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## OFFICE OF INSPECTOR GENERAL

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# FOLLOWUP AUDIT OF USAID/SENEGAL'S CONTRACTING OPERATIONS

AUDIT REPORT NO. 7-685-08-004-P  
DECEMBER 28, 2007

DAKAR, SENEGAL



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*Office of Inspector General*

December 28, 2007

**MEMORANDUM**

**TO:** USAID/Senegal Director, Kevin Mullally

**CC:** USAID/West Africa Director, Henderson Patrick

**FROM:** Acting Regional Inspector General/Dakar, Abdoulaye Gueye

**SUBJECT:** Followup Audit of USAID/Senegal's Contracting Operations (Report No. 7-685-08-004-P)

This memorandum transmits our final report on the subject audit. In finalizing our report, we considered your comments on our draft report and have included your response in its entirety in appendix II.

This report contains two recommendations. Based on the information provided in USAID/Senegal's response to the draft report, management decisions have been made on both recommendations. Determination of final action on the recommendations will be made by the Audit, Performance, and Compliance Division (M/CFO/APC).

I appreciate the cooperation and courtesy extended to my staff throughout the audit.

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# SUMMARY OF RESULTS

The Regional Inspector General/Dakar conducted this followup audit to determine whether USAID/Senegal took appropriate corrective actions on three recommendations previously reported in the *Audit of USAID/Senegal's Contracting Operations*, Audit Report No. 7-685-05-003-P issued January 31, 2005. (See page 4.)

USAID/Senegal took adequate measures to close Recommendation No. 2, which addressed the submission of contractor performance information to the National Institutes of Health (NIH) contractor evaluation system. An acquisition and assistance specialist within the Regional Contracting Office (RCO) at USAID/Senegal was assigned the responsibility for completing and submitting contractors' performance evaluations in the NIH Contractor Performance System and has been doing so on a timely basis. In addition, contractor performance issues are discussed during USAID/Senegal's portfolio reviews. (See page 5.)

USAID/Senegal, however, did not take sufficient action to implement Recommendation Nos. 1 and 3 of the prior audit report. In response to Recommendation No. 1, USAID/Senegal agreed to identify and implement an integrated contract information system. A database was created and information on that system was submitted to justify closure of the recommendation. At the time of the followup audit, however, this database system was no longer being used and some of the same weaknesses found in the prior audit continued to exist. The former regional contracting officer began using the Agency's Secure Image and Storage Tracking (ASIST) system as another mechanism to manage contract information, but only 1 of 82 contract documents had been entered into the system at the time of the followup audit. The lack of followthrough and persistence in using the database and ASIST occurred because the contracting officer position was vacant for more than 1 year, resulting in limited leadership and direction for the two acquisition and assistance specialists within the RCO. As a result, management and other staff cannot be assured that contract data they need for their programs is accurate and complete. (See page 5.)

Recommendation No. 3 of the prior audit recommended that USAID/Senegal develop procedures assigning responsibility to specific staff to actively monitor and close out expired instruments. USAID/Senegal agreed and submitted its internal *Acquisition and Assistance (A&A) Policy No. 2 Close-Out Procedures for Completed Instruments* as final action to close the recommendation. However, that policy did not specifically designate who is responsible for monitoring the closeout process, a key element of the recommendation. Although this policy combined with the existing USAID Senegal Mission Order 216-1 provides sufficient guidance for the closeout process, sufficient controls are lacking to manage and measure progress in the closeout process. As mentioned earlier, the contracting officer position at USAID/Senegal remained vacant for a 14-month period, resulting in a lack of senior oversight and direction. Without such controls, there is no assurance that closeouts are being completed in a timely manner, and the mission risks being in noncompliance with the USAID Automated Directives System and/or the Federal Acquisition Regulation. (See page 7.)

The report includes two recommendations for corrective actions to address these conditions by USAID/Senegal: (1) establish a plan and schedule to develop and

implement an integrated database suitable for tracking and monitoring contract documents (see page 7) and (2) develop controls to facilitate the management and measurement of progress toward closing out funding instruments. (See page 8.) USAID/Senegal agreed with the recommendations and included an action plan in its response with a schedule to complete implementation of both recommendations. Therefore, management decisions have been made. The mission's comments in their entirety are presented in appendix II.

# BACKGROUND

In 2004, the Regional Inspector General/Dakar (RIG/Dakar) conducted an audit to determine whether the Regional Contracting Office (RCO) located within USAID/Senegal complied with USAID's guidelines in providing contracting support. The results of the audit were presented in Audit Report No. 7-685-05-003-P *Audit of USAID/Senegal's Contracting Operations* dated January 31, 2005.

In its 2005 report, RIG/Dakar concluded that the RCO followed USAID's guidelines related to bid solicitation and awarding of instruments, certain aspects of contract administration and instrument file maintenance. However, that audit also revealed several weaknesses. RIG/Dakar found that the RCO was encumbered by ineffective electronic recordkeeping resulting in untimely reports with errors. In addition, staff in the RCO did not complete and submit evaluations of contractor performance to the National Institutes of Health (NIH) Contractor Performance System as required by the Federal Acquisition Regulation (FAR). The Contractor Performance System is a multiagency shared file used to collect, maintain, and disseminate contractor performance evaluations for the Federal departments and agencies. Finally, RIG/Dakar found that the RCO did not close out expired instruments in a systematic and timely manner as specified by the FAR and the local USAID Senegal Mission Order 216-1.

RIG/Dakar made three recommendations to correct these weaknesses. The mission concurred with the three recommendations and proposed specific actions that would be taken. At the time the final report was issued in January 2005, management decisions were reached for the three recommendations but final action to close the recommendations had not been taken. In March 2006, USAID/Senegal submitted documentation on its final actions, and the recommendations were closed by the Office of Management Planning and Innovation (M/MPI), the predecessor to the present Audit Performance and Compliance Division within the Management Bureau's Office of the Chief Financial Officer (M/CFO/APC).

At the time of the original audit, the contracting officer and RCO staff were under the management and oversight of the director at USAID/Senegal. In 2006, administrative oversight of the contracting officer was transferred from USAID/Senegal to USAID/West Africa in Accra, Ghana. The contracting officer and the two USAID/Senegal-funded RCO staff work from their office at the USAID/West Africa satellite office located within USAID/Senegal. Although the contracting officer provides support to other USAID missions in West Africa, this followup audit focused on the contracting operations for USAID/Senegal. Therefore, this report is addressed to the USAID/Senegal Mission director who is responsible for the actions needed to close the recommendations pertaining to contracting operations at USAID/Senegal. The USAID/West Africa Mission director is copied on this report for informational purposes.

## **AUDIT OBJECTIVE**

RIG/Dakar conducted this audit to answer the following question:

- **Did USAID/Senegal implement the recommendations from Report No. 7-685-05-003-P on its contracting operations?**

Appendix I contains a discussion of the scope and methodology of the audit.

# AUDIT FINDINGS

The Regional Contracting Office (RCO) took adequate measures to fully implement one of the three recommendations from the prior audit report. However, based on RIG/Dakar's review of documentation and observation of the RCO's operations, the other two recommendations were only partially addressed by measures taken by the RCO, and some of the same conditions from the prior audit remain.

Recommendation No. 2 of the previous audit report recommended that the mission develop specific procedures assigning responsibility for completing and submitting contractor performance evaluations to the National Institutes of Health (NIH) Contractor Performance System. In its response to the report, USAID/Senegal agreed to develop procedures that would assign one of the staff the responsibility to submit contract performance information to the NIH system. The mission also agreed that during its portfolio reviews, the results of contract evaluations would be discussed and reviewed. As final action on the recommendation, USAID/Senegal submitted evidence of the new procedures to the Office of Management Planning and Innovation (M/MPI) on March 1, 2006.

This audit found that these actions had been fully implemented. Specifically, an acquisition and assistance specialist within the RCO was designated as the person responsible for completing and submitting contractors' performance evaluations in the NIH Contractor Performance System. RIG/Dakar's review of that system also revealed that contractor information was being submitted timely. The audit also found through a review of notes and minutes from portfolio reviews held after the original audit that the RCO staff presented information on the contractors' performance.

Although Recommendation No. 2 was fully addressed by actions taken by the mission and the RCO, the actions taken in response to Recommendation Nos. 1 and 3 were not fully implemented and only partially addressed the weaknesses found in the prior audit. A discussion of these actions and the weaknesses that remain follows.

## **Contract Information System Is Not Fully Implemented**

Summary: In response to the prior audit, USAID/Senegal agreed to implement an integrated contract information system. A database was created and information regarding that system was submitted to justify closure of the recommendation. At the time of the followup audit, however, this database system was not being used and some of the weaknesses previously found continued to exist. The RCO also began using the Agency's Secure Image and Storage Tracking (ASIST) system as another mechanism to manage contract information, but only 1 of 82 contracts<sup>1</sup> had been entered into the system. For more than 1 year, the contracting officer position within the RCO was vacant, resulting in limited leadership and direction for the RCO staff, which directly contributed to the lack of followthrough and persistence in using the database and

<sup>1</sup> Throughout this report, the term "contract" refers to various funding and award instruments including contracts, cooperative agreements and grants.



ASIST. As a result, management and the contracting office staff cannot be assured that contract data they need for their programs are accurate and complete.

Recommendation No.1 of the previous report recommended that the mission implement an integrated contract information system based on a master database. In its response to that audit, USAID/Senegal agreed to identify and implement a database system that would support, monitor, and track contracting information. Staff from the RCO and the Mission's Information Resource Management office worked together to create an inhouse database system that would record and track contracts managed by the RCO. The mission submitted documentation related to the development and implementation of this system, including graphics showing the computer screens for the system, to M/MPI on March 1, 2006, and the recommendation was closed.

However, at the time of the followup audit in September 2007, the RCO staff was not using this system. The audit team could not determine how long the system had been used or when the staff stopped using it. According to USAID Senegal Mission officials, the previous contracting officer supported using the system, but left the mission in July 2006. Additionally, prior to his departure, in June 2006, the RCO lost its administrative assistant (who performed the contract data entry into the system) during a downsizing at USAID/Senegal.

Subsequent to the creation of the database, the RCO began using the Agency's Secure Image and Storage Tracking (ASIST) system to monitor and track contracts. ASIST is a digital filing system designed to improve efficiency and security of documents; it is designed with the idea of becoming a central repository for storage of contract materials. ASIST has a wide range of capabilities with a variety of screen views available to provide tracking and easy retrieval of stored documents, and emails can easily be added to ASIST folders using the drag-and-drop maneuver. At the time of the followup audit, however, the RCO's staff was not utilizing ASIST and had entered data for only 1 of 82 contracts into the system.

Without the full implementation of the integrated database or use of ASIST some of the weaknesses found in the previous audit continued to exist. For example, the nine contracts reviewed, that were active, pending closeout or closedout were still monitored and tracked on separate Excel spreadsheets as was the case during the initial audit, with individual records of instruments moved manually from one file to another during the contracting process. Although RIG/Dakar did not conduct an extensive examination of the current contracts, including the spreadsheets containing contract information, it is possible that data integrity problems exist therein as well, including duplicate records, errors, and missing data. As a result, management and staff may be using incomplete or inaccurate data for decisionmaking in their programs. Furthermore, the contract management operations are less efficient than they would be if a more systematic approach of managing information was in place.

The primary reason for discontinuing the use of the inhouse database and the limited use of the ASIST system was the critical lack of senior leadership and direction from a contracting officer in the RCO. As mentioned earlier, at approximately the same time, both the contracting officer and administrative assistant left the RCO. The two RCO acquisition and assistance specialists at USAID/Senegal managed the daily contracting tasks, with technical contracting support provided by contracting officers in Accra, Ghana. In spite of these notable efforts, for 14 months there was no leadership within

the RCO to ensure that, among other priorities, the use of the database and ASIST remained a priority.

In September 2007, an experienced contracting officer arrived at USAID/Senegal to assume leadership responsibility in the RCO. In discussing the previous audit and the results of this followup audit, the contracting officer agreed that ASIST is an effective system for storing important contract information, and she intends to ensure that the system is fully utilized. However, the contracting officer also noted that ASIST may not be the best mechanism to meet the various tracking and monitoring needs of the missions in the region, and she would want to further investigate the inhouse database previously developed as well as other options.

The audit team believes that with the arrival of the new contracting officer at USAID/Senegal, the RCO staff will have the day-to-day leadership as well as the longer term vision and direction that were missing. However, to ensure the further development and use of an integrated database and ASIST, RIG/Dakar is making the following recommendation.

*Recommendation No. 1: We recommend that the contracting officer at USAID/Senegal establish a plan and schedule (a) to develop and implement an integrated database suitable for tracking and monitoring contract and other funding instrument activities as previously recommended and (b) to enter all active funding instruments into the Secure Image and Storage Tracking (ASIST) system.*

## **Controls Needed for Closeout Process**

Summary: The prior audit noted that the USAID Senegal Mission Order 216-1 on closeout procedures was not being followed and recommended that procedures be developed that would assign responsibility to specific staff to actively monitor the closeout of expired instruments. The mission agreed and submitted its internal *Acquisition and Assistance Policy No. 2 Close-Out Procedures for Completed Instruments* to M/MPI as final action to close the recommendation. That policy provided some guidance for the closeout procedures but did not specifically designate responsibility for monitoring the closeout process. With this policy and USAID Senegal Mission order, RIG/Dakar believes that sufficient guidance exists pertaining to the closeout process. However, sufficient controls to ensure compliance with the procedures have not been put in place because of a lack of senior oversight and direction in the RCO for more than 1 year. As a result, closeouts have not been completed in a timely manner and the mission risks being in noncompliance with the Automated Directives System and/or the Federal Acquisition Regulation.

The prior audit report noted that the RCO was not complying with the existing USAID Senegal Mission Order 216-1 governing the closeout procedures and timeframes. This noncompliance resulted in a backlog of instruments waiting to be closed out because the RCO was not following up on closeouts in progress. Recommendation No. 3 recommended that USAID/Senegal develop specific procedures that would include assigning responsibility for actively monitoring and closing out expired instruments. In response to the recommendation, the mission agreed to develop such procedures that

would include timeframes for processing closeouts by the Office of Financial Management (OFM) and cognizant technical officers (CTOs). In addition, the mission agreed to review the status of closeouts during portfolio reviews. On March 9, 2006 the contracting officer issued *Acquisition and Assistance (A&A) Policy No. 2 Close-Out Procedures for Completed Instruments*. The mission submitted evidence of this procedure to M/MPI as its final action to support the closure of the recommendation.

During this followup audit, RIG/Dakar found that the status of closedout funding instruments and deobligations of previously committed funds were being reviewed and discussed during portfolio reviews at USAID/Senegal. Additionally, an examination of 3 of 30 selected contracts revealed that funds were fully committed or that any unused funds were recommitted. However, a review of *A&A Policy No. 2* revealed that the key element of the original recommendation — specifying who is ultimately responsible for monitoring the closeout process — was not included in the policy. The policy does delineate the role of the acquisition and assistance specialist, the staff in OFM, and the CTOs. Their responsibilities include actions such as reviewing contracting records, processing deobligations, and closeout reporting, but the policy is silent about who should be following up to ensure that the closeout process is progressing within the required timeframes. The contracting officer who drafted the policy is no longer at USAID/Senegal, and the current RCO staff could not provide any insight as to why this specification was omitted from the policy.

Despite the lack of specificity in that policy, RIG/Dakar believe that the USAID Senegal Mission Order 216-1 and *A&A Policy No. 2* combined provide sufficient specific guidance for the closeout process. However, operational controls to ensure compliance with those existing procedures are missing. Without such controls, mission procedures are not being followed, which could result in closeouts not being completed in a timely manner and the reoccurrence of the conditions observed during the initial audit, including closeout actions pending for long periods of time and funds remaining obligated on expired instruments. More important, such conditions could lead to noncompliance with the Agency's Automated Directives System (ADS) and/or the Federal Acquisition Regulation.

As mentioned earlier, the contracting officer position at USAID/Senegal remained vacant for 14 months, resulting in a lack of senior oversight and direction for the RCO staff — the type of direction that could have ensured compliance with USAID Senegal Mission order and internal policy. The experienced contracting officer who arrived in September 2007 should now provide that oversight and direction. However, to assist the contracting officer and ensure that this condition is fully addressed, RIG/Dakar is making the following recommendation.

*Recommendation No. 2: We recommend that the contracting officer at USAID/Senegal develop controls to facilitate the management and measurement of progress toward closing out funding instruments in compliance with established procedures. This could include but not be limited to developing a plan with timeline and steps needed to fully close out funding instruments.*

# EVALUATION OF MANAGEMENT COMMENTS

USAID/Senegal agreed with the findings and recommendations in our draft audit report. RIG/Dakar believes that USAID/Senegal's comments and planned actions are responsive to the report recommendations. The mission included an action plan in its response with a schedule to complete implementation of both recommendations. In response to Recommendation No. 1, the mission is modifying its existing database to expand its capability to track and monitor contract documents, providing training, finalizing data entry and updating the ASIST database system. With regard to Recommendation No. 2, the mission is updating its closeout status list of expired awards, establishing procedures and providing training to manage and measure progress of the closeout process. The audit team considers that a management decision has been made for these two recommendations. The comments in their entirety are presented in appendix II.

# SCOPE AND METHODOLOGY

## Scope

The office of the Regional Inspector General/Dakar conducted this audit of USAID/Senegal's Regional Contracting Office (RCO) in accordance with generally accepted government auditing standards. The purpose of the followup audit was to determine whether USAID/Senegal had taken effective corrective actions to justify final action on the recommendations of Audit Report No. 7-685-05-003-P, dated January 31, 2005. The audit scope covered all three recommendations from this report and actions taken by the mission from January 2005 to September 2007.

In planning and performing this audit, RIG/Dakar reviewed all relevant documentation pertaining to actions taken by the mission and the RCO to close the recommendations. The audit team assessed the appropriateness and effectiveness of the new procedures and other measures implemented by the mission in response to each audit recommendation. Specifically, the audit team evaluated the RCO's implementation of the Agency Secure Image and Storage Tracking (ASIST) system, the completion and submission of contractors' information to the National Institutes of Health (NIH), and the processing of closeout contracts and deobligation of funds from expired instruments. The audit fieldwork was conducted from September 5 through October 1, 2007, at the USAID Senegal Mission in Dakar, Senegal.

## Methodology

In performing the audit work, RIG/Dakar reviewed the mission's written response to the audit, which outlined the specific steps to be taken to correct the identified weaknesses. For each of the three recommendations, the team reviewed the documentation that was submitted as final actions that would close the recommendations. The reviewed documentation included a list of contracts that were active, closedout and in the process of being closed out, portfolio reviews; and revised RCO guidance (including mission orders). The team also interviewed the RCO's staff to verify that the procedures that were developed in response to the original audit had in fact been implemented. With regard to Recommendation Nos. 1 and 2, RIG/Dakar judgmentally selected 9 of 82 contract documents for review to determine if the contractors' performance evaluations were submitted to the NIH Contractor Performance System and if the mission had put in place an electronic file maintenance system. With regard to Recommendation No. 3, the team reviewed 3 of 30 contracts that were in the process of being closed out to ascertain if the contracting office was closing out and deobligating expired instruments in a timely manner.

The team also performed limited testing on the new procedures to ascertain if the procedures were having the intended impact such that the weaknesses identified during the original audit had been resolved. Subsequently, the audit team formed a judgment about whether the actions addressed the deficiencies previously reported. In judging the significance of our observations, to determine whether final actions occurred, RIG/Dakar considered errors or variances of 10 percent or more to be significant and reportable.

# MANAGEMENT COMMENTS



**USAID | SENEGAL**  
FROM THE AMERICAN PEOPLE

Date: 12/14/2007

To: Abdoulaye Gueye, Acting Regional Inspector General/Dakar

From: Kevin Mullally, Mission Director

Subject: Follow-Up Audit of USAID/Senegal's Contracting Operations  
Audit Report No. 7-685-08-00X-P

Ref: Toolan/Mullally Memo dated 10/31/2007

This memo is to acknowledge receipt of the referenced draft audit report as well as to provide Mission comments on the findings and recommendations therein.

With respect to the above objective, Mission Management would like to make the following comments on the report's findings as they relate to the recommendation being addressed:

***Recommendation 1:*** *We recommend that the Contracting Officer at USAID/Senegal establish a plan and schedule (1) to develop and implement an integrated database suitable for tracking and monitoring contract and other funding instrument activities as previously recommended; and, (2) to enter all active funding instruments into the Secure Image and Storage Tracking (ASIST) system.*

USAID/Senegal is in agreement with this audit finding and recommendation and has decided to implement the corrective action plan detailed below to address the weaknesses identified in the draft audit report. For this recommendation, the plan consists of two parts, one related to the integrated database and the second related to the ASIST system:

**(1) Integrated tracking an monitoring database**

PLAN	ACTION	COMPLETION DATE
Modify existing database "PTS" (Procurement Tracking System) to expand its capabilities, add additional elements (including for EXO procurements), and initiate trial of reporting function	IT staff with RCO & EXO staff input	1/31/2008
Train EXO procurement staff on "PTS" to ensure unified Mission-wide procurement award log and tracking system and to avoid issuing duplicate award numbers	A&A Specialists EXO Procurement Specialists	2/15/2008
Finalize data entry for all outstanding active awards into the database	RCO and EXO staff	3/15/2008
Finalize additional reporting capabilities (e.g., award log, solicitation log, active awards table close-out report)	IT staff with RCO & EXO staff input	3/31/2008
Full implementation of unified log and tracking system, covering all outstanding awards and new awards issued in FY 2008. Eliminate all stand-alone logs, trackers & reports for the RCO	RCO and EXO staff	4/15/2008

The following corrective actions have been taken to-date since the issuance of the draft audit:

1. RCO staff reviewed the existing database system, developed in response to the original audit, to determine its user-friendliness and viability as an integrated log and tracking system. To be viable this system would need to consolidate and integrate several logs and tracker tables that currently are managed separately by RCO staff, namely the solicitation log, award number log, active awards chart, and closeout table. The system would need to be expanded to include EXO procurement terminology (as staff also needs access to the award number log). And most importantly, the system needs to have an expanded reporting capability.
2. After discussion with the Systems Manager and assurances that the necessary adaptations were feasible, the RCO concluded that the existing database system could enable the Mission to have a viable integrated tracking log and system. There is no need to develop a new system.
3. On Nov 23, 2007, RCO staff provided the Systems Manager with detailed information regarding the additional database elements and fields the needed to be added to the system, as well as detailed information regarding report needs.
4. RCO staff has entered data for all current active awards into PTS. Additional information may need to be added once IT completes system modifications.

**(2) Secure Image and Storage Tracking (ASIST) system**

<b>PLAN</b>	<b>ACTION</b>	<b>COMPLETION DATE</b>
Arrange for in-house training and assistance with scanning of active files into ASIST	RCO, Controller & EXO	12/31/2007
Review files for accuracy, organization and completeness. Make corrections/adjustments where needed	RCO staff	1/15/2008
Determine organization/set-up of files and folders in ASIST	RCO staff	1/15/2008
Training on ASIST for RCO staff and WA Admin/Program Assistant	FM File Clerk	1/31/2008
Scan all active award files, including relevant pre-award and post-award documents (i.e., MAARDS, justifications, negotiation memos, CTO Designation letters, administrative approvals, etc.)	FM File Clerk, RCO Staff and WA Admin Asst.	2/28/2008
Scan new awards, modifications and related documents after award signed by RCO	RCO and Admin staff	ongoing

The following corrective action has been taken since the issuance of the draft audit report:

1. A review by RCO staff of active files has been initiated and currently is underway. This step is necessary before scanning should start to ensure that the files are complete and file organization is consistent with the Federal Acquisition Regulations and USAID/W Office of Acquisition and Assistance (OAA) guidance.
2. Information has been obtained from the Benin Mission and Madagascar Missions regarding the structure and set-up of their contracting files in the ASIST system
3. An agreement has been made with the Controller to make available FM's File Clerk to provide training and assistance in scanning RCO files into ASIST.

***Recommendation 2:*** We recommend that the Contracting Officer at USAID/Senegal develop controls to facilitate the management and measurement of progress towards closing-out funding instruments in compliance with established procedures. This could include but not be limited to developing a plan with timeline and steps needed to fully close-out funding instruments.



PLAN	ACTION	COMPLETION DATE
Pending full implementation of the PTS reporting capability, update close-out status list of expired awards	RCO staff	12/15/2007
Training session (to include Q& As) for Mission technical, financial and program staff on close-out procedures and responsibilities	RCO and Controller	2/15/2008
Eliminate backlog of awards to be closed-out, with particular emphasis on older expired awards with funds to be de-obligated	RCO staff with assistance from FM and CTOs	3/15/2008
Hold bimonthly meetings with CTOs, Program, FM and RCO staff to track progress on backlog	RCO, CTOs, Program, FM	ongiong
Once backlog is eliminated, include close-out reviews as part of the semi-annual portfolio reviews to track progress	RCO, CTOs, Program, FM	ongoing

The following corrective action has been taken since the issuance of the draft audit report:

1. Requested and received from FM information on unexpended balances in expired awards.
2. Updated the RCO close-out status list to include unexpended balances and current NICRA and audit information. This separate list will be eliminated once the PTS system is fully functional.
3. Sent letters to all contractors/recipients on the list requesting confirmation of activity completion, submission of final technical and financial reports, as well as other information required in USAID close-out guidance (ADS and CIB 90-12). For awards with unexpended balances, Contractors/Recipients were requested to confirm no outstanding expenditures remained and the unexpended balances could be de-obligated. Letters included response due dates.
4. Provided updated close-out status list for the teams which were reviewed during the last semi-annual portfolio reviews held December 3-6, 2007.

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