

## ***FOREWORD***

---


This Annual Plan for fiscal year 2002 describes the Office of Inspector General's (OIG's) plans for providing audit and investigative services within the U. S. Agency for International Development (USAID), African Development Foundation (ADF), and Inter-American Foundation (IAF).

The plan emphasizes the importance of collaboration between USAID, ADF, IAF, and OIG. We believe that our audit and investigative services are vital to the integrity, efficiency and effectiveness of each agency's programs and operations. Accordingly, this plan outlines our goals for fiscal year 2002 as they relate to those three objective areas—integrity, efficiency and effectiveness.

While this plan is comprehensive, it is flexible enough to deal with unexpected issues that will inevitably arise during the year.

In preparing this plan, we solicited suggestions from the Congress as well as agency managers and will continue to be as responsive as possible when either requires assistance from the OIG.

The office of Inspector General Staff will work diligently to accomplish all the tasks listed in this plan. However, we will remain vigilant to changing priorities and vulnerabilities, new programs implementations, and changing needs of the Administration and the Congress, and make adjustments to our plan as needed to appropriately address these needs.



Everett L. Mosley  
Inspector General



---

U.S. Agency for  
International Development

Office of Inspector General

# Annual Plan

Fiscal Year 2002

---





**TABLE OF CONTENTS**

---

OFFICE OF INSPECTOR GENERAL MISSION, GOALS AND PERFORMANCE MEASURES ..... 1

OFFICE OF INSPECTOR GENERAL AUTHORITY, RESPONSIBILITIES AND OPERATIONS ..... 5

    Audit ..... 6

    Investigations ..... 12

    Management ..... 15

OFFICE OF INSPECTOR GENERAL STAFFING ..... 16

OBJECTIVE I.1 - PROMOTING IMPROVED FINANCIAL MANAGEMENT .... 17

OBJECTIVE I.2 - PROMOTING IMPROVED INFORMATION RESOURCE MANAGEMENT AND COMPUTER SECURITY ..... 22

OBJECTIVE I.3 - PROMOTING IMPROVED ACCOUNTABILITY AND ANTI-CORRUPTION IN THE INTERNATIONAL ENVIRONMENT ..... 26

OBJECTIVE I.4 - PROMOTING INTEGRITY IN PROCUREMENT ACTIVITIES ..... 28

OBJECTIVE I.5 - PRESERVING AND PROTECTING THE INTEGRITY OF AGENCY PROGRAMS AND PERSONNEL ..... 32

OBJECTIVE II.1 -IMPROVING ADHERENCE TO THE REQUIREMENTS OF THE GOVERNMENT PERFORMANCE AND RESULTS ACT ..... 34

OBJECTIVE II.2 -IMPROVING HUMAN CAPITAL MANAGEMENT ..... 42

APPENDIX: AUDIT PLAN SUMMARY ..... 44



## **OFFICE OF INSPECTOR GENERAL MISSION, GOALS AND PERFORMANCE MEASURES**

---

The Office of Inspector General (OIG) has issued a strategic plan for fiscal years 2002-2006 that provides a broad framework for the next five years. Based on that framework, the following mission statement, goals, and performance measures reflect the OIG's direction for fiscal year 2002.

The mission of the OIG is to contribute to and support integrity, efficiency and effectiveness in all activities of the U.S. Agency for International Development, the African Development Foundation (ADF) and the Inter-American Foundation (IAF).

In accomplishing this mission, the OIG will show commitment to:

**Collaboration** by working with USAID, ADF and IAF to promote social and economic development and helping management find solutions to problems.

**Integrity** by displaying character, decency, and honor in performing our work; acknowledging what works and what does not; showing mutual respect; and maintaining objectivity, independence, and impartiality.

**Excellence** by focusing on areas critical to management's success and, therefore, producing work that has distinction, merit, quality, and impact; working efficiently with highly trained people who enjoy equal opportunities to excel; delivering reliable, timely, complete, concise and meaningful products; and presenting our work in a way that is most useful to our clients.

### **Goals, Strategic Objectives and Performance Measures**

The goals of the OIG flow from our mission statement. For each goal articulated below, the accompanying performance measures describe what we expect to accomplish. These goals and related performance measures drive the specific work to be accomplished in 2002 and for the duration of the OIG's current five-year plan.

Performance measures are a means to assess the OIG's long-term impact on the operations of USAID, ADF, and IAF. Measuring OIG impact is obviously a very difficult task, especially since we have no line authority over Agency management. However, we must demonstrate whether we are carrying out our legislative mandate and our mission successfully in collaboration with Agency management.

Historically, the OIG community has focused many of its performance measures on amounts of questioned costs, funds put to better use, or improved procedures. The following performance measures capture this focus and also show the progress of USAID, ADF and IAF in reaching positive goals that flow from our mission statement and the Inspector General Act.

**GOAL #I:** The OIG will work to promote and preserve the integrity of USAID, ADF, and IAF.

**Strategic Objectives:**

*I.1: Promote Improved Financial Management*

**Measures:** The OIG will assess its effect by measuring the extent to which USAID, the ADF, and the IAF:

- have reliable financial systems, files, records and available underlying supporting evidence.
- identify and resolve material management control weaknesses in financial management practices.
- identify funds owed to their agencies and ensure payment of debts.
- make measurable progress toward reliable financial reporting.

*I.2: Promote Improved Information Resource Management and Computer Security*

**Measure:** The OIG will assess its effect by measuring the extent to which USAID, the ADF, and the IAF:

- have implemented and are adhering to a definitive process for selecting, controlling, and evaluating technology investments.

*I.3: Promote Improved Accountability and Anti-corruption in the International Environment*

**Measures:** The OIG will assess its effect by measuring the extent to which USAID, the ADF, and the IAF:

- successfully promote transparency and accountability in recipient country environments.
- have employees, grantees, and contractors who identify integrity problems in a timely manner and



take steps to address them.

- take appropriate action based on investigative findings.
- make positive, systemic changes in the way the Agencies do business as a result of investigative efforts.

*I.4: Promote Integrity in Procurement Activities*

**Measure:** The OIG will assess its effect by measuring the extent to which USAID, the ADF, and the IAF:

- identify and resolve instances of noncompliance with applicable laws and regulations.

*I.5: Preserve and Protect the Integrity of Agency Programs and Personnel*

**Measures:** The OIG will assess its effect by measuring the extent to which USAID, the ADF, and the IAF:

- take effective action based on investigative recommendations.
- make systemic changes when problems are identified during an investigation.

**GOAL #II:** Promote and Preserve the Effectiveness and Efficiency of USAID, the ADF, and the IAF.

**Strategic Objectives:**

*II.1: Improve Adherence to the Requirements of the Government Performance and Results Act*

**Measures:** The OIG will assess its effect by measuring the extent to which USAID, the ADF, and the IAF:

- have improved performance plans and reports that more effectively relate results to goals and objectives.
- have performance measures that are accurate and quantifiable.
- have systems that accurately report costs and results.
- demonstrate success in decreasing costs relative to results.

- change strategies when results diminish relative to costs.

*II.2: Improve Human-Capital Management*

**Measures:** The OIG will assess its effect by measuring the extent to which USAID, the ADF, and the IAF:

- have identifiable systems in place for recruiting personnel.
- have identifiable systems in place for training.
- have identifiable systems in place for better managing their workforce.

**Congressional Relations**

The OIG considers the U.S. Congress to be one of its primary customers and the maintenance of effective working relations with Congress to be one of its primary goals. The OIG will, therefore, continue to reinforce its working relationship with the Congress. We will continually refine our procedures to ensure that interested members of Congress receive OIG work products in the most timely and effective manner possible. The OIG will maintain an ongoing dialogue with Congressional staffs to ensure that Congress is immediately informed of ongoing OIG activity, and that the OIG is devoting adequate resources to areas of particular Congressional interest.

## **OFFICE OF INSPECTOR GENERAL AUTHORITY, RESPONSIBILITIES AND OPERATIONS**

Public Law 96-533, which amended the Foreign Assistance Act of 1961, established the USAID Office of Inspector General (OIG) on December 16, 1980. On December 29, 1981, the President signed the International Security and Development Cooperation Act of 1981, bringing the USAID OIG under the provisions of the Inspector General Act of 1978, as amended.

The Inspector General Act of 1978 authorizes the OIG to conduct and supervise audits and investigations, to recommend policies to promote economy, efficiency and effectiveness, and to prevent and detect fraud and abuse in USAID programs and operations. The Inspector General is responsible for keeping the Administrator and the Congress fully informed about problems and deficiencies in USAID programs and operations, as well as the necessity for, and progress of, corrective actions.

The consolidated Appropriations Act on November 29, 1999, amended the Inspector General Act to include the following:

*"...the Inspector General of the Agency for International Development...shall supervise, direct, and control audit and investigative activities relating to the programs and operations within the Inter-American Foundation and the African Development Foundation."*

To carry out these legislated responsibilities, the OIG is divided into three primary units, each headed by an Assistant Inspector General (AIG): (1) Audit, (2) Investigations, and (3) Management.

# Audit

The Assistant Inspector General for Audit (AIG/A) is responsible for conducting and supervising audit activities related to the programs and operations of USAID, the African Development Foundation (ADF) and Inter-American Foundation (IAF). Audit activities include both financial and performance audits.

## a. What Is an Audit?

An audit used to be confined to an examination of records or accounts to check their accuracy. However, checking the accuracy of records is now only part of a complex process for improving our government's accountability to the public. The concept is summarized in the 1994 revision to Government Auditing Standards:

*"Officials and employees who manage [government] programs need to render an account of their activities to the public. While not always specified by law, this accountability concept is inherent in the governing process of this nation.*

*Public officials, legislators, and citizens want and need to know whether government funds are handled properly and in compliance with laws and regulations. They also want and need to know whether government organizations, programs, and services are achieving their purposes and whether these organizations are operating economically and efficiently."*

Audits add credibility to management's representations in financial and performance reports about the use of government funds, and they can help agency managers improve their performance. Just as the public relies on the managers of USAID, ADF and IAF to implement effective and efficient programs and operations, these Agency managers and others must rely on the quality of OIG audit work. Accordingly, all audits conducted and supervised by the USAID OIG are required to follow the standards specified by the Comptroller General of the United States.

The Office of Inspector General/Audit (OIG/Audit) carries out or supervises two types of audits:

1. Financial audits, which can be either financial statement audits or financial-related audits. The purpose of a

financial statement audit is to add credibility to management's representations in financial statements. Financial statement audits test management's assertions and form an opinion on the overall fairness of the statements in conformity with generally accepted accounting principles. Financial-related audits include determining whether: (1) financial information is presented in accordance with established or stated criteria, (2) the entity has followed specific financial compliance requirements, or (3) the entity's controls over financial reporting and the safeguarding of assets are suitably designed and implemented to achieve desired control objectives. Such audits can include, *inter alia*, segments of controls and compliance with laws and regulations, and fraud allegations.

2. Performance audits, which are objective and systematic examinations of evidence to provide an independent assessment of the performance of government organizations, programs, activities, or functions. Such audits provide information to improve public accountability and facilitate decision-making by parties with responsibility to oversee or initiate corrective action.

**b. Audit Strategies and Priorities**

OIG/Audit plans to carry out financial and performance audits to assist USAID, ADF and IAF in maintaining and improving their integrity, efficiency and effectiveness, and to help keep the Congress, the public and other concerned parties informed about the programs and operations of these Agencies.

We expect these efforts to be self-initiated and responsive to Legislative and Executive Branch expressions of interest.

Since much of OIG/Audit's work is directly tied to legislative requirements applicable to USAID, ADF and IAF, OIG/Audit will focus audit activity upon Agency efforts to implement the requirements of the:

- Foreign Assistance Act of 1961;
- Privacy Act of 1974;
- Federal Managers' Financial Integrity Act of 1982;
- Computer Security Act of 1987;
- Chief Financial Officers Act of 1990;
- Government Performance and Results Act of 1993;
- Government Management Reform Act of 1994;

- Paperwork Reduction Act of 1995;
- Single Audit Act, as amended in 1996, and USAID's extension of the Act's principles to the overseas environment;
- Federal Financial Management Improvement Act of 1996;
- Clinger-Cohen Act of 1996; and
- National Defense Authorization Act of 2001.

In addition to audit activities designed to help USAID, ADF and IAF meet legislative requirements, OIG/Audit will focus audit activity in areas that are considered high-risk. These areas include, among others:

- new programs in countries viewed as relatively more vulnerable to corruption;
- new programs in countries where USAID lacks the human capital to provide close oversight;
- procurement;
- child survival and disease programs;
- disaster assistance; and
- Public Law 480, Title II, food programs.

Complimenting the work of our professional audit staff, non-Federal auditors will provide significant audit services, under our general oversight, to contribute to and support the financial integrity of contractors, non-governmental organizations, and other institutions that receive USAID funding.

Specific activities designed to advance this strategy are detailed elsewhere in this Plan. While each of these activities is integral to the Plan's successful implementation, OIG/Audit retains the flexibility to modify the Plan as necessary throughout the year to meet changing circumstances.

### **c. Audit Objectives, Scope, and Methodology**

Objectives define the purpose of an audit and can be thought of as questions that the auditors are trying to answer. They

determine the type of audit to be conducted and are key to a successful audit. Scope is the boundary of the audit and addresses such things as the time period and the number of locations to be covered. Methodology relates to the data gathering and analytical methods that auditors use to answer the questions posed by the objectives.

**d. Staffing**

OIG/Audit operates with 126 full-time positions, 78 of which are located in its Washington, D. C. headquarters, while 48 are located overseas. Regional Inspector General offices are located in San Salvador, El Salvador; Dakar, Senegal; Pretoria, South Africa; Cairo, Egypt; Budapest, Hungary; and Manila, Philippines.

**e. Audit Universe**

According to USAID's Budget Justification for fiscal year 2002, USAID expects to obligate about \$7.7 billion for USAID-provided assistance (see the following table).

**FISCAL YEAR 2001 OPERATING YEAR BUDGET  
(ACTUAL APPROPRIATION) FOR MAJOR USAID PROGRAMS  
(\$000)**

| <b>USAID Account</b>                                     | <b>FY 2000<br/>Appropriated<br/>Level</b> | <b>FY 2001<br/>Appropriated<br/>Level</b> | <b>FY 2002<br/>Budget<br/>Request</b> |
|--|---|---|---------------------------------------|
| Development Assistance                                   | 1,210,260                                 | 1,302,129                                 | 1,325,000                             |
| Child Survival and Disease Programs                      | 724,448                                   | 960,881                                   | 1,011,000                             |
| International Disaster Assistance/Transition Initiatives | 227,014                                   | 349,230                                   | 250,000                               |
| Credit Programs  | 8,490                                     | 7,484                                     | 7,500                                 |
| USAID Operating Expenses                                 | 518,960                                   | 531,827                                   | 549,000                               |
| Inspector General Operating Expenses                     | 24,950                                    | 26,941                                    | 32,000                                |
| Economic Support Fund and International Fund for Ireland | 2,792,187                                 | 2,314,896                                 | 2,289,000                             |
| Assistance to the Independent States                     | 835,812                                   | 808,218                                   | 808,000                               |
| Assistance for Eastern Europe and the Balkans            | 582,970                                   | 674,338                                   | 610,000                               |
| Public Law 480 Food For Peace Title II                   | <u>800,000</u>                            | <u>835,159</u>                            | <u>835,000</u>                        |
| <b>USAID TOTAL</b>                                       | 7,725,091                                 | 7,811,103                                 | 7,716,500                             |

The ADF and IAF have requested funding of \$16 and \$12 million respectively for Fiscal Year 2002.



**FISCAL YEAR 2001 OPERATING BUDGET FOR  
THE AFRICAN DEVELOPMENT FOUNDATION AND THE  
INTER-AMERICAN FOUNDATION  
(\$000)**

|                                      | FISCAL YEAR<br><u>2000</u> | FISCAL YEAR<br><u>2001</u> | FISCAL YEAR<br><u>2002 REQUEST</u> |
|--------------------------------------|----------------------------|----------------------------|------------------------------------|
| AFRICAN<br>DEVELOPMENT<br>FOUNDATION | 14,400                     | 16,000                     | 16,000                             |
| INTER-<br>AMERICAN<br>FOUNDATION     | 5,000                      | 12,000                     | 12,000                             |
| <b>TOTAL</b>                         | 19,400                     | 28,000                     | 28,000                             |

# Investigations

The Assistant Inspector General for Investigations (AIG/I) is responsible for the execution of criminal, civil and administrative investigative activities relating to the programs and operations of the United States Agency for International Development (USAID), the African Development Foundation (ADF) and the Inter-American Foundation (IAF).

## **a. OIG Investigative Role**

The Office of Inspector General/Investigations (OIG/Investigations) investigates allegations of violations of Federal criminal and civil statutes, and rules or regulations related to the programs and operations of USAID, ADF and IAF.

Specifically, OIG/Investigations performs the following functions:

(1) investigates criminal and civil matters involving fraud, waste, and abuse in Agency programs and operations by contractors, suppliers, grantees, recipients and employees. The results of inquiries which disclose evidence of criminal wrongdoing or civil violations are referred to the Department of Justice for adjudication. The investigative results are also referred to Agency management for appropriate action.

(2) investigates complaints against Agency contractors, suppliers, grantees, recipients or employees of serious administrative irregularities and other conduct prejudicial to the United States Government. Inquiries that disclose violations of Federal or Agency rules or regulations are referred to Agency management for appropriate action.

(3) conducts inquiries and develops information requested by senior Agency management or Congress to fulfill their oversight responsibilities. When such inquiries develop information of criminal wrongdoing, they are referred to the Department of Justice. When they develop information of administrative or regulatory violations, they are referred to Agency management as well as to the requesting organization for any action they deem appropriate.

(4) maintains the OIG Hotline, which covers USAID, ADF and IAF.

## **b. Staffing**

OIG/Investigations is organized into four components:

Headquarters Management, the Headquarters Liaison and Special Investigations Division (HD), the Domestic Division (DD), and the Overseas Division (OD). Headquarters Management consists of the Assistant Inspector General for Investigations, the Deputy Assistant Inspector General for Investigations, and support staff. The Headquarters Liaison and Special Investigations Division consists of a Special Investigations Unit that investigates employee integrity cases involving high level Agency officials, and a Policy Planning and Quality Assurance unit that coordinates policy, planning and quality assurance within OIG/Investigations. The Domestic and Overseas Divisions investigate allegations of criminal, civil and administrative violations within USAID, ADF and IAF programs and operations.

The Domestic Division and the Headquarters Liaison and Special Investigations Division are each headed by a Special-Agent-in-Charge and are located in Washington, DC. The Overseas Division is headed by a Special Agent-in-Charge, stationed in Budapest, Hungary, who supervises the investigative activities of Special Agents assigned to Budapest, Cairo, Dakar, Manila, and Pretoria. The Overseas Division investigates fraud, waste and abuse in Agency programs and operations in Europe, Asia and Africa. The Domestic Division investigates fraud, waste and abuse in Agency programs and operations in the United States, Central and South America. The Special Investigations Unit of the Headquarters Liaison and Special Investigations Division investigates serious employee misconduct by high level USAID, ADF and IAF officials on a global basis.

For fiscal year 2002, the investigative staff will consist of 32 full-time positions. Of these, 26 will be criminal investigators (17 in the United States and 9 overseas) who will be available to conduct criminal investigations and/or inquiries of serious employee misconduct. There will also be a General Investigator, a Criminal Research Analyst, a Program Analyst and three clerical support personnel.

#### **c. Focus**

OIG/Investigations plans for fiscal year 2002 are derived from continuing discussions with USAID management, coordination with OIG/Audit through an annual planning conference, input from investigative staff, review of caseload statistics, and an analysis of USAID high dollar activities and programs. OIG/Investigations will maintain the flexibility to respond when and where serious situations arise; however, investigative efforts will concentrate on fraud in connection with contracts, grants and cooperative agreements, serious employee misconduct by high-level officials, and anti-corruption initiatives.

#### **d. Investigative Activities**

OIG/Investigations discharges its responsibilities through two types of activities - reactive and proactive.

### **Reactive Activities**

Reactive investigations respond to allegations of fraud, waste or abuse in USAID, ADF and IAF programs and operations. Cases are initiated based on complaints or allegations from a number of sources, including the OIG Hotline, Agency employees, contractors, the public, audit referrals, members of Congress, Congressional staff, and referrals from other agencies. Many of these investigations involve contract and procurement matters that are complex in nature, entail worldwide coverage of investigative leads, and require protracted and substantial expenditures of resources.

### **Proactive Activities**

OIG/Investigations proactive initiatives focus on identifying Agency programs that may be vulnerable to fraud. Proactive activities are broad-based and systemic in nature. If specific companies or individuals are identified as possibly engaging in questionable activities, separate cases are initiated.

The focus of OIG/Investigations proactive activities in fiscal year 2002 will continue to be Agency programs involving major procurement of products and services and anti-corruption initiatives. OIG/Investigations will be gathering and analyzing information from Agency program and contracting officials, auditors, Federal agencies, and contractor personnel. OIG/Investigations efforts will be routinely coordinated with OIG/Audit and Agency procurement officials.

OIG/Investigations will also continue to expand its fraud awareness programs. It will reach out to USAID Missions and those who do business with USAID, educating them about the role of the OIG, and instructing them in their responsibility for helping to prevent fraud, waste and abuse in Agency programs and operations.

#### **e. Inspector General Hotline**

OIG/Investigations maintains the OIG Hotline, which includes:

- a toll free and Washington, D.C. telephone number (800-230-6539 or 202-712-1023)
- a postal mailbox (P.O. Box 657, Washington, DC 20044-0657)
- an electronic mailbox (IG.HOTLINE@USAID.GOV).

Any of the above avenues can be used to lodge a complaint or report alleged acts of waste, fraud, or abuse involving USAID,

ADF, or IAF programs and personnel. Callers to the OIG Hotline may choose to remain anonymous or may request that OIG/Investigations keep their identities confidential.

## **Management**

The Assistant Inspector General for Management (AIG/M) provides advice and assistance to the Inspector General and the other Assistant Inspectors General on administrative, financial, and personnel matters. AIG/M is directly responsible for personnel, budgetary, contracting, logistical, information resource management, and administrative coordination for the OIG's Washington, D.C. headquarters and overseas regional offices.

**OFFICE OF INSPECTOR GENERAL STAFFING**

---

The OIG is authorized 196 full-time, direct hire positions, as shown below:

| <b>Organizational Unit</b> | <b>Total Positions</b> | <b>Washington</b> | <b>Overseas</b> |
|----------------------------|------------------------|-------------------|-----------------|
| Inspector General          | 10                     | 10                | -               |
| AIG/Audit                  | 126                    | 78                | 48              |
| AIG/Investigations         | 32                     | 23                | 9               |
| AIG/Management             | 28                     | 28                | -               |
| <b>Totals</b>              | <b>196</b>             | <b>139</b>        | <b>57</b>       |

## **OBJECTIVE I.1 - PROMOTING IMPROVED FINANCIAL MANAGEMENT**

The OIG will work in collaboration with USAID, ADF, and IAF officials to promote improved financial management by:

- performing audits pursuant to the:
  - Federal Managers' Financial Integrity Act,
  - Chief Financial Officers Act,
  - Government Management Reform Act,
  - Federal Financial Management Improvement Act, and
- conducting audits of U.S. and foreign-based contractors and grantees pursuant to the requirements of the Single Audit Act and USAID's policy extending the Act's principles to non-U.S. contractors and grantees.

OIG plans to work toward this objective through the following activities.

### **I.1.1 Audit of USAID's Fiscal Year 2002 Consolidated Financial Statements**

The Government Management Reform Act requires annual audits of each agency's financial statements. OIG/Audit will conduct the audit of USAID's fiscal year 2002 financial statements. It will also prepare a report detailing any findings and recommendations for the improvement of USAID's financial management operations. Office of Management and Budget Bulletin No. 01-02 "Audit Requirements for Federal Financial Statements" contains the detailed requirements for this audit. The primary objective of this audit will be to determine whether USAID's principal financial statements are fairly presented.

### **I.1.2 Audit of the Inter-American Foundation's Consolidated Financial Statements**

The Chief Financial Officers Act requires annual audits of the Inter-American Foundation's financial statements. OIG/Audit will conduct the audit of the Foundation's fiscal year 2002 financial statements. It will also prepare a report detailing any findings and recommendations. Office of Management and Budget Bulletin No. 01-02 "Audit Requirements for Federal Financial Statements" contains the detailed requirements for this audit. The primary objective of this audit will be to determine whether the Foundation's principal financial statements are fairly presented. This task will be accomplished through an independent public accounting firm contracted by the OIG.



### **I.1.3 Audit of the African Development Foundation's Consolidated Financial Statements**

The Chief Financial Officer's Act requires annual audits of the African Development Foundation's financial statements. OIG/Audit will conduct the audit of the Foundation's fiscal year 2002 financial statements. It will also prepare a report detailing any findings and recommendations. Office of Management and Budget Bulletin No. 01-02 "Audit Requirements for Federal Financial Statements" contains the detailed requirements for this audit. The primary objective of this audit will be to determine whether the Foundation's principal financial statements are fairly presented. This task will be accomplished through an independent public accounting firm contracted by the OIG.

### **I.1.4 Audit of Europe, Eurasia and Regional Division Monitoring of Enterprise Fund Financial Audits**

Enterprise Fund financial audits are performed by public accounting firms. Resulting reports containing issues and recommendations are referred to the appropriate USAID action office for review and action. Some of the reports present issues and recommendations that require special attention and action to assure maximum program efficiency and effectiveness. In order to assure that such issues have been addressed, USAID should have in place a monitoring system that provides the status of open issues and recommendations, and serves as measuring guide for any additional follow-up or service. This audit will determine whether USAID's system for managing Enterprise Fund audit results is operating effectively.

### **I.1.5 Audit of Cash Drawdowns by Federal Grant Recipients**

Drawdowns on letters of credit are used as advances by USAID grant recipients to cover estimated disbursement needs for a given period. Thereafter, many recipients are reimbursed for the amount of actual cash disbursements. The amount of initial advance to these recipients is fixed to their reimbursement cycle so that, after the initial period, the payments are approximately equal to the average amount of the recipient organization's unreimbursed program payments. This audit will determine whether USAID has an internal control tracking system to monitor recipient cash drawdowns and whether USAID monitored remittances of interest earned by grant recipients on excess cash, where applicable.

### **I.1.6 Audit of USAID's Processing of Defense Contract Audit Agency Bills**

USAID's Financial Management Office processes all Defense Contract Audit Agency (DCAA) payment vouchers for services provided to USAID. Immediate reimbursement is provided to

DCAA via On-line Payment and Collection (OPAC). Billed costs are electronically transferred from obligated funds to DCAA. DCAA then provides detailed support for all billing. The detailed support must be reviewed and administratively approved by USAID. This audit will seek to determine whether bills submitted for payment by DCAA are paid based upon acceptable performance evidence and in a timely manner.

#### **I.1.7 Audit of USAID's Progress In Implementing Financial Systems that Meet Federal Financial Management Improvement Act (FFMIA) Requirements**

The Federal Financial Management Improvement Act of 1996 (FFMIA) requires that each agency implement and maintain financial management systems that comply with federal financial management systems requirements, applicable federal accounting standards, and the U.S. Government Standard General Ledger at the transaction level. Fiscal year 2001 audit work revealed that USAID had made some improvements in its financial management systems, but that continued emphasis was essential if the Agency was to fully correct systemic deficiencies. USAID's goal is to implement financial management systems that are FFMIA-compliant by fiscal year 2003. To move towards this goal, USAID implemented *Phoenix*—the core financial accounting system—in December 2000 in Washington, D.C. USAID also expects to implement an auxiliary ledger so that overseas Mission data can be recorded in the standard general ledger format at the transaction level. This audit will determine USAID's progress in bringing its financial management systems into compliance with the FFMIA.

#### **I.1.8 Audit of Certain USAID/Bolivia Financial Operations**

USAID/Bolivia is one of the largest Missions in the Latin America and the Caribbean region, disbursing approximately \$115 million per year. In addition to processing transactions related to the USAID program in Bolivia, USAID/Bolivia serves as the accounting station for two other small Missions in the region. This audit will determine whether USAID/Bolivia is processing advances and disbursements in accordance with USAID policies and applicable laws and regulations.

#### **I.1.9 Audit of Funds Control Over USAID-financed Child Survival and Disease Activities**

The Child Survival and Disease (CSD) Programs Fund provides support for activities that are designed to promote economic and social development in some of the poorest countries in the world. For fiscal year 2001, USAID requested \$659 million for the CSD Programs Fund for child survival, maternal health and building health systems; targeted

infectious diseases including HIV/AIDS; and basic education. OIG/Audit will initiate a "pilot" audit of CSD activities that will serve as the foundation for individual audits to be conducted by selected overseas regional audit offices. OIG/Audit will issue a "capping" report once the overseas offices complete their individual audits to determine whether CSD funds were spent for allowable activities, were properly controlled, and were achieving intended results.

#### **I.1.10 Audit of the Efficiency of USAID Payment Processes**

The Prompt Payment Final Rule (formerly OMB Circular A-125, "Prompt Payment") requires Executive departments and agencies to pay commercial obligations within certain time periods and to pay interest penalties when payments are late. OMB Circular A-125 was revised, among other reasons, to reflect the increased use of electronic commerce in the Federal government and private sector. During an ongoing audit of the government-wide purchase card program, a review of purchases under \$2,500 disclosed that interest penalty charges for fiscal year 1999 totaled \$301,609. This audit will determine whether USAID complied with all requirements of the Prompt Payment Act and legislation requiring accelerated payments through the increased use of electronic commerce.

#### **I.1.11 Audit of USAID Internal Controls Over Severance Payments to Foreign Service Nationals**

Although it is generally acknowledged that USAID expends large sums for foreign service national separation and severance pay (both voluntary separation and involuntary severance), USAID does not compile specific data to tabulate the total amounts. USAID does compile data for one component, voluntary separation pay, for which overseas Missions are required to fund their liabilities through a trust fund. In fiscal year 1998, USAID expended \$1.6 million for voluntary separation pay in 24 countries. This audit will determine whether USAID employed effective internal controls over voluntary separation payments to foreign service nationals.

#### **I.1.12 Capping Report for OIG-wide Recipient Audit Universe Audits**

Financial audits of contracts and grants are a primary means of ensuring accountability over USAID's program expenditures. USAID's non-U.S. grantees and contractors that expend at least a specified minimum level of USAID funds must undergo annual financial audits. USAID's overseas Missions maintain listings ("audit universes") of their grantees and contractors and must ensure that audits are produced within defined time limits. During fiscal years 2000 and 2001, the OIG Regional Inspectors General conducted

a series of audit universe audits at 20 Missions. These audits assessed the accuracy of USAID Mission audit universes and whether required audits were conducted in a timely manner. During fiscal year 2002, OIG/Audit will prepare a summary, or "capping" report, consolidating the results of all recipient contracted audit universe audits.

#### **I.1.13 Maintaining Quality Control Over Financial Audits Contracted by Recipients of USAID Funds**

Office of Management and Budget Circular A-133 requires periodic financial audits of many U.S.-based organizations receiving USAID funds. These audits are performed by commercial auditors chosen by the recipient. USAID policies and procedures extend similar requirements to many non-U.S.-based organizations as well. The OIG maintains quality control over these audits by reviewing reports for compliance with applicable reporting standards, and by reviewing the auditor working papers for a selected sample of such reports to ensure compliance with applicable audit field work standards. OIG reviewed over 300 such reports in fiscal year 2001 and anticipates a similar level of effort in 2002.

#### **I.1.14 Audit of USAID/Morocco's Accountability for Local Costs of U.S.-based Grantees and Contractors in Africa**

The U.S. Government provides development assistance to the countries of West and Central Africa through a variety of mechanisms, including nonprofit organizations and contractors based in the United States. Many of these organizations have offices in West and Central Africa that implement their development programs. While the costs incurred by these local offices are subject to the same regulations applied to U.S. costs, these local costs are not normally the focus of organization-wide financial audits. This approach poses significant risk for West and Central Africa Mission management in general, and USAID/Morocco in particular. Expenditures that are material to the Missions' country program may be considered immaterial to the grantee's or contractor's world-wide operations, and therefore not audited during periodic audits of the organization's overall operations. This audit will determine whether existing controls used by USAID/Morocco to monitor the local costs of U.S.-based grantees and contractors are effective in ensuring that these costs are allowable, allocable and reasonable.

#### **I.1.15 Audit of Controls Over USAID Direct Hire Employee Salary Payments**

In October 2000, USAID implemented its Human Resources/Payroll System at the National Finance Center (NFC) of the United States Department of Agriculture.

Since the implementation of this new payroll system, employee complaints about the accuracy and timeliness of payments have increased. This audit will determine whether USAID, through its cross-servicing contract for payroll at the NFC, has effective controls in place to prevent duplicate salary payments to U.S. direct hire employees.

## **OBJECTIVE I.2 - PROMOTING IMPROVED INFORMATION RESOURCE MANAGEMENT AND COMPUTER SECURITY**

The OIG will work in collaboration with USAID, ADF, and IAF officials to promote improved information resource management and computer security by:

- performing audits of USAID's Integrated Financial Accounting System, and
- performing audits of computer security programs pursuant to the Government Computer Security Act of 1987 and the National Defense Authorization Act of 2001.

OIG plans to work toward this objective through the following activities.

### **I.2.1 Audit of USAID's Planning Efforts to Implement the Phoenix System at Overseas Missions**

USAID is in the process of implementing an Agency-wide, integrated financial management system utilizing commercial-off-the-shelf software, dubbed Phoenix. The new system is being implemented in several phases. The first phase, the deployment of the core financial management system, began in December 2000 in Washington D.C. The second phase initially called for pilot implementation at two overseas Missions in fiscal year 2001 before worldwide deployment. However, due to large investments in resources and needed improvements in technical infrastructure, USAID revised its strategy to delay system implementation at overseas Missions until fiscal year 2004. OIG/Audit plans to identify potential issues and areas of concern and bring them to management's attention before they become project threats. This audit will determine whether USAID effectively planned for the implementation of an integrated financial system at its overseas Missions.

### **I.2.2 Audit of USAID's Information Systems General Computer Controls**

General computer controls are the architecture, policies, and procedures that apply to all or a large segment of an entity's information systems and help ensure their proper operation. The primary objectives of general controls are to safeguard data, protect computer application programs and system software from unauthorized access, and ensure continued computer operations in case of unexpected interruptions. Recent audits identified serious weaknesses in USAID's computer systems that put Agency financial data at risk. Therefore, as part of the Agency's fiscal year 2002 financial statement audit, OIG/Audit will continue to

review the general controls of USAID's financial management systems and their related infrastructures. This audit will determine whether USAID's information systems contain appropriate general computer controls to provide assurance that reported financial information is complete and reliable.

### **I.2.3 Audit of USAID's Efforts to Implement an Effective Computer Security Program in Accordance with National Defense Authorization Act of 2001 Requirements**

As required by the National Defense Authorization Act of 2001, which implements the Computer Security Act of 1987, and Office of Management and Budget (OMB) Circular A-130, federal agencies must identify and protect computer systems that contain "sensitive" information and establish a minimum set of controls in a computer system security program. OIG reported in 1997 that USAID had not implemented a security program that met the requirements of the Computer Security Act or the OMB Circular. USAID has since taken a number of steps to establish a computer security program, but the program has not yet been fully implemented. This audit will measure USAID's progress toward achieving a government-wide objective for establishing a "model security program."

### **I.2.4 Audit of USAID's Information Technology Capital Planning and Investment Process Under the Clinger-Cohen Act**

The Clinger-Cohen Act of 1996 requires that each federal agency establish a Chief Information Officer position and vests the procurement authority of the General Services Administration (GSA) in each agency. The Act's purpose is to improve the productivity, efficiency and effectiveness of federal programs through the improved acquisition, use and disposal of information technology (IT) resources. It creates incentives to break IT acquisitions into smaller, more manageable pieces. It also mandates that agencies manage their IT as a capital investment and implement a process to maximize the value of IT investments; assess and manage risks involved in IT investments; and monitor progress in terms of costs, system capabilities, timeliness, and quality. This audit will determine whether USAID's processes for selecting, monitoring and evaluating capital information technology investments comply with legislative and Office of Management and Budget requirements.

### **I.2.5 Audit of USAID/Washington Telecommunications Operations**

USAID's fiscal year 2001 budget justification identified about \$4 million of estimated telecommunications expenses that reflect the cost of USAID's telephone system and access to the Department of State's overseas communications system. This audit will determine whether USAID managed its telecommunication operations economically and efficiently.

### **I.2.6 Audit of USAID's Implementation of Recommendations from the National Finance Center Personnel and Payroll Implementation Review Report**

In October 2000, USAID implemented the Human Resources/Payroll system at the National Finance Center (NFC). NFC is an agency of the United States Department of Agriculture. It was anticipated that the NFC would provide (among other benefits) more timely and accurate payroll and leave processing for Agency employees. In February 2001, USAID's NFC Implementation Review Team identified nine control weaknesses in pay administration, leave administration, time and attendance reporting and management reporting that resulted from the transition to the new system. The review also found that roles and responsibilities of payroll staff had not been sufficiently defined and organizational changes for adapting to the new system had not been made as required. This audit will determine whether USAID effectively implemented the recommendations from the NFC Personnel and Payroll Implementation Review Report.

### **1.2.7 Audit of USAID's Implementation of Recommendation No. 1, Audit of the Access and System Software Security Controls Over USAID's Mission Accounting and Control System (MACS)**

This recommendation required that USAID strengthen MACS access and system security controls by developing and implementing standards for access and system software installation and maintenance. These standards should implement the Agency's policies pertaining to access and system software controls and thus provide step-by-step guidance to Mission system managers in the implementation of these controls. The standards should specifically address the controls described in the General Accounting Office's Federal Information System Controls Audit Manual. This audit will determine whether USAID took effective corrective actions to ameliorate the problems addressed in Recommendation No. 1 of OIG Audit Report No. A-000-99-002-P, entitled "Audit of the Access and System Software Security Controls over USAID's Mission Accounting and Control System (MACS)," issued on December 31, 1998.

### **1.2.8 Audit of USAID Information System's Contractor, PRIME, and Subcontractor Performance Standards**

The General Services Administration's Federal Simulation Center awarded a task order to the Computer Services Corporation (CSC) in 1998 in support of USAID's Principal Resource for Information Management Enterprise-wide (PRIME) program. CSC employs several subcontractors for this tasking. The task order is for five years with a total



estimated cost of \$54.3 million. The CSC task was to consolidate information technology (IT) operations and implement a comprehensive approach to the acquisition, integration, total life-cycle management and operation of USAID's IT resources. The contract task order is to be primarily performed on a cost plus fixed fee (CPFF) basis. This audit will determine whether USAID designed appropriate contract performance objectives and quality standards for contract deliverables to enable effective performance monitoring.

#### **I.2.9 Audit of USAID's Information Systems Acquisition/Development Incurred Costs**

The General Services Administration's Federal Simulation Center awarded a task order to the Computer Services Corporation (CSC) in 1998 in support of USAID's Principal Resource for Information Management Enterprise-wide (PRIME) program. The task order is for five years with a total estimated cost of \$54.3 million. Annual costs incurred under this contract were estimated at about \$15 million. The contract task order is to be primarily performed on a cost plus fixed fee (CPFF) basis. CPFF contracts generally do not provide cost control incentives to a contractor and unless the task orders are well defined and contract costs are closely monitored, there is little assurance that USAID is receiving appropriate value for the costs incurred. This audit will determine whether CSC billed USAID only for those costs that were necessary to perform contracted services.

#### **I.2.10 Audit of USAID's Systems Acquisition/Development Project Management**

Recent audits identified weaknesses in USAID's planning for and implementation of its integrated financial management information systems development project. The audits determined that there was no central person or office that oversaw the projects to ensure successful integration of subsystems. This audit will determine what USAID has done to implement effective project management methodologies to ensure that projects meet time, budget and performance expectations.

#### **I.2.11 Audit of General Controls Over USAID/Bolivia's Computer Systems**

General controls are the structure, policies, and procedures that ensure an entity's information systems operate properly. The primary objectives of general controls are to safeguard data, protect computer application programs, prevent unauthorized access to system software, and ensure continued computer operations in case of unexpected interruptions. This audit will determine whether the general controls of USAID/Bolivia's information systems

provided assurance that reported financial information was complete, reliable and secure.

**OBJECTIVE I.3 - PROMOTING IMPROVED ACCOUNTABILITY AND ANTI-CORRUPTION IN THE INTERNATIONAL ENVIRONMENT**

The OIG will work in collaboration with USAID, ADF, and IAF officials to promote improved accountability and anti-corruption in the international environment by:

- working with recipient countries' Supreme Audit Institutions to promote transparency, accountability and proper use of funds,
- implementing proactive programs, such as training, to eliminate employee, grantee, and contractor misconduct and heighten awareness of fraud and corruption, and
- working with USAID in implementing the International Anti-corruption and Good Governance Act of 2000.

OIG plans to work toward this objective through the following activities.

**I.3.1 Recipient-contracted Audits of USAID Non-U.S.-based Grantees and Contractors**

USAID policies and procedures require that its non-U.S.-based contractors and grantees undergo periodic financial audits if they receive at least a specified minimum amount of USAID funding. The auditing firms are generally chosen by the auditee. The OIG maintains quality control over the resulting field work and audit reports. In certain instances, national supreme audit institutions (SAIs), such as an office of auditor general, will perform such audits. These organizations are often a nation's first line of defense in combating government corruption. The OIG has signed formal agreements with over 30 such organizations around the world. In those cases, OIG works with the SAI to ensure that it has the capacity and expertise to produce acceptable audit reports. OIG also provides training on a resource-available basis to improve these organizations' capabilities.

**I.3.2 Provide Fraud Awareness Briefings to Employees, Contractors and Grantees**

OIG/Investigations will continue its fraud awareness program by providing fraud awareness training to employees, contractors and grantees. It will also offer support and advice to USAID, ADF and IAF on aggressive law enforcement and antifraud strategies through meetings, presentations, conferences and other forums.

### **I.3.3 Disseminate Anti-corruption and Fraud Awareness Information**

OIG/Investigations developed a Fraud Indicators handbook that forms one part of its fraud awareness training program.

This manual provides Agency employees, contractors and grantees with valuable information concerning the detection of fraud in government contracts and procurements. Although developed in English, the manual has been translated into Spanish and French to more effectively communicate the anti-fraud information to non-English speaking audiences. OIG will continue to disseminate this manual as broadly as possible and to develop other instructional material to communicate the message of fraud awareness and anti-corruption.

### **I.3.4 Audit of Potential Conflicts of Interest in USAID/Ghana's Contracting and Managing of USAID-financed Activities**

One of the areas most susceptible to fraud within USAID programs is inappropriate collusion for personal gain between USAID employees and USAID vendors, grantees and contractors. The avoidance of misconduct and conflicts of interest on the part of U.S. Government employees through informed judgment is indispensable to maintaining acceptable accountability. A U.S. Government employee generally cannot participate "personally and substantially" in a matter that has a "direct and predictable" effect on the employee's financial interests. USAID/Ghana is a large Mission that handles many transactions for its own operations and also serves as the accounting station for several other USAID Missions in West Africa. This audit will determine whether USAID/Ghana's records (and other related records, if applicable) reflect any potential conflicts of interest in the contracting or managing of the Mission's programs.

### **I.3.5 Concurrent Audits of Disaster Assistance**

Audits are to be performed concurrently with USAID disaster assistance operations. These audits will require close coordination with USAID's Office of Foreign Disaster Assistance (OFDA), and with OIG/Investigations. These audits' primary purpose will be to reduce USAID's disaster assistance operations' vulnerability to fraud, waste and abuse.

### **I.3.6 OIG Video**

To expand its fraud awareness training outreach, the OIG created a video version of its Fraud Awareness presentation.

The video standardizes OIG anti-corruption training and extends its reach worldwide. While the interactive opportunity available at a live presentation is absent with

the videotape, the OIG believes that the video will be effective in communicating the fraud awareness message to a very wide audience in a concise and economical manner.

## **OBJECTIVE I.4 - PROMOTING INTEGRITY IN PROCUREMENT ACTIVITIES**

---

The OIG will work in collaboration with USAID, ADF, and IAF officials to promote integrity in procurement activities by:

- conducting audits of procurement activities,
- conducting audits of disaster assistance procurements, and
- conducting audits of procurement activities at selected overseas Missions and for nonpresence countries.

OIG plans to work toward this objective through the following activities.

### **I.4.1 Audit of USAID/West Bank-Gaza's Compliance with USAID's Procurement-related Administrative Requirements**

This audit is the first of a series of proposed Agency-wide audits of USAID procurement activities at selected overseas Missions. USAID, with about \$4 billion in contracts and grants, has been downsizing its Office of Procurement. As it has downsized, contracting officers have had to focus more on issuing awards and less on contract administration. Contract administration is a very broad area that includes various tasks such as approving subcontracts and key personnel, extending the period of performance, providing incremental funding, writing contractor performance reports, and closing out awards. This audit will determine whether contracting officers at USAID/West Bank-Gaza are performing their contract administration responsibilities in a timely manner and in accordance with USAID guidance.

### **I.4.2 Audit of USAID/Egypt's Performance of End-use Checks**

USAID Missions are responsible for carrying out, or arranging to have carried out, end-use checks of commodities to confirm their utilization in accordance with the requirements of underlying agreements. USAID/Egypt, with a total estimated fiscal year 2001 budget of \$695 million, purchases a significant amount of project commodities to help implement its program activities. This audit will determine whether the Mission is performing end-use checks in accordance with USAID policies.

### **I.4.3 Audit of the African Development Foundation's Awarding and Monitoring of Grants**

The African Development Foundation (ADF) is a Government corporation established by Congress in 1980. ADF awards

grants, loans, and loan guarantees to African private or public groups, associations, or other entities engaged in peaceful activities. The ADF does not develop projects itself, but provides grants directly to recipients with activities in Africa. Over the past fifteen years, the ADF has funded over 1,300 activities in 34 African countries. This audit will determine whether the ADF awarded grants in accordance with applicable laws, regulations, and internal policies; monitored grantee activities to ensure that intended results were achieved; and maintained adequate internal controls to ensure that funds provided to grantees were used only for intended purposes.

**I.4.4 Audit of USAID/Colombia-financed Low-cost Housing Activities Under the Central America and the Caribbean Emergency Disaster Recovery Fund**

On January 25, 1999, the Armenia/Pereira region of Colombia suffered a severe earthquake leaving an estimated 40,000 homes destroyed. In February 2000, USAID/Colombia signed a \$9.3 million contract (ending September 30, 2001) with Planning and Development Collaborative International to provide housing for a minimum of 1,000 families and to reconstruct 10 schools and 8 health posts. This audit will determine whether USAID/Colombia's low-cost housing activity is on schedule to achieve planned outputs, and whether USAID/Colombia implemented a monitoring system for its low-cost housing activity in accordance with USAID policies.

**I.4.5 Audit of Disaster Preparedness Activities Financed Under the Central America and the Caribbean Emergency Disaster Recovery Fund**

Under the Central America and the Caribbean Emergency Disaster Recovery Fund (CACEDRF) program, USAID is financing disaster preparedness activities in at least five countries. This audit will determine whether disaster preparedness activities financed under the CACEDRF are on schedule to achieve planned outputs, and whether USAID implemented a monitoring system for its disaster preparedness activities in accordance with USAID policies.

**I.4.6 Audit of the Awarding and Monitoring of Grants by the Inter-American Foundation**

The Inter-American Foundation (IAF), an independent Agency of the United States Government, was created in 1969 as an experimental U.S. foreign assistance program. In fiscal year 2000, IAF was appropriated \$5 million. Audit work will be performed in the U.S. and in Latin America. This audit will focus on the processes for grant solicitation, award and monitoring at the Foundation.

#### **I.4.7 Follow-up of USAID's Implementation of Recommendation No. 2, Audit of the Effectiveness of USAID's Contractor Performance Evaluation Program**

This recommendation required that USAID identify an Office of Procurement manager with responsibilities to ensure that the "contractor past performance evaluation process" is operating effectively. This manager is needed to ensure that required evaluation reports are (a) completed in a timely manner, (b) made available to source selection boards, and (c) used by source selection boards. This audit will determine whether USAID took effective corrective actions to ameliorate the problems addressed by Recommendation No. 2 of Audit Report No. A-000-00-001-P, titled "Audit of the Effectiveness of USAID's Contractor Performance Evaluation Program," issued on December 14, 1999.

#### **I.4.8 Audit of One Institutional Contract Implementing USAID-financed Activities in Three Europe and Eurasia Countries**

In order to implement its programs with ever-increasing staffing cuts, USAID has had to rely on the services of large institutional contractors. The same contractor often simultaneously implements programs in several countries in the same geographical region. Because many USAID programs are carry-on type activities, the same institutional contractor may be awarded several large multi-year contracts for the same activity. The magnitude of funding going into the Europe and Eurasia region alone is adequate cause for reviewing the performance of the large institutional contractors. For example, for fiscal year 2001, \$1.5 billion was budgeted for USAID's Europe and Eurasia Bureau programs. This audit will determine whether USAID effectively monitored a selected primary USAID contractor in the Europe and Eurasia region to ensure that intended results were achieved.

#### **I.4.9 Audit of USAID Mission Disaster Relief Plans**

During a recent survey of disaster relief operations, OIG auditors noted that most Mission disaster relief plans maintained in a central Office of Foreign Disaster Assistance depository appeared to be out-of-date. According to USAID policy, every USAID Mission must maintain an up-to-date Mission disaster relief plan. Similar emergency planning requirements exist for U.S. Embassies. OIG has explored the possibility of a joint audit with the Department of State Office of Inspector General to ensure comprehensive coverage. Preliminary discussions indicate that a joint audit may be feasible. However, if a joint audit is not feasible, OIG/Audit will examine disaster relief plans maintained by USAID Missions. The audit will



determine if Missions have disaster relief plans that are current and comply with USAID requirements. This audit will also determine whether USAID has maintained effective oversight to ensure that Mission disaster relief plans are updated as required.

#### **I.4.10 Audit of USAID's Plans for Using E-commerce Solutions to Implement the Government Paperwork Elimination Act**

The Government Paperwork Elimination Act (GPEA) encourages federal government agencies to transact purchases and other business, and keep records, electronically. The actions required to implement this objective are targeted to be completed by October 21, 2003. As agencies expand the breadth of their electronic transactions and the diversity of the users of electronic services, there is a corresponding need to provide real-time assurances of the authenticity and reliability of partners and the information that both comprise and support electronic commerce. The ability to assess the environment into which USAID will launch its electronic commerce and then establish ongoing controls over that environment will ultimately become a critical priority of senior management. This audit will determine whether USAID effectively planned to integrate e-commerce software solutions in the Agency's internet architecture.

#### **I.4.11 Audit of USAID/Washington Furniture and Equipment**

The USAID/Headquarters fiscal year 2002 operating expense budget requested about \$6.5 million for furniture and equipment purchases, while \$1.4 million was requested for maintenance and storage of furniture and equipment. Total furniture and equipment purchases from fiscal year 1998 through fiscal year 2001 were about \$30 million. This audit will determine whether USAID managed acquisition, maintenance and disposal of furniture and equipment costs economically and efficiently.

#### **I.4.12 Audit of USAID/Washington Supplies and Materials**

USAID annually budgets about \$7 million for supplies and materials to be used at its Washington headquarters. This audit will determine whether USAID managed the acquisition of such supplies and materials economically and efficiently.

#### **I.4.13 Audit of USAID/Jordan's Performance of Commodity End-use Checks**

USAID Missions are responsible for carrying out, or arranging to have carried out, end-use checks of commodities to confirm their utilization in accordance with the requirements of underlying agreements. USAID/Jordan, with a total estimated fiscal year 2001 budget of \$150 million,

purchases a significant amount of project commodities to help implement its project activities. This audit will determine whether the Mission is performing end-use checks in accordance with USAID policies.

## **OBJECTIVE I.5 - PRESERVING AND PROTECTING THE INTEGRITY OF AGENCY PROGRAMS AND PERSONNEL**

The OIG will work in collaboration with USAID, ADF, and IAF officials to preserve and protect the integrity of Agency programs and personnel by:

- detecting and preventing fraud in Agency programs and operations,
- investigating allegations of contract procurement fraud and employee integrity issues expeditiously, and
- implementing proactive programs for detecting contract procurement fraud and reducing employee integrity issues.

OIG plans to work toward this objective through the following activities.

### **I.5.1 Emphasizing the Hotline**

OIG/Investigations will continue to emphasize the Hotline as a means of reporting fraud, waste and abuse. OIG/Investigations will stress the Hotline in fraud awareness briefings and presentations and believes that the Hotline is both an effective medium for receiving allegations and an active deterrent against fraud.

### **I.5.2 Assessing Threats and Vulnerabilities to Agency Programs and Operations**

An OIG/Investigations Criminal Research Specialist will research data concerning areas served by USAID, ADF and IAF to identify vulnerabilities and threats to programs and operations. This information will be used both internally, e.g., in the development of vulnerability indices to effectively allocate investigative resources, and externally, e.g., to provide briefings to Agency personnel.

### **I.5.3 Stressing Program Integrity Issues**

OIG/Investigations will continue to emphasize program integrity cases and energetically investigate any case involving fraud, corruption or other illegal activity in the programs and operations of USAID, ADF and IAF.

### **I.5.4 Focusing on USAID Programs in the Balkans, Central/South America and Southern Africa**

OIG/Investigations will target areas with high levels of disaster relief funding as it considers such areas to be at high risk for incidences of fraud. OIG/Investigations will

utilize its six-point strategy of surveying the environment, establishing a close working relationship, emphasizing a team approach, educating employees and partners, aggressively enforcing the Foreign Corrupt Practices Act (FCPA), and offering recommendations for systemic improvement as a means of combating fraud.

#### **I.5.5 Investigating Allegations of Employee Misconduct Expediently**

OIG/Investigations will continue to investigate serious allegations of employee misconduct expediently.

**OBJECTIVE II.1 - IMPROVING ADHERENCE TO THE REQUIREMENTS OF THE GOVERNMENT PERFORMANCE AND RESULTS ACT**

The OIG will work in collaboration with USAID, ADF, and IAF officials to improve adherence to Government Performance and Results Act requirements by:

- conducting audits pursuant to the Government Performance and Results Act (GPRA),
- working with USAID, the ADF, and the IAF to effectively implement the Clinger-Cohen Act encouraging disciplined capital investment processes in developing management information systems, and
- conducting audits to determine whether USAID, ADF and IAF programs are achieving anticipated results.

OIG plans to work toward this objective through the following activities.

**II.1.1 Audit of Internal Controls Over Performance Information Reported in USAID's Financial Statements for Fiscal Year 2001**

The Government Management Reform Act of 1994 (GMRA) requires agencies to prepare and submit audited financial statements by March 1 following the close of the fiscal year. Pursuant to this Act, USAID also prepares other accompanying information-including an "Overview" section. This section (also called "Management's Discussion and Analysis") is to describe an agency's mission and activities-and its program and financial results. The section is to provide meaningful and relevant information about an agency's performance and disclose the extent to which programs are achieving intended objectives. The OIG performs an annual audit of this Overview section, as well as the internal controls related to USAID's performance measures. OIG will audit one USAID/Washington Office and selected overseas Missions to determine the effectiveness of USAID's internal controls over performance information reported in its fiscal year 2001 financial statements.

**II.1.2 Survey of USAID-financed Assistance to Nigeria**

The USAID development program in Nigeria is intended to sustain the transition to a democratic civilian government; strengthen institutional capacity for economic reform and enhance capacity to revive agricultural growth; develop the foundation for education reform; increase the use of family planning, HIV/AIDS, and child survival services; and improve management of the infrastructure and energy sectors. The USAID/Nigeria \$80 million fiscal year 2001 budget was the

largest of any USAID Mission in the West Africa region. The purpose of this survey is to determine the level of risk for activities funded under USAID/Nigeria's principal funding sources. This audit will determine the level of vulnerability at USAID/Nigeria in four different areas: 1) implementing partners, 2) funding amounts, 3) implementing arrangements, and 4) nature of the activities.

### **II.1.3 Survey of USAID-financed Assistance to the Democratic Republic of the Congo**

Current USAID objectives in the Congo are (1) a peaceful, negotiated end of the ongoing civil war, (2) institutionalization of democratic processes, (3) promotion of rule of law and respect for human rights, and (4) economic reconstruction. USAID estimates fiscal year 2001 obligations for programs in the Congo will total at least \$57,400,000, which is very large in comparison with other Missions in West Africa. USAID activities currently have, and are likely to continue to have, high visibility within the legislative and executive branches of the U.S. Government. The USAID Mission in the Congo is requesting additional staff and it is likely that the Mission and its portfolio will be growing substantially in size if conditions in the country warrant. This survey will identify areas of vulnerability and provide recommendations to improve the accountability of the Mission's activities and compliance with USAID management controls.

### **II.1.4 Audit of the USAID-financed Basic Education Program in Benin**

USAID/Benin reported that its Basic Education Program was meeting expectations with significant improvement in access and quality of educational materials and instruction. The ultimate beneficiaries were reported to be 940,000 primary school children nationwide compared to 845,000 the year before. The Mission also reported that student enrollment had increased by 4 percent, to 81 percent, in fiscal year 2000. This audit will determine whether the Basic Education Program achieved its intended results.

### **II.1.5 Audit of USAID/Croatia's Democracy Program**

According to USAID officials, Croatia is a key partner in an effort to achieve long-term peace and stability in the Balkans. Since its independence from Yugoslavia, Croatia has made slow progress towards full democratization and promotion of civil liberties. With a new reform-oriented government elected in January 2000, prospects for a more progressive posture toward democratic reform appear excellent. USAID requested a significant increase of more than 100% in overall funding—from approximately \$4.1 million to more than \$8.4 million for fiscal year 2002. This audit

will determine whether USAID/Croatia has an activity monitoring system in place to ensure proper management oversight of its Democracy Program and whether the Democracy Program achieved its planned results.

#### **II.1.6 Survey of USAID-financed Assistance to Ukraine**

Ukraine has received over \$839 million in USAID assistance over the past four years. This survey will determine the risk exposure associated with USAID/Ukraine's program activities and will be used to identify potential areas for further audit work.

#### **II.1.7 Audit of USAID Assistance to Serbia**

Over the past three years, Serbia has received over \$111 million in USAID assistance that was managed out of Budapest, Hungary because of the ongoing conflict within the country. However, a USAID Mission has recently been reestablished in Serbia with the end of the recent conflicts and a complete staff has been assigned. This audit will determine whether USAID/Serbia has an activity monitoring system in place to ensure proper management oversight of USAID-funded activities.

#### **II.1.8 Audit of USAID/Bosnia-Herzegovina's Reconstruction Finance Facility Program**

In 1996, USAID authorized a five-year, \$278 million Bosnian Reconstruction Finance Facility program. These funds were to be used for financial support of post-war reconstruction and economic revitalization, as well as for increasing employment of the general population, refugees and demobilized soldiers. This audit is a follow-up of an earlier OIG concurrent audit of the Bosnian Reconstruction Finance Facility Program. It will determine the status of the Bosnia Reconstruction Finance Facility Program and examine the actions USAID/Bosnia had taken to reprogram any remaining funding.

#### **II.1.9 Audit of USAID/Russia's Activity Monitoring System**

Russia has received over \$924 million in USAID assistance over the past four years. USAID requested an additional \$200 million for fiscal year 2002. This audit will determine whether USAID/Russia has an activity monitoring system in place to ensure proper management oversight of USAID-funded activities.

#### **II.1.10 Audit of USAID/Jordan's Microfinance Activities**

The use of non-profit foundations as financial intermediaries to create viable credit delivery systems for

small and micro enterprises is one of several delivery mechanisms being supported by USAID to expand economic output and increase the employment and earnings of low-income people. In support of USAID's microenterprise program, USAID/Jordan has begun a series of small but significant microfinance initiatives to provide microfinance services to at least 25,000 borrowers by 2001. At least 50 percent of the borrowers are expected to be female. This audit will determine whether USAID/Jordan has established effective controls over its microfinance activities to ensure that they are being implemented in accordance with USAID policies and whether they are progressing toward their intended results.

#### **II.1.11 Survey of USAID-financed Assistance to Lebanon**

USAID assistance to Lebanon has increased dramatically from \$15 million in fiscal year 1999 to almost \$35 million in fiscal year 2000. In view of this large increase in funding, a risk assessment is needed to assess the vulnerability of the USAID Mission's programs to fraud, waste, and abuse. This survey will identify key controls that USAID/Lebanon has in place to protect program resources and determine whether the Mission is following USAID's policy and procedures to manage significant risk areas.

#### **II.1.12 Audit of USAID's HIV/AIDS Program in Cambodia**

Cambodia has one of the most rapidly progressing AIDS epidemics in Asia. By the beginning of 1999, 200,000 Cambodians were estimated to be HIV-positive. To head off an explosive spread of the epidemic in the general population, USAID's activities focus on behavioral change in high-risk populations coupled with improved quality of and access to sexually transmitted disease care. Cambodia is considered a "rapid-scale up" country for HIV/AIDS programs and funding is expected to increase from \$3 million in fiscal year 1999 to about \$10 million in fiscal year 2001. This audit will determine whether USAID/Cambodia monitored performance of its HIV/AIDS programs in accordance with Agency guidance and whether the Mission's HIV/AIDS program is achieving its intended results.

#### **II.1.13 Audit of USAID's Family Planning Program in the Philippines**

The Philippines' population increased from 68 million to over 76 million in the past five years. The country's Gross Domestic Product growth rate has not kept pace with the increase in population, contributing to a high poverty rate. USAID/Philippines' current population program focuses on building the capacity of the private sector and local governments to deliver family planning and health services. This audit will determine whether USAID/Philippines monitors



family planning inputs to ensure that they are properly used and whether the Mission's family planning activities are achieving their intended results.

#### **II.1.14 Audit of Selected Loan Guarantee Programs in Asia**

USAID has several types of loan guarantee programs, including the Micro and Small Enterprise Development (MSED) program, Urban and Environmental Guarantee (UE) program, and the Development Credit Authority (DCA) program. USAID's Office of Development Credit in the Bureau for Global Programs, Field Support and Research supports the Agency's use of these credit programs to finance development activities abroad. The active loan guarantee programs for Asia total about \$32 million for the MSED program, over \$500 million for the UE program, and \$35 million for the DCA program. These loan guarantees are in India, Indonesia, the Philippines, and Sri Lanka. This audit will determine whether USAID monitors selected loan guarantee programs in Asia to ensure that the recipients adhere to the requirements of their loan guarantee agreements.

#### **II.1.15 Audit of USAID-financed Public Law 480 Title II Food Aid Activities in India**

The U.S. Government provides Public Law 480, Title II food aid to India. The Title II program is being implemented by two major non-governmental organizations: Cooperative for Assistance and Relief Everywhere (CARE) and Catholic Relief Services (CRS). This audit will determine whether USAID/India, together with its implementing non-governmental organizations, monitors P.L. 480 Title II food aid to ensure that food reaches intended beneficiaries and that the program is progressing toward its intended results.

#### **II.1.16 Audit of the USAID-financed Accelerating Economic Recovery in Asia (AERA) Program**

USAID initiated the AERA program in response to the Asian financial crisis in 1997 and 1998. Most countries in the region still suffer from the effects of that crisis. USAID's AERA initiative focused its five-year "relief-recovery-reform" approach initially on Indonesia, Thailand and the Philippines. AERA has three key objectives: (1) creating and saving jobs, (2) improving the targeting and coverage of safety nets, and (3) improving economic governance. This audit will determine whether USAID monitors program funds to ensure that such funds were spent as intended and whether the program is achieving its intended results.

#### **II.1.17 Audit of USAID/Mongolia's Economic Policy Support Project**

USAID/Mongolia's Economic Policy Support Project (EPSP) seeks to increase the standard of living of the people of Mongolia and to improve economic and social conditions by assisting the Government of Mongolia's transition from a centrally planned economy to a true private sector-led, market-oriented economy. EPSP provides technical assistance, training and other inputs to establish environmentally sound, market-oriented policies and practices. This audit will determine whether USAID/Mongolia monitors program funds to ensure that such funds were spent as intended and whether the program is achieving its intended results.

#### **II.1.18 Audits of USAID's Monitoring of the Performance of Its HIV/AIDS Programs in Selected African and Asian Countries**

USAID's HIV/AIDS funding increased from \$135 million in fiscal year 1999 to over \$300 million in fiscal year 2001. This increase has created a demand for greater accountability on the part of USAID in both monitoring progress and achieving intended results. In fiscal year 2001, the OIG performed a "pilot" audit of USAID/Zambia's management of its HIV/AIDS program. This formed the basis for performing additional audit work that will take place in selected countries in Africa and Asia. This work will result in several reports detailing individual USAID Missions' success in implementing their HIV/AIDS programs, and an overall, or "capping," report consolidating all audit findings.

#### **II.1.19 Audit of USAID/Mozambique's Performance Monitoring of Road Repair and Reconstruction Under the Southern Africa Flood Relief Supplemental**

In February 2000, Cyclone Eline struck three provinces in Mozambique, one of the ten poorest countries in the world, then moved on to Zimbabwe, Botswana and South Africa. Because of the heavy and persisting rains in these countries, upstream dams were opened and the Limpopo, Save and Búzi rivers reached their highest recorded levels, completely submerging four Mozambican provinces and adversely affecting two million people. In total, 1,500 kilometers of the road network in southern and central Mozambique were damaged. USAID plans to repair and reconstruct four segments of road that total 180 kilometers, and the Save River Bridge at a cost of \$31.5 million. This audit will determine if USAID/Mozambique implemented and monitored its road and bridge repair and reconstruction under Southern Africa Flood Relief Supplemental funding in accordance with USAID policies and procedures.

#### **II.1.20 Audit of Eastern Caribbean Regional Reconstruction Activities Financed Under the Central America and the Caribbean Emergency Disaster Recovery Fund**

Under the Central America and the Caribbean Emergency Disaster Recovery Fund (CACEDRF) program, USAID is financing \$5.1 million in disaster reconstruction activities in Grenada, Dominica, St. Lucia, and Antigua & Barbuda. This audit will determine whether Eastern Caribbean disaster reconstruction activities financed under the CACEDRF are on schedule to achieve planned outputs, and whether USAID/Jamaica, which oversees the program, implemented a monitoring system for its Eastern Caribbean disaster reconstruction activities in accordance with USAID policies.

#### **II.1.21 Audit of USAID/El Salvador-financed Housing Reconstruction Activities**

Two major earthquakes struck El Salvador in January and February 2001 damaging or destroying approximately 335,000 homes. USAID/El Salvador's earthquake reconstruction program is approved at \$110 million for fiscal years 2001 and 2002. This audit will determine whether USAID/El Salvador's housing reconstruction activities are on schedule to achieve planned outputs, and whether USAID/El Salvador implemented a monitoring system for its housing reconstruction activities in accordance with USAID policies.

#### **II.1.22 Audit of USAID-financed Human Rights Activities Administered by USAID/Colombia**

The "Plan Colombia" supplemental appropriation that was signed in July 2000 provided \$119.5 million for USAID activities in Colombia. USAID/Colombia is using \$11 million from the Plan Colombia supplemental appropriation to greatly expand its human rights activities. Through its human rights program, USAID plans to strengthen the institutions involved in human rights activities, improve citizen awareness of human rights issues, strengthen human rights monitoring and case reporting, better protect human rights workers, and improve the Government of Colombia's capacity to prosecute human rights cases. This audit will determine how USAID funds have been spent under the human rights program, whether USAID-financed human rights activities are on schedule to achieve planned results, and whether USAID/Colombia implemented a monitoring system for its human rights activities in accordance with USAID policies.

#### **II.1.23 Audit of the USAID-financed Yungas Development Initiative**

USAID/Bolivia received \$80 million under the "Plan Colombia" supplemental appropriation, of which \$30 million will be spent on the Yungas Development Initiative. This initiative contributes to the Mission's strategic objective entitled "illegal and excess coca eliminated from Bolivia." This audit will determine how USAID funds have been spent under

the Yungas development initiative, whether USAID-financed Yungas development activities are on schedule to achieve planned results, and whether USAID/Colombia implemented a monitoring system for its Yungas development activities in accordance with USAID policies.

#### **II.1.24 Audit of USAID-financed Alternative Development Activities in Peru**

USAID/Peru has carried out significant alternative development activities since 1993. These activities are currently financed through a five-year (1999-2003) program with \$194.5 million in USAID funds and \$115.5 million in counterpart funds. The program contributes to USAID/Peru's strategic objective entitled "reduced illicit coca production in targeted areas of Peru." The alternative development program is part of an integrated strategy that includes (1) interdiction and law enforcement and (2) alternative development activities aimed at restoring local authority and voluntary participation of farmers in licit, sustainable activities. This audit will determine how USAID funds have been spent under the Alternative Development Program, whether USAID-financed alternative development activities are on schedule to achieve planned results, and whether USAID/Peru implemented a monitoring system for its alternative development activities in accordance with USAID policies.

#### **II.1.25 Audit of Data Quality for USAID/Guyana's Results Review and Resource Request (R4) Report**

USAID/Guyana is the smallest Mission in the Latin America and the Caribbean region, with annual expenditures of about \$4.4 million. The Mission manages two strategic objectives and one special objective. Its most recent Results Review and Resource Request (R4) report discussed information on eight indicators at the strategic/special objective and intermediate result levels. This audit will determine whether USAID/Guyana assessed data quality for its performance indicators in accordance with USAID policies.

#### **II.1.26 Survey of Regional Activities Administered by USAID's Bureau for Latin America and the Caribbean**

USAID's Bureau for Latin America and the Caribbean spends about \$60 million annually for regional activities. These activities contribute to 10 strategic objectives and are implemented by dozens of organizations. This survey will determine what activities the Bureau for Latin America and the Caribbean is funding, how the Bureau for Latin America and the Caribbean is managing its activities, and what responsibilities for management have been assigned to others.

## **OBJECTIVE II.2 - IMPROVING HUMAN CAPITAL MANAGEMENT**

The OIG will work in collaboration with USAID, ADF, and IAF officials to improve human capital management by:

- conducting audits of USAID's management of its human capital, and
- conducting audits of USAID's actions to improve oversight of programs and activities in nonpresence countries.

OIG plans to work toward this objective through the following activities.

### **II.2.1 Audit of USAID's Foreign Language Training Program**

A critical core competency underlying the success of USAID's operations is that foreign service posts abroad be staffed by individuals having a useful knowledge of the language or dialect common to the country in which the post is located.

USAID's tenuring requirements for Foreign Service Officers require employees to possess a certain foreign language proficiency level. This requirement has a significant effect on the Agency in terms of training-associated financial costs as well as with the associated loss in productivity for the time the employee attends language training. For fiscal year 2000, USAID requested \$553,000 for language training. This audit will determine whether USAID's foreign language training program is producing its intended results.

### **II.2.2 Audit of the Quality of Service Provided by USAID's Office of Payroll**

In fiscal year 2000, USAID began using the National Finance Center (NFC) as its payroll provider. The NFC's systems replaced most, but not all, of the payroll and personnel systems at USAID. Since the adoption of NFC systems, there has been an increase in the number of employee complaints about payroll, particularly from Foreign Service employees stationed overseas. These complaints have resulted in the need for numerous corrective actions. This audit will address the Payroll Office's actions and responses to employee payroll requests since conversion to the NFC payroll and personnel processing systems.

### **II.2.3 Audit of USAID's Succession Planning**

According to USAID records, Agency staffing levels have declined by 38 percent over the last ten years. USAID also recently reported that more than one third of its Foreign Service staff was eligible to retire and that current

attrition rates, if continued, could affect the Agency's ability to achieve its overseas mission as early as 2005. As more USAID employees become eligible for retirement, there is a critical need for effective succession planning. This audit will determine whether USAID has effectively planned to address anticipated gaps in skills caused by worker retirement.

**AUDIT PLAN SUMMARY**

---

The following lists the OIG's audits and audit-related activities planned for fiscal year 2002:

**USAID-GENERAL**

Audit of USAID's Fiscal Year 2002 Consolidated Financial Statements

Audit of Cash Drawdowns by Federal Grant Recipients

Audit of USAID's Processing of Defense Contract Audit Agency Bills

Audit of USAID's Progress In Implementing Financial Systems that Meet Federal Financial Management Improvement Act (FFMIA) Requirements

Audit of Funds Control Over USAID-financed Child Survival and Disease Activities

Audit of the Efficiency of USAID Payment Processes

Audit of USAID Internal Controls Over Severance Payments to Foreign Service Nationals

Capping Report for OIG-wide Recipient Audit Universe Audits

Maintaining Quality Control Over Financial Audits Contracted by Recipients of USAID Funds

Audit of Controls Over USAID Direct Hire Employee Salary Payments

Audit of USAID's Planning Efforts to Implement the "Phoenix" System at Overseas Missions

Audit of USAID's Information Systems' General Computer Controls

Audit of USAID's Efforts to Implement an Effective Computer Security Program in Accordance with National Defense Authorization Act of 2001 Requirements

Audit of USAID's "Information Technology Capital Planning and Investment Process" Under the Clinger-Cohen Act

Audit of USAID/Washington Telecommunications Operations

Audit of USAID's Implementation of Recommendations from the National Finance Center Personnel and Payroll Implementation Review Report

Audit of USAID's Implementation of Recommendation No. 1, Audit of the Access and System Software Security Controls Over USAID's Mission Accounting and Control System (MACS)

Audit of USAID Information System's Contractor, *PRIME*, and Subcontractor Performance Standards

Audit of USAID's Information Systems Acquisition/Development Incurred Costs

Audit of USAID's Systems Acquisition/Development Project Management

Concurrent Audits of Disaster Assistance

Follow-up of USAID's Implementation of Recommendation No. 2, Audit of the Effectiveness of USAID's Contractor Performance Evaluation Program

Audit of USAID Mission Disaster Relief Plans

Audit of USAID's Plans for Using E-commerce Solutions to Implement the Government Paperwork Elimination Act

Audit of USAID/Washington Furniture and Equipment

Audit of USAID/Washington Supplies and Materials

Audit of Internal Controls Over Performance Information Reported in USAID's Financial Statements for Fiscal Year 2001

Audit of USAID's Foreign Language Training Program

Audit of the Quality of Service Provided by USAID's Office of Payroll

Audit of USAID's Succession Planning

**BUREAU FOR LATIN AMERICA AND THE CARIBBEAN**

Audit of the Inter-American Foundation's Fiscal Year 2002 Consolidated Financial Statements

Audit of Certain USAID/Bolivia Financial Operations



Audit of General Controls Over USAID/Bolivia's Computer Systems

Audit of USAID/Colombia-financed Low-cost Housing Activities Under the Central America and the Caribbean Emergency Disaster Recovery Fund

Audit of Disaster Preparedness Activities Financed Under the Central America and the Caribbean Emergency Disaster Recovery Fund

Audit of the Awarding and Monitoring of Grants by the Inter-American Foundation

Audit of Eastern Caribbean Regional Reconstruction Activities Financed Under the Central America and the Caribbean Emergency Disaster Recovery Fund

Audit of USAID/El Salvador-financed Housing Reconstruction Activities

Audit of USAID-financed Human Rights Activities Administered by USAID/Colombia

Audit of the USAID-financed Yungas Development Initiative

Audit of USAID-financed Alternative Development Activities in Peru

Audit of Data Quality for USAID/Guyana's Results Review and Resource Request (R4) Report

Survey of Regional Activities Administered by USAID's Bureau for Latin America and the Caribbean

#### **BUREAU FOR EUROPE AND EURASIA**

Audit of Europe, Eurasia and Regional Division Monitoring of Enterprise Fund Financial Audits

Audit of One Institutional Contract Implementing USAID-financed Activities in Three Europe and Eurasia Countries

Audit of USAID/Croatia's Democracy Program

Survey of USAID-financed Assistance to Ukraine

Audit of USAID Assistance to Serbia

Audit of USAID/Bosnia-Herzegovina's Reconstruction Finance Facility Program

Audit of USAID/Russia's Activity Monitoring System

**BUREAU FOR AFRICA**

Audit of the African Development Foundation's Fiscal Year 2002 Consolidated Financial Statements

Audit of Potential Conflicts of Interest in USAID/Ghana's Contracting and Managing of USAID-financed Activities

Audit of the African Development Foundation's Awarding and Monitoring of Grants

Survey of USAID-financed Assistance to Nigeria

Survey of USAID-financed Assistance to the Democratic Republic of the Congo

Audit of the USAID-financed Basic Education Program in Benin

Audits of USAID's Monitoring of the Performance of Its HIV/AIDS Programs in Selected African and Asian Countries

Audit of USAID/Mozambique's Performance Monitoring of Road Repair and Reconstruction Under the Southern Africa Flood Relief Supplemental

**BUREAU FOR ASIA AND NEAR EAST**

Audit of USAID/West Bank-Gaza's Compliance with USAID's Procurement-related Administrative Requirements

Audit of USAID/Egypt's Performance of End-use Checks

Audit of USAID/Jordan's Performance of Commodity End-use Checks

Audit of USAID/Jordan's Microfinance Activities

Survey of USAID-financed Assistance to Lebanon

Audit of USAID's HIV/AIDS Program in Cambodia

Audit of USAID's Family Planning Program in the Philippines

Audit of Selected Loan Guarantee Programs in Asia

Audit of USAID-financed Public Law 480 Title II Food Aid Activities in India

Audit of the USAID-financed Accelerating Economic Recovery in Asia (AERA) Program

Audit of USAID/Mongolia's Economic Policy Support Project

Audits of USAID's Monitoring of the Performance of Its HIV/AIDS Programs in Selected African and Asian Countries

Audit of USAID/Morocco's Accountability for Local Costs of U.S.-based Grantees and Contractors

drafted:jjb;30July01;x2-  
1353;x:\plan\2002plan\AnnualPlan2002Draft13Sept.doc