## APPENDIX A: MANAGEMENT GOAL PERFORMANCE DATA

| Table of FY 2001 Performance Data | Management G oal: Achieve U SAID 's G oals Efficiently and Effectively |  |  |  | ctively |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Performance Goals \& Indicators | FY 2001 Target | FY 2001 Actual | Assessment | Notes | Linkage to President's Management Agenda |
| Objective \#1: Accurate program performance and financial information available for Agency decisions (M/CFO) |  |  |  |  |  |
| 1.1: Core financial management system certified compliant with Federal requirements |  |  |  | Modified in FY 2000 POR |  |
| 1.1.1: Integrated, automated financial systems worldwide | Such a system is fully operational in Washington and two overseas Missions. | Washington system fully implemented. <br> System linked to missions through electronic interface. <br> No pilot missions. | Target exceeded <br> Target met <br> Target not met per note: | Overseas deployment of core financial system resequenced to follow acquisition and deployment of a new procurement system and upgraded telecommunication network capabilities. | Improved Financial Performance |
| 1.1.2: A fully operational, secure and compliant core financial system installed with interfaces to major feeder systems | Federal certification of the general control environment and system security of the accounting operations of approximately one-half of the Agency's overseas Missions. | Washington system certified. <br> Mission critical interfaces. <br> System security certification and accreditations were conducted at nine of 38 overseas accounting stations. System security vulnerabilities were identified and corrected. The 10th mission was not certified due to delays associated with September 11. <br> Technical and functional managers designated for five mission critical systems. | Target met <br> Target met <br> Target partially met <br> Target exceeded | Target not fully achieved in order to dedicate budget resources to complete implementation of core financial system in Washington. | Improved Financial Performance |
| 1.2: A system to allocate costs fully to Agency strategic goals installed in Washington and the field |  |  |  | Modified in FY 2000 POR |  |
| 1.2.1: Costs attributable to Agency strategic goals | Provide secure, reliable and accurate financial information at the strategic objective level throughout the Agency. | Financial reporting at the strategic objective level in Washington. <br> Mission financial reporting at the strategic objective level on schedule for June 2002. | Target met <br> Target partially met |  | Budget and Performance Integration |

## APPENDIX A: MANAGEMENT GOAL PERFORMANCE DATA

| Management G oal; Achieve USAID's G oals Efficiently and Effectively |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Performance Goals \& Indicators | FY 2001 Target | FY 2001 Actual | Assessment | Notes | Linkage to President's Management Agenda |
| Objective \#1: Accurate program performance and financial information available for Agency decisions (M/CFO) |  |  |  |  |  |
| 1.3: Program performance assessment systems and capabilities increased |  |  |  | Modified in FY 2000 POR |  |
| 1.3.1: USAID program performance tracked | Target not set for FY 2001. |  | Not applicable | New indicator for FY 2002 (introduced in FY 2000 POR). | Budget and Performance Integration |
| 1.4: Knowledge to plan and implement USAID's programs acquired and shared effectively |  |  |  | Modified in FY 2000 POR |  |
| 1.4.1: Knowledge | Target not set for FY 2001. | Implementation of www.USAIDResults.org as a knowledge management portal for ADS 200 Programming Policies. | Not applicable | New indicator for FY 2002 (introduced in FY 2000 POR). |  |
| 1.5: Agency operations guided by effective policies and procedures |  |  |  | Modified in FY 2000 POR |  |
| 1.5.1: Assessment and audits validate implementation of policies and procedures | Target not set for FY 2001. | 9 OIG Performance <br> Audits Conducted indicating inconsistent adherence to data reliability standards. | Not applicable | New indicator for FY 2002 (introduced in FY 2000 POR). | Budget and Performance Integration; and, Improved Financial Performance |
| Objective \#2: USAID staff skills, Agency goals, core values and organizational structures better aligned to achieve results efficiently (M/HR) |  |  |  |  |  |
| 2.1: Human resource planning capabilities strengthened |  |  |  | Modified in FY 2000 POR |  |
| 2.1.1: Recruitment efforts result in rapid deployment of staff in all labor categories and services-Target A | An additional 151 employees (of which 131 will be NEPs) brought on board through March 2002. | Total of 141 employees brought on board. Breakdown: 77 NEPs (Foreign Service entry level employees) entered on duty along with 18 Presidential Management Interns, 46 other career Civil Service (CS) employees entered on duty during FY 2001. | Target not met | NEP Classes are about 10 employees fewer than actual target due to last minute cancellations or lack of necessary medical/security clearances. Next NEP class enters March 2002. | Strategic Management of Human Capital |
| 2.1.1: Recruitment efforts result in rapid deployment of staff in all labor categories and services-Target B | Planned FS staffing level maintained. | Excluding the IG, USAID had 996 FS employees on 9/30/2000; on 9/30/2001, it had 992. FS attrition was 92 of FY 2001. (USAID projects FS attrition to be at least 90 per year through FY 2005 and total FS \&CS attrition will be 200 , or about $10 \%$ per annum.) | Target met | The Agency plans to have 1,000 Foreign Service (FS) on board by $9 / 30 / 2002$. | Strategic Management of Human Capital |

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| Management Goal: Achieve USAID's G oals Efficiently and Effectively Table of FY 2001 Performance Data |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Performance Goals \& Indicators | FY 2001 Target | FY 2001 Actual | Assessment | Notes | Linkage to President's Management Agenda |
| Objective \#2: USAID staff skills, Agency goals, core values and organizational structures better aligned to achieve results efficiently (M/HR) |  |  |  |  |  |
| 2.2: Skill shortages addressed |  |  |  | Modified in FY 2000 POR |  |
| 2.2.1: In-house training on critical operational skills continued-Target A | Leadership training for 100 executive-level (FS-1/GS-15) employees | 105 executive-level (FS-1/GS-15) employees trained. | Target Met |  | Strategic Management of Human Capital |
| 2.2.1: In-house training on critical operational skills continued-Target $B$ | Operations training for 120 midlevel seniors (FS-2/GS-14), senior level FSNs and US PSCs | 147 midlevel seniors (FS-2/GS-14), senior level FSNs and US PSCs trained. | Target Met |  | Strategic Management of Human Capital |
| 2.2.1: In-house training on critical operational skills continued-Target C | Assistance and acquisition training for 425 technical officers | 480 employees trained. | Target Met |  | Strategic Management of Human Capital |
| 2.2.1: In-house training on critical operational skills continued-Target D | Supervisory training for 300 employees at all levels | 385 employees trained. | Target Met |  | Strategic Management of Human Capital |
| 2.2.1: In-house training on critical operational skills continued-Target E | Managing for Results Program made available for computer-based selfinstruction. | Program made available and 348 employees trained. | Target Met |  | Strategic Management of Human Capital |
| Objective \#3: Agency goals and objectives served by well-planned and managed acquisitions and assistance (A\&A) (M/OP) |  |  |  |  |  |
| 3.1: A\&A planning integrated with program development |  |  |  | Modified in FY 2000 POR |  |
| 3.1.1: Procurement priorities established and modified jointly by technical and contract officers | Negotiate 38\% of A\&A instruments within first three quarters of FY 2001, 20\% during July, 21\% during August, and 21\% in September. <br> Baseline (FY 1999): 32\% of A\&A instruments awarded were executed during the first three quarters of the year. The remaining $68 \%$ of the instruments were executed during the fourth quarter as follows: July 13\%; August - 14\%; September-41\%. | Of the A\&A awards made in Washington, $40 \%$ of awards were made within the first three quarters. <br> 8\% were awarded in July; 8\% were awarded in August; $44 \%$ were awarded in September. | Target exceeded <br> Other targets not met. See note at right | The goal of reducing fourth quarter obligations is partly dependent on when the OYB is made available. In addition, some programs, such as OFDA, must react to immediate needs. (USAID is retaining its targets for FY 2002, but plans further review to determine whether the goals should exclude actions that cannot be planned in advance.) | Competitive Sourcing |

## APPENDIX A: MANAGEMENT GOAL PERFORMANCE DATA

## Management G oal: Achieve U SAID 's G oals Efficiently and Effectively Table of FY 2001 Performance Data

| Performance Goals \& Indicators | FY 2001 Target | FY 2001 Actual | Assessment | Notes | Linkage to President's Management Agenda |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Objective \#3: Agency goals and objectives served by well-planned and managed acquisitions and assistance (A\&A) (M/OP) |  |  |  |  |  |
| 3.2: A\&A competencies of technical and contract staff strengthened |  |  |  | Modified in FY 2000 POR |  |
| 3.2.1: Percentage of CTOs and COs certifiedTarget A | Cognizant Technical Officer (CTO) certification program approved. | The Administrator approved the CTO certification program. | Target met | Administrator's notice of July 16 indicated his decision to budget resources to complete the CTO certification program in three years. | Improved Financial Performance |
| 3.2.1: Percentage of CTOs and COs certifiedTarget B | $85 \%$ of Contract Officers (COs) certified by end of FY 2001. | $96 \%$ of COs with unlimited warrants are certified. <br> $77 \%$ of COs with warrants of $\$ 2.5$ million and more are certified. | Target met |  | Improved Financial Performance |
| 3.2.1: Percentage of CTOs and COs certifiedTarget C | Productivity of COs enhanced by a fully operational, automated contract-writing system. | New automated contract writing system (ProDoc) is operational in Washington and Missions. | Target met | System is required to be used as of 10/01/01. | Improved Financial Performance |
| 3.3: Partnerships among USAID technical offices, contract offices and contractors and recipients improved Modified in FY 2000 POR |  |  |  |  |  |
| 3.3.1: Increase in postaward meetings between all parties when substantial new awards are made | Baseline established and 2002 target set. | Baseline established that joint meetings were held for large new contracts approximately $30 \%$ of the time. | Target met |  | Improved Financial Performance |
| 3.3.2: Contract administration is simplified | New indicator-target not set for FY 2001. |  | Not applicable |  | Improved Financial Performance |
| 3.4: Consistency in application of A\&A policies and procedures |  |  |  | Modified in FY 2000 POR |  |
| 3.4.1: Uniform implementation of contracting policies | Uniform implementation of contracting policies | Baseline not established because of end-of-year work requirements. | Target not met | CRB began reviewing contracts exceeding \$10 million in April. Since the majority of the work of the CRB occurred during the last three months of the year--particularly the last month--the board has not yet set down its findings in order to establish a baseline. | Improved Financial Performance |

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| Management G oal: Achieve USAID's G oals Efficiently and Effectively Table of FY 2001 Performance Data |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Performance Goals \& Indicators | FY 2001 Target | FY 2001 Actual | Assessment | Notes | Linkage to President's Management Agenda |
| Objective \#4: Agency goals and objectives supported by better information management and technology (M/RM and M/CIO) |  |  |  |  |  |
| NEW: 4.1: Information technology improves Agency efficiency and effectiveness |  |  |  | Modified in FY 2000 POR |  |
| 4.1: Enhanced compliance with Federal requirements and regulations | Continue the process of modernizing Agency systems consistent with the technical architecture adapted in fiscal year 2000. | Evaluation of new desktop operating system/office suite for USAID/W completed. Eight missions completed for network operating system, e-mail upgrades. <br> Telecommunications network equipment upgraded in three missions. | Target met |  | Expanded Electronic Government |

# APPENDIX B: USAID OFFICE OF INSPECTOR GENERAL STATEMENT CONCERNING USAID'S MOST SERIOUS MANAGMENT AND PERFORMANCE CHALLENGES 

## INFORMATION MEMORANDUM

TO: $\quad$ A/AID, Andrew S. Natsios
FROM: IG, Everett L. M osley


SU BJECT: USAID 's M ost Serious M anagement Challenges

## SUMMARY

Attached is a revised copy of my O ffice's statement of the most serious challenges facing U SAID management for inclusion in U SAID's fiscal year 2001 Accountability Report. Except as otherwise noted, this summary is as of September 30, 2001.

## DISCUSSIO N

The Report Consolidation Act of 2000 (Public Law 106-531) states that an agency Accountability Report "shall include a statement prepared by the agency's inspector general that summarizes what the inspector general considers to be the most serious management and performance challenges facing the agency and briefly assesses the agency's progress in addressing those challenges."

The attached document provides our statement concerning USAID's most serious management and performance challenges for inclusion in USAID's fiscal year 2001 Accountability Report. This memorandum supercedes my same subject memorandum to you dated February 4, 2002 as it contains additional information derived from relevant audit work my Office performed subsequent to the September 30, 2001 reporting period. This additional information is described in the attachment.

If you have any questions or wish to discuss this document, I would be happy to meet with you.
Attachment:
U SAID Office of Inspector General Statement Concerning U SAID's M ost Serious M anagement and Performance Challenges

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## APPENDIX B: USAID OFFICE OF INSPECTOR GENERAL STATEMENT CONCERNING USAID'S MOST SERIOUS MANAGMENT AND PERFORMANCE CHALLENGES

This document presents the Office of Inspector General's assessment of the most serious challenges facing U SAID management at the close of fiscal year 2001.

In pursuit of its mission, USAID faces a number of serious challenges. This statement describes U SAID's continuing efforts to address its major management and performance challenges and OIG efforts to assist in overcoming these challenges.

## Information Resource Management

O ver the past several years, OIG audits have identified significant weaknesses in USAID's management of information technology resources. Organizational and management deficiencies have slowed USAID's acquisition and implementation of effective information systems. Furthermore, U SAID's management practices have kept the Agency from fully complying with the Clinger-Cohen Act of 1996, which requires executive agencies to implement a process that maximizes the value of information technology investments and assess the risks involved with these investments. As a result, USAID managers have not had access to financial information that is complete, reliable, and timely.

U SAID faces three primary information resource management challenges: financial reporting and resource management capabilities, information resource management processes, and computer security.

## Improving Financial Reporting and Resource Management Capabilities

The information systems at U SAID have not fully supported the Agency's
planning and reporting requirements. Therefore, USAID managers have had difficulty consistently obtaining timely, reliable and complete financial and performance data. Even though U SAID managers can mitigate the systemic weaknesses by generating individual reports on an ad hoc basis, the Agency's ability to routinely use financial information for decisionmaking purposes remains impaired.

To correct this weakness, U SAID has deployed Phoenix, the core financial accounting component of a new integrated financial management and accounting system. The Phoenix system replaced key components of USAID's unreliable financial management system, the N ew M anagement System. The OIG has closely monitored the implementation of the Phoenix system.

## Improving Information Resource M anagement Processes

O ver the past years, the OIG has reported that USAID's processes for procuring and managing information resource technology have not followed the guidelines established by the Clinger-Cohen Act. U SAID management has acknowledged the weaknesses of its information resource management processes, and the Agency has made efforts to improve them. For example, USAID is incorporating performance measurements to enhance program management capabilities for monitoring and tracking information management projects. Also, the Agency is developing plans to seek independent certification that its practices meet commonly accepted government and industry standards. USAID efforts to comply with industry
standards for complex information technology projects, such as the wide area renovation projects to deploy telecommunication services overseas, should result in faster, more efficient project implementation.

U SAID 's management and procurement of information technology resources will considerably improve with these actions. The OIG will continue to track and report on USAID's efforts to fully comply with requirements of the Clinger-Cohen Act.

## Improving Computer Security

Recent OIG audits have confirmed that USAID does not yet have adequate computer security controls in place to mitigate the risks to critical information systems. These audits, however, have also identified substantial computer security improvements. For example, U SAID 's computer security framework includes updated security policies, a security valuation process requiring certification by management, improved security training, and a risk assessment process. The Chief Information Officers Council and the General Services Administration recognized U SAID's security program as an innovative and comprehensive approach that could benefit the entire Federal government.

Despite these efforts, more work is needed to ensure that sensitive data is not exposed to unacceptable risks of loss or destruction.As of July 2001, USAID had assessed the computer security risks at only 20 percent of missions, and agency-wide computer security had not yet been fully addressed. Also, during fiscal year 2001, U SAID conducted assessments at nine overseas $M$ ission Accounting

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and Control Systems (MACS) accounting stations and found that three MACS systems had not been finalized according to certification and accreditation requirements.
Furthermore, USAID could better protect Agency information systems by developing capabilities to prevent, detect, respond to, and report efforts to obtain unauthorized access.

The OIG, through continuing audits and by monitoring USAID's Information Systems Security Working Group, will continue to work with USAID management to improve computer security.

## Financial Management

O ver the past several years, USAID has made progress toward resolving problems with its financial management system, and the Agency has committed significant resources for additional improvements. Despite these efforts, U SAID's outstanding financial management system deficiencies remain a significant management challenge, and the solutions to several long-standing problems have been delayed.

## Implementing an Integrated Financial Management System

OIG audits showed that USAID's financial management systems did not comply with Federal Financial M anagement Improvement Act (FFM IA) requirements and were unable to provide complete, reliable, timely, and consistent information about Agency operations.

To correct this situation, USAID plans to implement an integrated financial management system using a combination of commercial off-the-
shelf software products and third party financial service providers.

Phoenix, the core financial accounting component, operates in Washington, D.C. and receives financial information electronically from the 38 overseas accounting stations. While Phoenix has been deployed in Washington, the deployment of Phoenix to overseas accounting stations has been delayed. Pilot implementation of the system at two missions, scheduled to take place during April 2001, had not occurred by the close of fiscal year 2001, and estimates for the system's full deployment were changed from fiscal year 2003 to fiscal year 2007.

According to USAID management, a major reason for delaying the worldwide Phoenix deployment was the cost. As a result, USAID revised its strategy on how the Agency could become compliant with FFM IA requirements. Initially, USAID developed an interim effort that automated the interface between data extracted from the Agency mission systems and Phoenix. USAID officials believed, at that time, that implementing the automated interface would make the system compliant. However, subsequent to the September 30, 2001 reporting period, we found, based on our discussions with O ffice of Management and Budget officials and our own audit work, that the interface did not make the system compliant with FFM IA requirements. Again USAID was faced with a need to revise its strategy on how it would become compliant with FFM IA. USAID is currently conducting a study to determine when and how best to deploy the system overseas and become compliant with FFMIA.

The OIG will continue to monitor the deployment of USAID's integrated financial management systems and review USAID's efforts to comply with FFMIA requirements.

## Correcting 0 utstanding Financial Management System Planning Deficiencies

Recent OIG audits reported that USAID had made significant improvements to its financial management system planning. Those improvements included developing and implementing an agency-wide information technology architecture, financial management system portfolio, acquisition strategy, financial management system remediation plan, and a program management office to oversee the development of an integrated financial management system.

Despite these improvements, the OIG concluded that additional efforts are needed to fully correct identified financial management system planning deficiencies. For example, USAID needs to improve its process so that information technology investments are prioritized and selected in accordance with OMB guidelines. Furthermore, the Agency needs to strengthen the authorities to ensure to manage financial management system projects effective day-to-day oversight of USAID 's financial system modernization efforts. Finally, although USAID's current remediation plan has been updated to include remedies, resources, and intermediate target dates, the Agency has yet to meet those dates. The OIG will continue to monitor the Agency's progress in correcting these remaining financial management system planning deficiencies.

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## Reconciling Financial Data

During past audits, the OIG found that USAID's grant financial management system did not provide effective control and accountability over many of the Agency's advances. The OIG recommended that USAID reconcile the unliquidated obligation amount for each grant transferred from its old legacy system to the Department of Health and Human Services Payment Management System. USAID is in the process of performing this reconciliation and has contracted with a private accounting firm to provide additional assistance in this area. According to USAID, this effort has improved the reliability of the advance balances that will be reported in the Agency's fiscal year 2001 financial statements. As part of the current Government
M anagement Reform Act (GMRA) audit, the OIG is assessing whether this action led to improvements in the information reported in the Agency's financial accounting system.

## Accurately Reporting Accounts Receivable

The OIG first noted in a 1997 audit report that USAID could not adequately track and report its accounts receivable. To address this problem, USAID's new integrated accounting system will have the capacity to establish and report accounts receivable. W hen this system is fully implemented in Washington and at the missions, the OIG will review the resulting data to determine whether USAID managers are receiving reliable and timely accounts receivable data.

As an interim measure, USAID records accounts receivable as an adjusting entry to its year-end financial statements. As part of the current GMRA audit, the OIG is evaluating these efforts to ensure that they provide adequate information about the Agency's accounts receivable.

## Human Capital Management

As a result of downsizing initiatives, USAID has experienced a 30 percent reduction in U.S. direct hire staff since fiscal year 1995. USAID's remaining workforce-the Agency's human capitalmust be properly managed to ensure USAID's ability to fulfill its mission.

In January 2001, the U.S. General Accounting Office (GAO) reported that since the early 1990s, USAID has made limited progress in addressing human capital reforms related to personnel administration, career management, training, and Foreign Service assignments. According to the GAO, USAID's human capital problems can be seen as part of a broader pattern of human capital shortcomings that have eroded mission capabilities across the federal government. USAID's specific human capital challenges include:

- a projected 57 percent of U.S. direct hire Foreign Service staff that will be eligible for voluntary retirement by the end of fiscal year 2005;
- a projected 32 percent of U.S. direct hire Civil Service staff that will be eligible for retirement by the end of fiscal year 2005; and
- attrition rates estimated to be about 7 percent for Foreign Service staff
and 10 percent for the Civil
Service through fiscal year 2006.
USAID faces a steady decline in the number of experienced Foreign Service officers and employees who have specialized technical expertise. As a result, there are less-experienced personnel managing increasingly complex overseas development programs.

Although these challenges are daunting, they also provide an opportunity for USAID to develop a workforce with the necessary skills for the future. To address these challenges, USAID is planning to (1) hire 80 to 85 entry-level Foreign Service candidates per year through fiscal year 2005, (2) increase external training for upper-level managers through such programs as the Federal Executive Institute and the Foreign Affairs Leadership Seminar, and (3) recruit employees with critical skills in the areas of information technology, financial management, legal, and contracting.

Because human capital management is designated as a major challenge, the OIG is committed to continued audit work in this area. The OIG is currently evaluating USAID's (1) management staff training, (2) management of the Agency's procurement workforce, and (3) human capital baseline data.

## Procurement

USAID relies on its procurement workforce to award and administer the contracts and assistance instruments required to accomplish program objectives. A major challenge for USAID is to develop and implement a system to effectively manage the Agency's procurement resources. Specifically, USAID must address the following issues.

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## Ensuring Adequate Procurement 0 ffice Staffing

USAID's Office of Procurement is losing experienced contracting officers to retirement, other federal agencies, the private sector, and transfers to noncontracting jobs within other USAID offices. According to USAID officials, the number of contracting staff as of the second quarter fiscal year 2001 decreased by 20 percent from the onboard levels at the beginning of fiscal year 2000.

According to USAID's fiscal year 1999 and 2000 budgets, USAID's procurement staff administered approximately 50 percent of the Agency's foreign assistance budget through assistance and acquisition instruments. In the O ffice of Procurement's fiscal year 2000 Federal M anager's Financial Integrity Act submission, the Director reported that as a result of workforce attrition, coupled with the inability to quickly fill vacant procurement professional positions, the Office of Procurement has not been operating at adequate staffing levels. A major challenge for USAID will be to retain enough procurement professionals and to ensure the integrity and efficiency of the Agency's acquisition and assistance functions.

## Ensuring Effective Contract Administration

USAID requires its procurement workforce to manage a variety of contract award and administration activities. The staffing challenges USAID faces make it difficult for the procurement workforce to maintain the appropriate levels of contract
administration to ensure continuation of sound business practices. As a result, USAID could be vulnerable to higher contract costs, delays in contract awards, an increased number of bid protests, as well as costly contract modifications and revisions. For fiscal year 2002, USAID's goal is to use performance-based contracting techniques to award at least 20 percent of the Agency's eligible contracts over $\$ 25,000$. To achieve this goal, procurement specialists will be expected to have much greater knowledge of market conditions, industry trends and technical details of the commodities and services procured.

To help ensure the effectiveness of USAID's procurement operations, the OIG plans to evaluate various aspects of the procurement function. The OIG currently has underway audits of USAID's staffing of procurement officers and use of non-U.S. direct hire personnel to perform procurement functions. The OIG recently completed an audit of the independence of procurement officers overseas.

## Performance Measurement and Reporting

The Government Performance and Results Act of 1993 (Results Act) requires agencies to set program goals, measure program performance against those goals, and report on their progress. As the OIG stated in a December 2000 letter to the U.S. Senate Committee on Governmental Affairs, USAID continues to have problems developing performance measurement and reporting systems that meet internal and external
reporting requirements, including the requirements of the Results Act.

The OIG is continuing to monitor and recommend improvements to USAID's performance measurement and reporting systems. For example, in collaboration with USAID management, the OIG conducted a series of audits to test compliance with the Agency's performance monitoring guidance. These audits reviewed indicators appearing in USAID's annual internal Results Review and Resource Request (R4) reports and determined that the audited operating units needed to:

- improve their respective performance monitoring plans;
- perform and document data quality assessments on indicators used for program management and reported in R4 reports; ando
- disclose any known data quality limitations in the R4 reports.

The OIG is currently conducting a series of similar audits focused on indicators related to USAID's HIV/AIDS activities. Further, in response to the O IG 's audit reports, USAID has revised directives for performance monitoring, and has initiated Agency-wide training to improve performance measurement and monitoring.

The OIG is continuing to monitor and recommend improvements to USAID's performance measurement and reporting systems.

## APPENDIX C: LIST OF ACRONYMS

| A\&A | Acquisition and Assistance |
| :---: | :---: |
| ACS | Accounting Classification Structure |
| ADS | Automated Directives System |
| AICPA | American Institute of Certified Public Accountants |
| APP | Annual Performance Plan |
| AWACS | A.I.D. Worldwide Accounting and Control System |
| C\&A | Certification and Accreditation |
| CFO | Chief Financial Officer |
| CIO | Chief Information Officer |
| CMM | Capability M aturity M odel |
| CO | Contracting Officer |
| CONOPS | Concept of O perations |
| COTS | Commercial Off-the-Shelf |
| CRB | Contract Review Board |
| CS | Civil Service |
| CTO | Cognizant Technical Officer |
| DHHS | Department of Health and Human Services |
| E-GOV | Electronic Government |
| ESIL | Enterprise Solution Integration Laboratory |
| FFMIA | Federal Financial M anagement Improvement Act |
| FMC | Financial M anagement Center |
| FM FIA | Federal M anagers' Financial Integrity Act |
| FMIP | Financial M anagement Improvement Program |
| FS | Foreign Service |
| FSI | Financial Systems Integration |
| FSN | Foreign Service N ational |
| GM RA | Government M anagement Reform Act |
| GPEA | Government Paperwork Elimination Act |


| GPRA | Government Performance and Results Act |
| :---: | :---: |
| IFMS | Integrated Financial M anagement System |
| IG | Inspector G eneral |
| IM SP | Information M anagement Strategic Plan |
| IT | Information Technology |
| JFMIP | Joint Financial M anagement Improvement Program |
| LOC | Letter of Credit |
| MACS | Mission Accounting and Control System |
| M ACSTRAX | M ACS Voucher Tracking System |
| MAL | M ACS Auxiliary Ledger |
| MCA | M anagerial Cost Accounting |
| M PICS | Mission Procurement Information Collection System |
| NEP | New Entry Professional |
| NFC | National Finance Center |
| NMS | New M anagement System |
| NXP | Non-Expendable Property |
| OIG | Office of the Inspector General |
| OMB | Office of M anagement and Budget |
| PMI | Presidential M anagement Intern |
| PMS | Payment M anagement System |
| PSC | Personal Services Contractor |
| QCR | Quality Control Review |
| SGL | Standard General Ledger |
| TEIA | Target Enterprise Information Architecture |
| USAID | United States Agency for International Development |
| USDH | U nited States Direct Hire |

