-wide impact.

- OIG's strategic goals and the top management challenges facing the agencies OIG oversees.

- Results of prior audit, evaluation, investigative, and other reporting work conducted by OIG and other oversight bodies.

This plan is effective immediately and covers OIG activities through the end of FY 2022. We will reassess and make adjustments as needed in response to developments affecting factors such as those identified above.

OIG's annual oversight plan describes ongoing and planned oversight work and activities and presents them in the context of wider OIG oversight priorities that draw on OIG's annual Top Management Challenges memorandum. Links to this memorandum, other related plans and reports, and information on OIG's oversight approach are provided in Appendix 2.

MAINTAINING OVERSIGHT OF GLOBAL HEALTH PROGRAMMING DURING A PANDEMIC

Global health efforts to promote effective health responses and sustain positive health outcomes are a core pillar of USAID programming. USAID seeks to end preventable child and maternal deaths, create an AIDS-free generation, and protect communities from infectious diseases while building resilient and sustainable health systems in partner countries. These efforts play out against the backdrop of the COVID-19 pandemic, which had claimed the lives of more than 5 million people as of November 2021. USAID is challenged to balance its COVID-19 response with other ongoing and emerging health programs—many of which have been impacted by the COVID-19 pandemic themselves. In response, OIG plans to continue extensive internal and external coordination, monitor global health supply chain programming, promote transparency about agency health response efforts, and audit HIV/AIDS and malaria activities, among other work.

- **OIG COVID-19 Task Team**
  OIG established a cross-functional COVID-19 task team to gather and share information and coordinate oversight and engagement around COVID-19 response and recovery efforts. The task team also assists in developing and executing OIG's COVID-19 oversight plan. The task team has regular engagement with USAID's corresponding Task Force as well as links to pertinent law enforcement bodies with a focus on pandemic relief fraud.

- **Countering Fraud in Pandemic Response Interagency Support**
  The independent committee for promoting transparency and accountability on pandemic relief spending—the Pandemic Response Accountability Committee (PRAC)—stood up a Fraud Task Force to surge investigative resources into fraud allegations against COVID-19 relief programs. Pursuant to an agreement with the PRAC, four USAID OIG agents support task force cases on a part-time basis, enabling OIG to make a broader contribution to the Inspector General (IG) community by assisting with investigations that might otherwise remain unstaffed.

- **Pandemic Relief Task Force Participation**
  OIG continues to monitor complaints to its fraud reporting hotline about USAID's COVID-19-funded activities as well as information on risks to the distribution of COVID-19 vaccines and USAID's technical assistance activities designed to support the global vaccine initiative. OIG's Office of Investigations joined the Pandemic Relief Task Force, through which it pursues criminal cases in conjunction with 17 other U.S. Federal law enforcement agencies and initiates investigations into related allegations when warranted.

- **Data Quality in Selected President's Emergency Plan for AIDS Relief Programs in Africa Audit**
  High-quality data are the foundation for sound decision making—a key in the President's Emergency Plan for AIDS Relief (PEPFAR) efforts, which have a strong emphasis on meeting

targets. OIG will assess the extent to which USAID designed and implemented internal controls over the collection and reporting of PEPFAR data.

- **USAID's COVID-19 Waivers and Flexibilities in Programming Assistance Audit**
  In 2020, USAID leadership authorized the use of expedited procedures in making and managing awards related to outbreaks of contagious, infectious disease. OIG will assess the extent to which USAID used this package of expedited procedures for COVID-19 programming and the extent to which selected USAID missions met requirements for using the expedited procedures package waiver.

- **President's Emergency Plan for AIDS Relief Oversight Coordination**
  USAID OIG meets routinely with OIGs from the Department of State, the Department of Health and Human Services, and the Peace Corps to collaborate on oversight plans related to efforts to combat HIV/AIDS, tuberculosis, and malaria. The OIGs prepare a corresponding annual oversight plan, issued in August each year, reflecting coordinated oversight efforts for the year ahead. The FY 2022 plan was released in August 2021, and the FY 2023 plan will be completed before the end of the fiscal year.

- **USAID's Malaria Efforts in High-Burden Countries in Africa Audit**
  OIG will assess the effectiveness of USAID's malaria programs in reducing infections and deaths in selected high-burden countries in Africa and determine the extent to which USAID is implementing approaches to sustain results and foster host-country ownership.

- **Investigative Monitoring of USAID's $9.5 Billion Global Health Supply Chain Contract**
  OIG's Office of Investigations has prioritized identifying, investigating, prosecuting, and mitigating fraud and organized crime that targets the global health supply chain for life-saving medications and commodities. This focus includes maintaining collaborative relationships with implementers and the USAID Bureau of Global Health, tracking reports of theft and loss, developing trend analyses, and pursuing relevant investigations in the field.

Other Planned Work

OIG has plans for other notable work in this area that has not yet been formally initiated and is subject to change, including the following:

- Controls Over Reprogramming Funds for COVID-19 Audit
- USAID's Safeguards in Funding Pandemic Research Laboratories Audit
- Ongoing Ebola Virus Disease Monitoring

MITIGATING HUMANITARIAN AND STABILIZATION ASSISTANCE RISKS

USAID's work is often conducted in environments characterized by conflict, government instability, or cataclysmic natural events. Managing the risks inherent to responding to such crises remains an ongoing challenge, especially when a short-term humanitarian response evolves into a protracted presence. Effectively monitoring humanitarian assistance and stabilization activities is inherently difficult given the crisis conditions in which USAID operates. Insufficient monitoring can jeopardize activities as well as the safety and security of personnel working to implement them. OIG's work continues to flag challenges in mitigating fraud and corruption risks and monitoring activities to ensure that lifesaving, U.S.-funded assistance reaches those that need it most. OIG's work plans for FY 2022 address such risks across the humanitarian assistance portfolio and include a strategic focus on humanitarian assistance and stabilization responses in Afghanistan, the Northern Triangle, the Middle East, and Africa.

- **USAID Staffing Constraints on Humanitarian and Stabilization Programs Evaluation**
  OIG will examine the composition of permanent and temporary staff in the recently established Bureau for Humanitarian Assistance (BHA) and Office of Transition Initiatives (OTI) structure, the impact frequent turnover and other staffing constraints have on operations and morale, and the practices BHA and OTI have implemented to manage operations under these conditions.

- **USAID's Sanctions Policies and Procedures Evaluation**
  This evaluation will assess USAID's policies and processes for complying with sanctions regulations and obtaining Office of Foreign Assets Control licenses. The evaluation may also examine USAID's process for communicating guidance to implementers about sanctions regulations and policy.

- **Advancing Best Practices Through the Complex Emergencies Working Group**
  In 2015, OIG established this working group to enhance collaboration with bilateral and multilateral oversight counterparts for investigations of foreign assistance programming in Syria. The group has since expanded its focus to all complex environments receiving development and humanitarian funding. OIG is committed to continuing its international engagement with these partners to identify corruption, fraud, and interference with U.S. foreign assistance in crisis settings.

- **Fraud Awareness Outreach**
  OIG engages in extensive outreach to humanitarian assistance implementers and pertinent USAID personnel. OIG briefings and presentations to these groups increase awareness of mandatory disclosure requirements for allegations of fraud, misconduct, and sexual

exploitation and abuse; educate stakeholders on the criminal, civil, and administrative consequences of programmatic misconduct; and help identify fraud indicators.

STRATEGIC FOCUS: AFGHANISTAN

In August 2021, the Afghan government fell to the Taliban, President Ghani fled the country, and the United States withdrew its military forces and all diplomatic personnel. Since FY 2002, USAID has provided over $24 billion in humanitarian assistance and development support, with USAID's presence in Afghanistan having impacted the lives of millions of Afghans and thousands of USAID and implementer staff, including Afghans whose lives may be at risk for their work with the U.S. government. As Afghanistan faces a growing humanitarian crisis, USAID continues to provide related assistance.

- **Deterring Diversion**
  In 2021, OIG alerted USAID about multiple ongoing OIG investigations that revealed Taliban pressure on USAID implementers, including allegations of the diversion of goods to the Taliban and direct cash payments to and employment of the Taliban in exchange for continued access to beneficiaries, security, and safe passage in Taliban-controlled areas. These investigations and reports demonstrate trends in Afghanistan that suggest the Taliban's takeover will present significant challenges within future USAID humanitarian aid efforts. OIG will continue to closely monitor related risks and drive appropriate responses.

- **Termination of Afghanistan Activities Evaluation**
  OIG plans to examine USAID efforts to terminate activities in Afghanistan in response to the deteriorating security situation there and the eventual fall of the Afghan government to the Taliban to help inform USAID responses to similar, future developments. This engagement may describe how USAID carried out termination activities with its implementers immediately prior to and after the closure of the mission in Kabul.

- **USAID Risk Management Activities in Afghanistan Follow-Up Review**
  This review will follow up on previous recommendations related to USAID's risk management activities in Afghanistan in light of current operating conditions. This engagement may also examine aspects of USAID's risk management activities for reconstituting its USAID/Afghanistan mission remotely.

- **USAID Humanitarian Assistance Activities in Afghanistan Audit**
  OIG plans to examine USAID's humanitarian assistance activities in Afghanistan. Related audit work may look to identify key challenges for providing humanitarian assistance in Afghanistan, determine the extent to which USAID has developed mitigation measures to address challenges in achieving humanitarian objectives there, assess how USAID is preventing funding from reaching sanctioned entities, and/or evaluate USAID controls for ensuring humanitarian assistance supplies are reaching intended beneficiaries.

- **Afghanistan Quarterly Reporting and Oversight Planning**
  Under Section 8L of the IG Act, USAID OIG and the OIGs for the Departments of Defense and State jointly issue quarterly reports and an annual plan for oversight of OCOs. We have been contributing to quarterly reporting and coordinated oversight plans for Operation

Freedom's Sentinel in Afghanistan since FY 2015 and will continue to do so in connection with successor operations following the fall of the Afghan government to the Taliban.

STRATEGIC FOCUS: NORTHERN TRIANGLE

In July 2021, the administration released its strategy to address the root causes of irregular migration from Guatemala, Honduras, and El Salvador—the region referred to as the Northern Triangle. The U.S. government previously announced a $4 billion, 4-year effort to tackle this challenge with a significant share expected to support USAID efforts in the region.

- **OIG Northern Triangle Task Team**
  OIG established a cross-functional Northern Triangle task team in 2021 to facilitate coordination and oversight of USAID's initiatives in the Northern Triangle region. The task team has regular engagement with USAID's corresponding Task Force as well as links to pertinent U.S. law enforcement bodies tasked with protecting U.S. interests in the region. In August, OIG issued an advisory designed to flag issues the agency should consider as it responds in the region.

- **USAID/Bureau for Humanitarian Assistance Efforts to Mitigate Select Risks of Fraud, Waste, and Abuse in the Northern Triangle Audit**
  OIG will assess select internal controls implemented by BHA with a focus on ensuring the implementers designed plans to mitigate the risk of fraud, waste, and abuse related to sanctioned groups. In addition, OIG will assess BHA's broader efforts to design mitigations for select fraud and diversion risks identified in prior USAID OIG and U.S. Government Accountability Office (GAO) oversight of cash transfer activities.

STRATEGIC FOCUS: SYRIA AND IRAQ

Syria and Iraq are still recovering from the rise of the Islamic State of Iraq and Syria (ISIS), its seizure of large areas of the two countries, and its continuing efforts to advance its aims through a low-level insurgency. Wider conflict in Syria and the actions of parties to the conflict have produced large numbers of civilian casualties and high levels of social and economic disruption while sectarian divisions, corruption, and a weak economy pose continuing challenges in Iraq. Between the two countries, the United Nations has identified 17.5 million people as in need of humanitarian assistance and reports that 7.8 million people remain internally displaced. USAID continues to provide significant assistance to these populations, providing $587 million in humanitarian assistance funding in FY 2021.

- **Operation Inherent Resolve Quarterly Reporting and Oversight Plan**
  Operation Inherent Resolve (OIR) was launched in 2014 to defeat ISIS and to set the conditions for follow-on operations to increase regional stability. We have been contributing to quarterly reporting and coordinated oversight plans for OIR in Syria and

Iraq since 2015 alongside the OIGs for the Departments of Defense and State pursuant to requirements under Section 8L of the IG Act.

- **Deterring Diversion to Terrorists and Sanctioned Entities**
  OIG will continue to focus investigative and outreach efforts to identify, investigate, and support the Department of Justice in the prosecution of efforts to provide or conceal material support to designated terrorist entities and armed groups in Syria, Iraq, and throughout the world.

STRATEGIC FOCUS: YEMEN

Yemen's ongoing civil war has created one of the gravest humanitarian crises in the world. According to the United Nations, more than 20 million Yemenis are in need of humanitarian assistance out of a total population of about 31 million. In FY 2021, USAID provided over $710 million in humanitarian assistance to ensure that the most vulnerable Yeminis receive lifesaving aid.

- **USAID's Management of the Humanitarian Crisis in Yemen Audit**
  OIG will assess USAID's management of risks inherent to providing humanitarian assistance in Yemen, including how USAID is adapting to changing response conditions and how it organizes and funds those efforts.

- **Investigative Outreach on Yemen**
  OIG continues to monitor in-country conditions and plans to conduct fraud awareness workshops for nongovernmental organizations (NGOs) implementing U.S. foreign assistance programming in Yemen.

STRATEGIC FOCUS: AFRICA

Insecurity, drought, and natural disasters have displaced millions across Africa, disrupting access to food, water, and health services in areas often already challenged by weak governance and poor support systems. The Africa Center for Strategic Studies estimated that 25 million Africans were forcibly displaced in Africa in 2018—a nearly five-fold increase over levels in 2005. USAID has provided significant humanitarian assistance in countries with large displacement populations. USAID obligated more than $2.5 billion to humanitarian responses in the top five African countries receiving this type of assistance in FY 2021.

- **USAID's Response to the African Displacement Crisis Audit**
  OIG will assess USAID's strategy to address the displacement crisis, examining regional planning efforts and work to bridge country-based strategies and plans. OIG will also

examine how well USAID is monitoring the effectiveness of its strategy in South Sudan, DRC, Somalia, Sudan, and Ethiopia.

- **Development Transition to Humanitarian Response in Northern Ethiopia Evaluation**
  This evaluation will describe the impact of the crisis on existing development programs in Northern Ethiopia and assess how USAID modified development awards to meet emergent humanitarian needs.

Other Planned Work

OIG has plans for other notable work in this area that has not yet been formally initiated and is subject to change, including the following:

- USAID's Management of Complex Emergencies Audit

- USAID's Oversight in Responding to the Rohingya Refugee Crisis Audit

- USAID's Activity Management in Selected Non-Permissive Countries in the Middle East Audit

PROMOTING SUSTAINABILITY OF U.S.-FUNDED DEVELOPMENT GAINS

USAID identifies commitment from host governments, the private sector, and other partners as fundamental to enabling host country ownership and sustaining gains made through the agency's international development investments. Achieving this aim requires robust planning, monitoring, and evaluation—areas that continue to present a challenge to USAID. MCC, which also emphasizes country-led ownership and implementation, has also faced challenges in this area. OIG's planned and ongoing work for FY 2022 will explore the effectiveness of USAID initiatives aimed at increasing local partner participation as well as the sustainability of USAID and MCC development programming and associated gains.

- **New Partnerships Initiative Audit**
  USAID has prioritized locally led development by working more closely with, building more capacity among, and obligating more funding to local partners, an effort that it has advanced in recent years under the New Partnerships Initiative. This audit will focus on the extent to which USAID has established a framework for effectively implementing these efforts as well as processes for measuring the initiative's performance and results.

- **USAID's Past, Present, and Future Efforts to Address Greenhouse Gas Emissions Audit**
  USAID is embarking on a new iteration of a climate change strategy with the first dating back at least 25 years. OIG will examine USAID's past efforts, the results of this work, and the risks that may affect USAID's successful implementation of activities that will mitigate greenhouse gas emissions. This audit will determine how well USAID is positioned for implementing aspects of its new strategy and managing associated risks that may prevent the agency from succeeding at mitigating emissions.

- **Impact of USAID/Egypt's Higher Education Program on Creating Capabilities Demanded by Egypt's Businesses Audit**
  Despite being one of the world's largest exporters of skilled laborers, Egypt faces a shortage of skilled technical and professional workers. In response, USAID is funding centers for excellence to build Egyptian capacity in science, technology, and innovation and providing scholarships to women and men from underserved communities. OIG is assessing the effect of USAID/Egypt projects on improving the capabilities of Egypt's workers and institutions.

- **USAID's Countering Trafficking in Person Efforts in Selected Asia Missions Audit**
  OIG will examine the progress and challenges of USAID's Countering Trafficking in Person (C-TIP) efforts in Asia, including the root causes of human trafficking in partner countries by protecting victims, prosecuting offenders, and promoting prevention and partnership

initiatives. The potential objective for this audit is to assess the extent to which USAID monitored the implementation of its C-TIP policy in selected Asia missions.

- **Millennium Challenge Corporation Grant Facilities Audit**
  MCC sets aside funds and delegates authority to Millennium Challenge Accounts to offer smaller grants, called grant facilities, to address the binding constraints to economic growth, giving them the flexibility to directly invest in innovative ideas from organizations and individuals working within the partner countries. OIG will assess whether MCC has appropriate controls over these funds and whether they are an effective way to address economic constraints in the partner countries.

Other Planned Work

OIG has plans for other notable work in this area that has not yet been formally initiated and is subject to change, including the following:

- MCC's Pre-Compact Development Funding Activities Audit

- MCC's Data Quality Monitoring and Evaluation Audit

- USAID's Broad Agency Announcements Audit

- USAID's Design of Democracy, Governance, and Human Rights Programs in Latin America and the Caribbean

- USAID's Workforce Development and Higher Education Programs Audit

- USAID's Efforts to Improve the Economic Empowerment of Women in Asia Audit

- USAID Pacific Island Region New Programming Activities Audit

- USAID's Activity Management in Selected Non-Permissive Countries in the Middle East Audit

- USAID Jordan's Cash Transfer Program Audit

ADVANCING ACCOUNTABILITY INITIATIVES INVOLVING MULTIPLE U.S. AGENCIES AND INTERNATIONAL STAKEHOLDERS

U.S. foreign assistance aims to advance U.S. national security and economic prosperity while promoting international development and humanitarian objectives. Achievement of U.S. foreign assistance aims around the world extends beyond the agencies we oversee, often depending on effective coordination and engagement with other U.S. government agencies, other donor and host nations, private and public sector organizations, and multilateral institutions. To further U.S. foreign policy and national security objectives, USAID exercises its role as the U.S. government's premier development agency by navigating the priorities and functions of multiple stakeholders to achieve what may be complementary but distinct goals. OIG provides oversight of initiatives involving multiple U.S. agencies and international stakeholders to ensure that U.S. foreign assistance dollars are used in an effectively coordinated way that meets wider aims and aligns with U.S. strategic interests.

- **USAID Efforts to Counter Malign Kremlin Influence Audit**
  The U.S. government's Interim National Security Guidance notes U.S. interests in countering Russia's disruptive role on the world stage and, according to USAID, Russia continues to interfere in the domestic political affairs of other countries to destabilize democratic and pro-Western allies across Europe and Eurasia. OIG's audit of USAID's efforts to counter this influence will examine the application of risk management principles in the design of USAID's framework for countering malign Kremlin influence and the integration of its approach into country strategies.

- **USAID's Efforts to Counter Chinese Influence in Africa Audit**
  USAID has stressed the benefits of private enterprise, transparent governance, and host country ownership as part of its development assistance model, contrasting this with a Chinese development model that it describes as prioritizing debt-financed infrastructure constructed by Chinese firms and workers and the use of aid to advance its national interests. OIG will assess the extent to which USAID has shifted programming and plans to counter adverse Chinese influence in Africa and developed metrics or standards to gauge the effectiveness of these efforts.

- **Detecting and Preventing Sexual Exploitation, Abuse, and Harassment in the Aid Sector**
  OIG participates in forums to address common challenges in detecting sexual exploitation and abuse (SEA) and share best practices for preventing the circulation of SEA perpetrators across the aid sector. OIG meets monthly with USAID representatives to coordinate on effective administrative responses resulting from OIG's investigative efforts, and OIG frequently engages with senior accountability, legal, and compliance officers within the international aid sector to reinforce the expectation that organizations receiving USAID

funding disclose SEA allegations and cooperate with OIG's subsequent requests for information.

- **Council of the Inspectors General on Integrity and Efficiency Participation**
  USAID OIG engages in significant efforts to promote information exchange, coordinate oversight activities, and reinforce work quality across the IG community. As a member of the Council of the Inspectors General on Integrity and Efficiency (CIGIE), USAID OIG participates on several CIGIE committees and working groups. Our General Counsel serves as the Chair of the Council of Counsels to the Inspector General, a forum to foster collaboration and coordination among OIG attorneys across the government. We maintain an active role within CIGIE's Professional Development Committee, and our Chief of Staff serves as Chair of its Leadership Development Subcommittee and established a CIGIE coaching subcommittee. We actively engage on CIGIE's Diversity, Equity, and Inclusion Working Group, and we continue regular engagement with the PRAC and its law enforcement subcommittee, routinely contributing to the committee's efforts to advance government-wide COVID-19 response oversight work, observations, and investigations. USAID OIG also provides reports to Oversight.gov, CIGIE's online repository of reports from all OIGs.

- **Reinforcing Accountability Through Ongoing Engagement with Counterparts and Stakeholders**
  We work with oversight offices and law enforcement and prosecutorial agencies worldwide, building partnerships that enable us to leverage investigative resources and coordinate, as appropriate. We also conduct outreach to international aid and development organizations receiving USAID funding to communicate our expectations for the prevention, detection, and timely reporting of fraud and other misconduct. This helps us promote integrity and accountability in and around U.S. government programs, leading to stronger oversight and significant improvements in the delivery of international development and humanitarian assistance.

- **U.S. Development Finance Corporation Investigative and Hotline Support**
  We continued to provide support to effectively transition our oversight work to the recently appointed IG for the U.S. Development Finance Corporation (DFC) and to promote the establishment of DFC OIG operations. Building off previously established memorandums of understanding with the DFC IG, we continued to provide hotline intake and investigative support, oversaw work on DFC's annual information security audit to meet Federal Information Security Modernization Act (FISMA) requirements, and coordinated on congressional affairs matters.

Other Planned Work

OIG has plans for other notable work in this area that has not yet been formally initiated and is subject to change, including the following:

- USAID and IAF Processes for Reviewing and Vetting New Implementers in the Northern Triangle Audit

- USAID's Sanctions Policies and Procedures Evaluation

- USAID's Progress Towards Countering Malign Kremlin Influence Audit

- USAID's Plan to Address Risk Upon Reopening of West Bank and Gaza Operations Audit

- USAID's Efforts to Promote Legal Pathways to Migration in Central America Audit

- USAID's Implementation of Operating Principles for Cooperation with Department of Defense Audit

- USAID's Management of Complex Emergencies Audit

- USAID's Activity Management in Selected Non-Permissive Countries in the Middle East Audit

IDENTIFYING AND ADDRESSING VULNERABILITIES IN AGENCY CONTROLS AND CORE MANAGEMENT FUNCTIONS

To carry out their missions effectively and efficiently, the agencies we oversee rely on a network of key support functions. Reliable and effective systems for the management of agency awards, finances, information systems, and human capital are vital to the stewardship of U.S. government resources and the successful execution of foreign assistance programs and operations.

FINANCIAL MANAGEMENT

USAID, MCC, USADF, and IAF manage approximately $30 billion annually to develop, implement, and support U.S. foreign assistance programs. Each agency's ability to deliver on its mandate depends on effective processes for executing its foreign assistance budget and ensuring effective controls for related activities. To promote effective financial management practices, Congress and agencies have established audit and review requirements that OIG oversees.

- **Agency Financial Statements Audits**
  The Government Management and Reform Act, OMB Bulletin 19-03, and the Accountability of Tax Dollars Act of 2002 require OIG to perform an independent audit of the annual financial statements for the agencies under its jurisdiction. OIG must render an opinion on whether the financial statements are presented fairly in all material aspects and report on internal control and compliance with laws, regulations, contracts, and grant agreements pertaining to the statements. OIG contracts out this work and oversees the contractors' work for USAID, USADF, IAF, and MCC.

- **Purchase and Travel Card Program Engagements**
  OIG is responsible for conducting several engagements relating to agency purchase and travel card programs. We perform an annual risk assessment of purchase and travel card programs to identify and analyze the risk of illegal, improper, or erroneous purchases and payments and, in accordance with requirements of the Charge Card Act, we issue letters each January to the Office of Management and Budget (OMB) on travel- and purchase card-related recommendations that remain open or were closed during the past fiscal year. In addition, we conduct periodic audits or reviews of the travel programs of agencies like USAID with more than $10 million in travel card spending. Finally, OIG contributes to a joint report for USAID to provide OMB that describes confirmed misuse of purchase cards and all adverse personnel action, punishment, or other actions taken in response to these violations.

- **Monitoring and Reporting on the Payment Integrity Information Act of 2019**
  Passed into law on March 2, 2020, this new act replaced prior reporting requirements under the Improper Payments Elimination and Recovery Act of 2010 (IPERA), as amended, to review all programs and activities annually and identify those that may be susceptible to improper payments. OIG will contract out work to review (1) the assessment of the level

of risk associated with the programs for USAID and MCC and the quality of improper payment estimates and methodology and (2) the oversight of financial controls to identify and prevent improper payments under the programs.

- **Office of National Drug Control Policy Compliance Attestation Review**
OIG performs this attestation review in accordance with Office of National Drug Control Policy (ONDCP) guidance on national drug control program agency compliance reviews, which requires such reviews at least once every 3 years. OIG develops a conclusion on the reliability of each assertion made in USAID reports on its accounting and authentication of drug control funds and performance. We completed the last ONDCP attestation in October 2019 and will plan to do the next one in FY 2022.

- **Non-Federal Audit Desk Reviews and Quality Control Reviews**
Federal regulations and internal policies require USAID and MCC to obtain timely audits of their U.S. and foreign implementers. USAID and MCC rely on independent accounting firms, the Defense Contract Audit Agency, and audit institutions of host governments. OIG determines whether these audits meet professional standards for reporting and other applicable laws, regulations, and requirements. OIG reviews the audits and makes recommendations to the respective agency to address any major concerns raised. OIG also conducts Quality Control Reviews of the workpapers that support audit reports issued by the firms that perform audits of agency contractors and grantees.

INFORMATION TECHNOLOGY MANAGEMENT

The agencies we oversee depend on secure and effective information technology (IT) systems to manage agency operations, support employee interaction and communications worldwide, and to plan, implement, and evaluate U.S. foreign assistance programs and operations. Without sound information systems that help ensure that information is secure, that controls are in place to protect privacy, and that there are effective controls over its use of information and communication equipment, these and other key agency operations are at risk. OIG's work in this area is aimed at ensuring the security and integrity of agency systems and information and compliance with related requirements.

- **Compliance With the Federal Information Security Modernization Act Audits**
OIG will assess whether each agency it oversees has implemented an effective information security program, which is defined as having an overall mature program based on the current year's FISMA reporting metrics. Although there are no mandated due dates for these audit reports, the metrics to assess the maturity level of the information security programs are due on October 31st each year.

- **Selected Controls Over USAID's Cloud Computing Services Audit**
OIG will assess the extent to which USAID has implemented selected security and governance controls over its cloud computing systems in accordance with Federal

guidelines. In addition, OIG will provide insight to USAID senior leaders, Congress, and other stakeholders on USAID's management of cloud computing services.

Other Planned Work

OIG has plans for other notable work in this area that has not yet been formally initiated and is subject to change, including the following:

- USAID's Information Technology Configuration Control Board Audit
- USAID's Efforts to Address Implementation of National Defense Authorization Act Section 889 Audit

AWARDS MANAGEMENT

USAID and MCC rely on a range of implementers that work through contracts, grants, and cooperative agreements to design and execute development programs and provide humanitarian and stabilization assistance worldwide. The planning for and management of these awards remains a key challenge given the scope of these efforts, the resources attached to them, and the attendant staffing requirements. OIG's ongoing work and plans in this area are designed to ensure effective management of different types of award mechanisms and select related controls.

- **USAID's Use of Fixed-Amount Awards Audit**
  USAID fixed-amount awards (FAAs) are subject to reduced administrative and record-keeping requirements and are often used for local implementers such as those targeted through the agency's New Partnerships Initiative. This audit will assess USAID's ability to accurately price FAAs and provide effective oversight of related payments as well as the extent to which USAID uses FAAs to provide technical assistance to partners to improve financial management capacity to develop partners that manage larger USAID awards in the future.

- **Global Labor Program Restructuring Evaluation**
  USAID's Global Labor Program—which is intended to increase the capacity of worker organizations to promote human rights, increase access to justice for employees, and advance decent work worldwide—was restructured. OIG's evaluation of this restructuring will assess the extent to which USAID followed agency policies, procedures, and standard best practices in the program restructuring. OIG is conducting this evaluation in response to a congressional request.

Other Planned Work

OIG has plans for other notable work in this area that has not yet been formally initiated and is subject to change, including the following:

- MCC's Oversight of Compact Procurements Audit

- USAID's Broad Agency Announcements Audit

- USAID's Management of Awards Through the Negotiated Indirect Cost Rate Agreement Process Audit

- USAID's Activity Management in Selected Non-Permissive Countries in the Middle East Audit

- USAID's Efforts to Address Implementation of National Defense Authorization Act Section 889 Audit

HUMAN CAPITAL MANAGEMENT

USAID has faced challenges maintaining an adequately trained workforce at the staffing levels needed to accomplish its mission. In the last 10 years, about one-third of our performance audits pointed to staffing or training as a challenge for the agency. OIG's planned and ongoing work for FY 2022 reflects a focus on strategic workforce management and employee accountability.

- **USAID's Human Capital Hiring Mechanisms Audit**
  OIG is assessing USAID's human capital policies, processes, and procedures to determine the state of USAID's human capital operations through a series of audits. This audit is focused on the extent to which USAID has met congressional staffing targets, identifying factors that facilitated or impeded these efforts. It will also assess the extent to which USAID has identified Agency-wide skill gaps and tracked progress toward addressing those gaps through its hiring practices and mechanisms.

- **Africa Bureau's Human Capital Management Practices Evaluation**
  OIG's evaluation will assess the extent to which the bureau's strategic workforce planning efforts align with best practices. The evaluation will also assess human capital management practices in at least one overseas post to illustrate related USAID practices at the country level. OIG is conducting this evaluation in response to a congressional request.

- **Assessment of USAID Staffing Constraints on Humanitarian and Stabilization Programs**
  As noted earlier, OIG will examine the composition of permanent and temporary staff in BHA and OTI and the impact frequent turnover and other staffing constraints have on operations and morale. OIG will also examine the practices BHA and OTI have implemented to manage operations under these conditions.

- **Employee Accountability**
  OIG investigates allegations of misconduct committed by USAID staff. The work has led to resignations and terminations of USAID staff and the revocation of security clearances. OIG will continue its work on the USAID Integrity Working Group—which includes USAID's Offices of Human Capital and Talent Management and General Counsel—to facilitate

cooperation and action on employee integrity matters and enhance coordination in the handling of employee case referrals.

Other Planned Work

OIG has plans for other notable work in this area that has not yet been formally initiated and is subject to change:

- USAID's Human Capital and Talent Management Data Collection and Reliability Reforms Audit

ONGOING OIG ACTIVITIES THAT EXPAND THE OVERSIGHT SAFETY NET

The flow of billions of dollars in U.S. foreign assistance creates prime opportunities for fraud, diversion, and corruption, particularly in complex environments. To strengthen its efforts to thwart bad actors, OIG continually seeks to expand its oversight safety net by educating both senior implementer officials and front-line aid workers on fraud indicators, whistleblower rights, reporting requirements, and other available mechanisms to help ensure foreign assistance reaches intended beneficiaries.

- **Anti-Corruption Coordination**
  President Biden designated the fight against corruption as a core national security interest of the United States and established a joint, interagency task force to tackle corruption. To develop and coordinate plans and activities in support of this effort, USAID established an Anti-Corruption Task Force earlier this year that is working to elevate, strengthen, and integrate anticorruption across USAID's work. Since June, senior officials from our Offices of Investigations and General Counsel serve as observers on the task force, providing OIG's perspective and insight in combatting corruption in foreign assistance programming

- **Fraud Awareness Briefings**
  OIG briefs USAID employees and employees of USAID implementers on fraud risks to deepen their understanding of schemes and vulnerabilities affecting foreign assistance funds. In FY 2021, OIG conducted 80 fraud awareness briefings across 25 countries for more than 4,500 participants drawn from agency and implementer staff. OIG also briefs new USAID employees and contractors on their right to make protected disclosures and provides information on protections against retaliation through our whistleblower protection coordinator.

- **USAID OIG's Whistleblower Protection Coordinator**
  OIG's statutorily designated Whistleblower Protection Coordinator educates employees about their right and responsibility to make protected disclosures and the protections available should they choose to come forward. Located within our Office of Investigations, the Whistleblower Protection Coordinator does the following:

  - Educates agency employees on their legal right to disclose fraud, waste, abuse, and other misconduct, free from reprisal.

  - Delivers information and materials on whistleblower protections at each of USAID's biweekly New Employee Orientations. During the reporting period, this included 16 such sessions.

  - Works to ensure that USAID employees receive information on whistleblower rights and remedies.

  OIG remains committed to maintaining certification under the U.S. Office of Special Counsel's 2302(c) program, which helps Federal agencies meet the statutory obligation to inform their workforces about the rights and remedies available to potential whistleblowers.

OIG also provides training to its own personnel who have the same right to disclose wrongdoing as their agency counterparts.

- **Legal Proactive Outreach Program**
  OIG's Office of General Counsel frequently presents to the legal counsels and compliance officers of both U.S. and foreign NGOs. These interactive presentations focus on OIG's expectations for timely and transparent reporting of fraud and sexual exploitation and abuse while describing best practices for internal compliance programs and cooperation with OIG investigations. OIG uses these presentations to collaborate with NGOs based abroad to prevent the disruption of disclosures to OIG due to foreign data privacy laws.

APPENDIX 1: MANDATORY REPORTING BY AGENCY

OIG performs financial-related audits for the agencies it oversees, which reflect the significant statutory audit requirements that OIG is responsible for carrying out each year. The chart below reflects OIG's mandatory reporting for USAID, MCC, IAF, and USADF through planned and ongoing oversight activities.

Mandated Report	USAID	MCC	IAF	USADF
Financial Statements Audit (p. 15)	✓	✓	✓	✓
Digital Accountability and Transparency Act (DATA Act) Compliance Audit*	✓	✓	✓	✓
Monitoring and Reporting on the Payment Integrity Information Act of 2019 (p. 15)	✓	✓		
Assessment of Agencies' Management of Purchase and Travel Cards (p. 15)	✓	✓	✓	✓
Federal Government Charge Card Program Review (p. 15)	✓	✓		
Semiannual Joint Charge Card Input (p. 15)	✓			
Charge Card Recommendation Letter (p. 15)	✓	✓	✓	✓
ONDCP Compliance Attestation Review (p. 16)	✓			
FISMA Compliance Audit (p. 16)	✓	✓	✓	✓

*OIG issued reports responsive to this requirement earlier in the fiscal year. It is not described in detail in this plan as a result.

APPENDIX 2: RESOURCES

- *OIG Oversight Approach*. In addition to a brief overview of our work approach, this page provides links to details on OIG's audit and investigative processes, its oversight of OCOs, and its CIGIE participation.

- *Semiannual Reports to Congress*. As required by statute, OIG reports to Congress twice a year on our completed audit and investigative work, accomplishments, and significant findings.

- *Top Management Challenges*. As required by statute, OIG identifies and reports the most daunting challenges facing the agencies we oversee and the progress made in managing them.

- *Investigating Reported Fraud, Waste, and Abuse*. Federal employees and employees of contractors and grantees implementing projects with U.S. funds are required to disclose fraud, waste, abuse, and corruption to appropriate authorities, including OIG. We review each disclosure and initiate the appropriate course of action.

- *Other OIG Oversight Plans*. In addition to this plan, OIG has developed other specialized oversight plans in response to specific oversight priorities and coordination requirements. Earlier this year, we prepared a *COVID-19 Oversight Plan* that presented our oversight plans relating to USAID activities carried out pursuant to the Coronavirus Preparedness and Response Supplemental Appropriations Act and the Coronavirus Aid, Relief, and Economic Security Act. In coordination with the OIGs for the Departments of State and Health and Human Services as well as the Peace Corps OIG, we prepared the *Coordinated PEPFAR Oversight Plan for FY 2022* that includes our plans for oversight of programs and activities intended to respond to HIV/AIDS, tuberculosis, and malaria. Finally, we worked with other OIGs with oversight responsibilities relating to overseas contingency operations in developing the *FY 2022 Coordinated Oversight Plan for Overseas Contingency Operations*. Each of these documents reflected our plans at the time of their issuance and are subject to change as we adapt to evolving program and operational conditions.

Report Fraud, Waste, and Abuse

1-800-230-6539
https://oig.usaid.gov/report-fraud
OIG's Hotline provides a mechanism for any individual to confidentially report
fraud, waste, and abuse related to programming or operations for which USAID
OIG provides oversight: USAID, MCC, USADF, and IAF.