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**OFFICE OF INSPECTOR GENERAL**

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**AUDIT OF USAID/WARP'S  
MANAGEMENT OF  
ENVIRONMENTAL AND FOOD  
SECURITY MONITORING  
PROGRAMS**

AUDIT REPORT NO. 7-624-06-002-P  
JANUARY 31, 2006

DAKAR, SENEGAL



**USAID**  
FROM THE AMERICAN PEOPLE

*Office of Inspector General*

January 31, 2006

**MEMORANDUM**

**TO:** USAID/WARP Director, Jatinder Cheema

**FROM:** Regional Inspector General/Dakar, Lee Jewell III /s/

**SUBJECT:** Audit of USAID/WARP's Management of Environmental and Food Security Programs (Report No. 7-624-06-002-P)

This memorandum is our final report on the subject audit. In finalizing this report, we considered management's comments on our draft report and included them in Appendix II.

This report contains four recommendations to which you agreed in your response to the draft report. Based on your plans in response to the audit findings, management decisions have been reached on all of the recommendations. However, the four recommendations will remain open until the planned actions are completed by the Mission. Please coordinate final actions on these recommendations with USAID's Audit Performance and Compliance Division within the Management Bureau's Office of the Chief Financial Officer (M/CFO/APC).

I appreciate the cooperation and courtesies extended to the members of our audit team

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# SUMMARY OF RESULTS

The objectives of this audit were to determine if (1) USAID/West African Regional Program (WARP) monitored and reported on its environmental and food security programs in accordance with applicable requirements; and if (2) USAID/WARP's environmental and food security programs are on schedule to achieve planned results. (See page 4)

For objective 1, we concluded that USAID/WARP followed applicable requirements in reporting on its program activities. However, some of the Mission's monitoring activities need to be strengthened. (See page 5).

During our field work, we noted some important factors that contribute positively to USAID/WARP's monitoring. However, we also found significant weaknesses in USAID/WARP's monitoring activities in fiscal year (FY) 2005. While USAID/WARP has developed a detailed Performance Management Plan (PMP) for monitoring its environmental and food security programs, only one staff member was assigned to these programs, which was insufficient to perform even the minimum requirements of an effective monitoring system. As a result, USAID/WARP cannot be sure that these programs are operating as intended. We recommend that USAID/WARP develop a strategy so that the program monitoring activities as set out in the FY 2005 PMP can be met. (See page 7).

Under objective 2, we found that USAID/WARP's environmental and food security programs are, for the most part, on schedule to achieve planned results for FY 2005. However, we noted two areas where USAID/WARP can increase its involvement to help avert a food security crisis in the Sahel. (See page 8).

First, while the causes of the 2005 food security crisis in Niger were diverse, better collaboration between the Permanent Interstate Committee for Drought Control in the Sahel (CILSS) and donors would reduce the likelihood that systemic food shortages in the Sahel will develop into another crisis. We recommend that USAID/WARP coordinate with CILSS to encourage participation of high-level officials of all of the donor organizations at the annual Food Crisis Prevention meeting. (See page 9).

Second, USAID/WARP should take a proactive approach in averting another food security crisis by working with CILSS to ensure that agricultural production data is officially released by all of the CILSS member countries in time for the annual meeting at which CILSS notifies donors of projected agricultural shortages. (See page 10).

Finally, when we visited the AGRHYMET Regional Center in Niger, we noted that despite the importance of monitoring meteorological data to avoid a food security crisis, several decades of meteorological data stored at AGRHYMET was not backed up. Without an adequate back-up system for CILSS's environmental monitoring equipment, an occurrence such as a natural disaster or political unrest could cause the loss of important and irreplaceable meteorological data. We recommend that USAID/WARP, in conjunction with other donors, develop a strategy to establish a back-up server in an alternate location. (See page 12).

USAID/WARP agreed with all of the findings and recommendations and based on planned actions to be taken by the Mission, management decisions have been reached on all four recommendations. However, the recommendations will remain open until final actions are taken by USAID/WARP and coordinated with USAID's Audit Performance and Compliance Division within the Management Bureau's Office of the Chief Financial Officer (M/CFO/APC). (See page 13.)

# BACKGROUND

The USAID/West African Regional Program (WARP), headquartered in Accra, Ghana, functions as a USAID Mission to deal with West African development challenges that are most effectively addressed at a regional level. In fiscal year (FY) 2005, USAID/WARP allocated \$3.2 million to implement activities under its strategic objective to strengthen and implement food security and natural resource management policies in West Africa.

USAID/WARP relies on the Permanent Interstate Committee for Drought Control in the Sahel (CILSS<sup>1</sup>) to implement its environmental and food security programs. CILSS is widely recognized as the key entity working with national governments and donors to prevent a food security crisis in West Africa. CILSS is an intergovernmental organization created in 1973 with the mandate to “seek to assure food security and to combat the effects of drought and desertification for a new ecological balance in the Sahel.” CILSS receives financial support from several donors in addition to USAID/WARP, as well as technical support from the U.S. Geological Survey.

CILSS operates out of three centers located in three different countries. Each center receives funding from USAID/WARP independently, and each reports directly to USAID/WARP quarterly and annually. CILSS Headquarters, located in Ouagadougou, Burkina Faso, is responsible for coordinating the activities of the other two sites and formulating overall policy for CILSS. The Sahel Institute (INSAH), located in Bamako, Mali, is a research institute that provides training to representatives from CILSS member countries and disseminates new technologies for improving agricultural production. The AGRHYMET Regional Center, located in Niamey, Niger, is a specialized institute where satellite images provided by the U.S. Geological Survey are analyzed for the purpose of providing information to policy makers regarding land use and land cover trends. Additionally, the AGRHYMET Regional Center is responsible for monitoring agricultural and environmental data related to food security and natural resource management. The data collected and analyzed by CILSS is subsequently used by other food security organizations, such as the World Food Program, to make decisions on disaster response and emergency food aid.

In FY 2005, one staff person at USAID/WARP was primarily responsible for overseeing and monitoring CILSS’ activities at all three sites. Nine West African countries are members of CILSS—Burkina Faso, Cape Verde, Chad, the Gambia, Guinea Bissau, Mali, Mauritania, Niger and Senegal.

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<sup>1</sup> CILSS is the acronym for the entity’s name in French, Comité Permanent Inter-Etats de Lutte contre la Sécheresse dans le Sahel.

## **AUDIT OBJECTIVES**

In accordance with its fiscal year (FY) 2005 audit plan, the Regional Inspector General/Dakar performed this audit to answer the following audit objectives:

- Did USAID/WARP monitor and report on its environmental and food security programs in accordance with applicable requirements?
- Are USAID/WARP's environmental and food security programs on schedule to achieve planned results?

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

# AUDIT FINDINGS

## **Did USAID/WARP monitor and report on its environmental and food security programs in accordance with applicable requirements?**

USAID/WARP followed applicable requirements in reporting on its program activities. For example, we traced the data reported in the FY 2005 Annual Report to source documents for accuracy and found no exceptions. However, some of the Mission's monitoring activities need to be strengthened.

In fiscal year (FY) 2005, USAID/WARP developed a new Performance Management Plan (PMP) that included all new indicators for its environmental and food security monitoring programs. The new indicators were designed to be more in line with USAID/WARP's manageable interest. For example, USAID/WARP's FY 2004 lead indicator for this strategic objective was to measure progress against the goal of reducing the number of people in West Africa who are food insecure by 25 percent. In practice, USAID/WARP found that this information was neither measurable nor attributable to USAID/WARP. As a result, USAID/WARP replaced this indicator with an assessment of customer<sup>2</sup> satisfaction with the services and programs delivered by CILSS.

Based on the U.S Government Accountability Office (GAO) guidance and USAID's Automated Directives System (ADS) requirements for program monitoring, we found that USAID/WARP's Performance Management Plan (PMP) contains the elements of a comprehensive strategy for effectively monitoring USAID/WARP's environmental and food security programs. For example, the PMP establishes long and short-term targets and requires the CTO to conduct regular site visits to verify periodic reporting data, obtain evidence of supervisory review over the reporting process and to monitor progress towards planned achievements.

Regarding USAID/WARP's reporting activities, we reviewed the information that USAID/WARP reported in its FY 2005 Annual Report related to USAID/WARP's environmental and food security monitoring program activities in FY 2004. In FY 2004, USAID/WARP found it necessary to discard 7 of the 13 indicators it planned to track (for the reasons stated in the previous paragraph), which led to the design of all new indicators for FY 2005. Of the 6 remaining indicators for FY 2004, USAID/WARP reported on 4 in its FY 2005 Annual Report. We traced the reported information to source documents to confirm its accuracy in each case and found no exceptions.

Two other important factors contributed positively to USAID/WARP's monitoring and reporting activities in fiscal year FY 2005. First, USAID/WARP organized and funded the first consolidated financial audit of CILSS in 2002, and in each successive year, USAID/WARP successfully expanded the number of donors that share the expense and

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<sup>2</sup> Customers are defined as CILSS member country Ministers of Agriculture and the representatives from each country's internal body responsible for liaising with CILSS.



oversight role for the annual audit. Second, USAID/WARP's Cognizant Technical Officer (CTO) is unusually knowledgeable about CILSS from having served as the Director of one of CILSS's three sites, AGRHYMET, for 7 years. His prior experience makes him uniquely well-qualified to monitor the CILSS activities funded by USAID/WARP and to find creative ways to improve the programs.

Nevertheless, despite these positive observations, there were notable weaknesses in USAID/WARP's monitoring activities for FY 2005.

## **Insufficient Staff Assigned To Monitor Activities**

Summary: USAID/WARP's new Performance Management Plan increased the requirements for monitoring its food security and environmental programs in FY 2005. However, with only one CTO assigned responsibility for overseeing the activities of CILSS organizations, the staffing allocation was insufficient to perform the monitoring requirements. In fact, the CTO was unable to perform even the minimum requirements of an effective monitoring system during FY 2005 due to unexpected events related to the CILSS headquarters that took priority. Mission officials explained that, due to limited resources and other Mission priorities, additional staff could not be assigned to assist the CTO in his monitoring responsibilities. As a result, USAID/WARP cannot be sure that its FY 2005 environmental and food security programs operated as intended.

While USAID/WARP has developed a detailed monitoring plan, having only one CTO assigned to execute the program monitoring requirements is insufficient. For example, the new PMP requires the CTO to conduct site visits to assess the governance mechanisms, management systems, human resource policies and procedures, and financial management practices at three sites located in three different countries, along with several other new, time-consuming and resource-intensive activities. However, due to unanticipated priorities such as those described below, the CTO did not have time in FY 2005 to perform even the basic activities of an effective monitoring system, such as conducting data quality assessments.

A complicating factor in FY 2005 drew even more of the CTO's time away from basic monitoring activities for USAID/WARP's environmental and food security programs. In FY 2004, USAID/WARP collaborated with other CILSS's donors to hire an independent consultant to review the performance activities at CILSS Headquarters. When the consultant's report was issued, the Board of Directors agreed with its recommendation that CILSS Headquarters undergo a major restructuring. The restructuring required the dismissal of the entire CILSS Headquarters staff at the end of FY 2004. As of September 2005, CILSS had still not hired most of the staff needed to operate; consequently, CILSS Headquarters did not perform any monitoring activities or produce any quarterly reports as required by USAID/WARP in FY 2005.

Fortunately, but at the expense of USAID/WARP's overall monitoring activities, USAID/WARP's CTO for its environmental and food security monitoring programs was in

a unique position to assist with the CILSS Headquarters restructuring as a result of his prior experience as Director of one of the CILSS sites. In FY 2005 he served on the recruiting committee to hire senior management, assisted with the drafting of the scopes of work, reviewed applications, and conducted interviews. In addition, the CTO worked closely with the new Executive Secretariat of CILSS to ensure a smooth transition. The restructuring of CILSS Headquarters did not affect the other two CILSS sites, which continued to perform required monitoring activities and submit quarterly reports to USAID/WARP during FY 2005. However, the CTO's focus on the CILSS Headquarters restructuring took time away from his ability to meet his expanded responsibilities under the new PMP.

The USAID/WARP Mission Director agreed that one CTO was insufficient to effectively monitor the activities of all three CILSS sites. She explained that in FY 2005, staff turnover and competing priorities prevented the Mission from performing all of the activities in their PMP that they had planned to monitor CILSS. She also acknowledged that in FY 2006, additional staff needs to be allocated to assist the CTO in monitoring CILSS.

We conclude that USAID/WARP did not allocate enough staff to effectively monitor the activities at all three of the CILSS sites in FY 2005. Furthermore, because CILSS Headquarters did not perform any monitoring activities and did not produce complete quarterly reports as required by USAID/WARP in FY 2005, USAID/WARP needs to be extra vigilant in monitoring the \$950,000 it provided to CILSS Headquarters as part of the \$3.2 million awarded to CILSS overall in FY 2005. Without sufficient staff to perform program monitoring activities at all three CILSS sites, USAID/WARP cannot be fully assured that its food security and environmental programs are operating as intended.

To address this weakness, we make the following recommendation.

*Recommendation No. 1: We recommend that USAID/WARP develop a strategy so that the program monitoring activities as set out by the FY 2005 Performance Management Plan can be met.*

## **Are USAID/WARP's environmental and food security programs on schedule to achieve planned results?**

Based on reviews of CILSS progress reports, USAID/WARP's environmental and food security programs are, for the most part, on schedule to achieve their planned results for FY 2005. Despite these achievements, however, in 2005 USAID/WARP's food security monitoring program failed to achieve its overarching goal of averting a food security crisis in the Sahel region of West Africa.

When we compared planned results at each of CILSS's three sites to actual results for FY 2005, we found that USAID/WARP's environmental and food security programs are on schedule to achieve planned results with a few anticipated delays. For example, the sites reported the following achievements in FY 2005:

- CILSS Headquarters planned to conduct two workshops to train 75 individuals in

environmental policy issues by the end of FY 2005. As of March 31, CILSS had conducted one policy workshop with 30 participants. WARP officials explained that, due to the restructuring at CILSS Headquarters, their targets would not be met by the end of the fiscal year. However, USAID/WARP expects the activities to be completed before the end of the calendar year.

- AGRHYMET planned to have eight countries with a well-functioning crop-monitoring system by the end of FY 2005; as of March 31, seven countries had achieved this goal.
- INSAH planned to develop 6 new agricultural technologies in FY 2005. As of September 30, INSAH had exceeded its annual goal, having developed and transferred 22 new technologies to representatives of CILSS member countries.

Despite these project-level accomplishments, the Sahel region of West Africa experienced one of its worst food security crises in recent years during 2005. Since the primary purpose of USAID/WARP's environmental and food security monitoring programs is to avert such a crisis in the Sahel, USAID/WARP needs to strengthen its involvement with CILSS at the highest level to ensure that its environmental and food security program activities are aligned with its overall objective, as discussed below.

## **Better Collaboration Between CILSS and Donors Needed**

Summary: CILSS's primary purpose is to avert a food security crisis in the Sahel by monitoring agricultural production data and coordinating with donors to help member countries meet their food needs. Yet no high level officials attended the annual food crisis prevention meeting in FY 2005 where CILSS communicates expected agricultural shortfalls to donors. CILSS officials told us that donor complacency caused this erosion in communication. Better collaboration between CILSS and its donors would help avert another food security crisis, such as the one that struck Niger in 2005.

CILSS's primary purpose is to avert a food security crisis in the Sahel by monitoring agricultural production data and coordinating with donors to help member countries meet their food needs. As early as September 2004, CILSS reported that agricultural shortfalls were expected to adversely impact food security in Niger for 2005. The normal procedure is for CILSS to present the official agricultural data to officials from the donor organizations at an annual Food Crisis Prevention Meeting held in November. CILSS then coordinates with donors and other regional food security organizations to conduct site visits to the areas where shortages were reported. In March 2005, based on assessments made from site visits to Niger, CILSS again warned donors of a developing

food security crisis in that country<sup>3</sup>. But by the time the donors reached consensus on how to address the situation, the developing crisis had become a reality.

While CILSS officials do not blame the food security crisis in Niger on slow donor response, they did tell us that the 2005 crisis exposed an erosion of communication between CILSS and donors over the years. The erosion in communication was due to complacency on the part of the donor community. This complacency may be partly attributed to the success CILSS has had over the years in averting a food security crisis, which allowed donors to become more passive in their role. As evidence of this complacency, CILSS officials pointed to the minimal attendance by senior officials from donor organizations at the annual Food Crisis Prevention Meeting over the past 5 years. Not coincidentally, attendance by senior officials from donor organizations plummeted 5 years ago when CILSS changed the location of the Food Security Crisis Prevention Meeting to a Sahelian country each year instead of a European capital, according to the CTO. Unless high-level officials from all donor organizations reaffirm their commitment to CILSS by attending the November Food Crisis Prevention Meeting, USAID/WARP and the rest of the donor community risk failing in their role of preventing regular food shortages from developing into a food security crisis in the Sahel.

To address this weakness, we make the following recommendation.

*Recommendation No. 2: We recommend that USAID/WARP coordinate with the Permanent Interstate Committee for Drought Control in the Sahel (CILSS) to encourage participation of high-level officials from all of the donor organizations at the Food Crisis Prevention meeting.*

## **Timely Release of Agricultural Data Is Essential**

Summary: CILSS's standard operating procedure is for member countries to officially release their agricultural data following the annual growing season. Once this data is available, USAID/WARP and other donors formulate a consensus on how to address any shortages that the host country cannot absorb. However, after the 2004 growing season, four of CILSS's member countries did not officially release their agricultural data on a timely basis. CILSS officials told us that member countries may have been reluctant to release unfavorable agricultural data for fear of repercussions from international financial institutions. In the case of Niger, the delay in the release of data led to one of the worst food security crises West Africa has experienced in recent years.

According to CILSS officials, agricultural shortages are not uncommon in the Sahel, and CILSS Headquarters had preliminary data predicting this year's regional food shortages as early as September 2004. However, CILSS Headquarters did not receive the required official agricultural production data from all the Sahelian countries in time to present the results at last year's Food Security Crisis Prevention Meeting. It is during

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<sup>3</sup> The food security crisis in Niger was deemed "structural" because it was restricted to geographic pockets of Niger and only affected certain vulnerable members of society, most notably children.

this meeting, held annually in November, that CILSS presents data from each member country in order to alert donors to potential problems as well as to develop a plan collaboratively with the countries to mitigate anticipated crises.

Last year, however, the governments of Mali, Burkina Faso, Chad and Niger did not release their data to CILSS headquarters in time for the meeting and, as such, CILSS Headquarters could not assist those countries in developing a mitigation plan. CILSS officials told us that member countries may have been reluctant to release unfavorable agricultural data for fear of negative repercussions from international financial institutions. As a result, the four countries attempted to address their food shortage problems without additional donor resources. For example, Mali, Burkina Faso and Chad drew upon their grain and monetary reserves to purchase supplemental food. The situation in Niger, however, was more serious. Niger experienced a food security crisis in pockets of the country because once their stockpiles of grain were depleted, they found that regional markets had been closed owing to unforeseen political circumstances. As a result, the price of grain skyrocketed, and Niger's monetary reserves were insufficient to purchase needed supplemental food.

Because the government of Niger did not release their official data in time for the Food Security Crisis Prevention Meeting, neither CILSS nor donors were able to take preventive actions. Nevertheless, as the situation in Niger worsened, USAID did respond to help resolve the crisis. But this reactive mode—airlifting more than 250 tons of food aid to Niger at a cost of over half a million dollars—was more costly and less effective than if an earlier, more proactive approach had been taken to mitigate the crisis.

USAID/WARP officials told us that, in the past, when they have asked host governments directly to release their agricultural data, the governments did so without delay. In light of the recent food security crisis, USAID/WARP officials agreed that it is necessary for USAID/WARP to take an active role in ensuring the timely release of data from CILSS member countries because the release of the official data is the essential starting point for developing a mitigating strategy to avoid another food security crisis.

To address this weakness, we make the following recommendation.

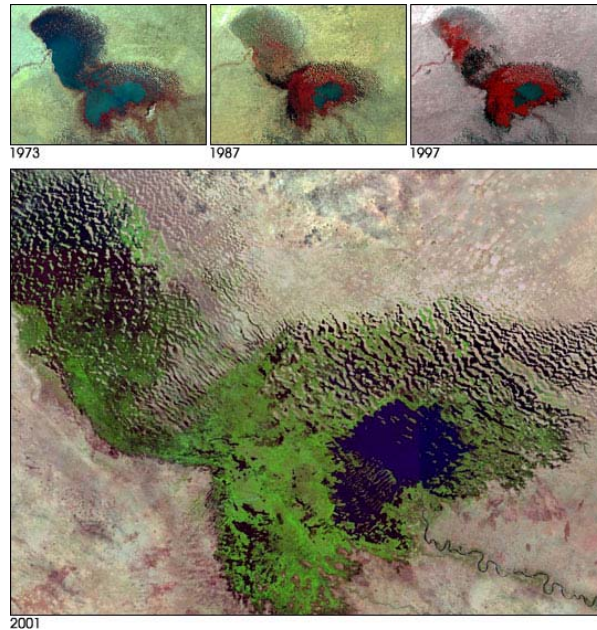
*Recommendation No. 3: We recommend that USAID/WARP work with the Permanent Interstate Committee for Drought Control in the Sahel (CILSS) to ensure that data is released by all of the Sahelian countries in time for the Food Crisis Prevention Meeting in November, when the implementing partner presents the donors with projected agricultural shortages.*

## **Food Security and Environmental Data Need To Be Safeguarded**

Summary: CILSS officials recognize the importance of backing up the agricultural and meteorological monitoring data that they collect, analyze and store for each of the CILSS member countries. However, the CILSS site where USAID/WARP has provided over 90 percent of the monitoring equipment and trained CILSS staff in how to use it has no back-up system. Storing back-up data at an alternate location is a key component of an organization's continuity of operations plan. CILSS officials told us that they lack funding to implement a back-up system at an alternate site. Without an adequate back-up system for CILSS's environmental monitoring equipment and data, an occurrence such as a natural disaster or political unrest could cause the loss of important and irreplaceable meteorological and agricultural information for the Sahelian countries.

The AGRHYMET Regional Center in Niger is performing a critical service for environmental and food security monitoring in West Africa. AGRHYMET is responsible for collecting data, and analyzing and disseminating information on food security and natural resource management across the Sahel. The scientific and technical information produced by AGRHYMET is generated from ground and satellite data that is transmitted electronically and stored on a server located on site. AGRHYMET monitors the meteorological data to alert the community when there are anticipated agricultural shortages and uses satellite images to study land use and land cover trends that can provide vital information to natural resource managers. Among the groups who rely on this data for decision-making are farmers, agricultural ministries in CILSS member countries, international development agencies, non-governmental organizations, and universities and other research institutes.

While AGRHYMET receives funding from several donors, USAID/WARP alone has provided CILSS with over 90 percent of the technical equipment and has trained CILSS staff in how to use the equipment to monitor agricultural conditions in the Sahel. There is no other organization performing these services in West Africa.



**Satellite images like this one provided by the U.S. Geological Survey showing that the area of Lake Chad diminished significantly from 1973 to 1987 help USAID/WARP convince policy makers of the importance of protecting the environment from further degradation.**

Despite the importance of monitoring and storing this data, we found that the several decades of meteorological data stored at AGRHYMET are not backed up anywhere. AGRHYMET officials stated that they were aware of this vulnerability but were unable to address the problem with the current funding levels. Continuity of Operations is a Federal government-wide initiative to ensure the U.S. government's ability to fulfill essential roles and functions in response to a full spectrum of threats. According to USAID's Facility Management Division, essential elements of a viable Continuity of Operations (COOP) plan include establishing alternate facilities and protecting vital records and databases. Alternate facilities are necessary in order to support operations in a threat-free environment. The protection and ready availability of documents, references, records, and information systems is critical to support essential functions.

Without an adequate back-up system in an alternate location, an occurrence such as a natural disaster or political unrest could cause important and irreplaceable meteorological data for the Sahelian countries to be permanently lost. In order to protect the data and USAID/WARP's investment, we make the following recommendation.

*Recommendation No.4: We recommend that USAID/WARP, in conjunction with other donors, develop a strategy to establish a back-up server in an alternate location.*

# EVALUATION OF MANAGEMENT COMMENTS

USAID/WARP agreed with all of the findings and recommendations in the draft audit report, and indicated that appropriate actions would be taken to address the four recommendations. Therefore, management decisions have been reached for all four recommendations. However, because the planned actions have not been completed by the issuance date of this report, the recommendations remain open until final action is taken by USAID/WARP and coordinated with USAID's Audit Performance and Compliance Division within the Management Bureau's Office of the Chief Financial Officer (M/CFO/APC). Management's comments are included in their entirety in Appendix II.

Recommendation No. 1 states that USAID/WARP develop a strategy so that the program monitoring activities as set out by the FY 2005 Performance Management Plan (PMP) can be met. The Mission agreed with this recommendation and the Cognizant Technical Officer will develop a monitoring plan for the Mission Director's review to ensure that the PMP activities are performed.

Recommendation No. 2 states that USAID/WARP coordinate with the Permanent Interstate committee for Drought Control in the Sahel (CILSS) to encourage participation of high-level officials from all of the donor organizations at the Food Crisis Prevention meeting. The Mission agreed with this recommendation and is going to work closely with high-level donor officials to encourage greater participation. The Mission Director will attend the next policy and planning meeting to reinforce this point and get agreement from the other donors.

Recommendation No. 3 states that USAID/WARP work with CILSS to ensure that data is released by all of the Sahelian countries in time for the Food Crisis Prevention Meeting in November when the implementing partners present the donors with projected agricultural shortages. The Mission agreed with this recommendation and will make strong recommendations to CILSS by letter and will also hold a follow-up meeting to ensure that the data is released by all CILSS countries in time for the November meeting.

Recommendation No. 4 states that USAID/WARP, in conjunction with other donors, develop a strategy to establish a back-up server in an alternate location. The Mission agreed with this recommendation and is reviewing options with other donors to provide a back-up server in an alternate location.

Finally, USAID/WARP asked that we make two small clarifications in the body of this report. First, instead of saying that CILSS Headquarters submitted no quarterly reports during FY 2005, they asked us to say that CILSS Headquarters' reporting was incomplete. Second, they pointed out that cost may or may not have been the reason for CILSS to change the venue for the Food Security Crisis meeting from a European capital to a Sahelian country. We made both of these clarifications to the report.



# SCOPE AND METHODOLOGY

## Scope

The Regional Inspector General/Dakar conducted this audit in accordance with U.S. generally accepted government auditing standards to answer the following two audit objectives:

- (1) Did USAID/WARP monitor and report on its environmental and food security programs in accordance with applicable requirements?
- (2) Are USAID/WARP's environmental and food security programs on schedule to achieve planned results?

The audit was conducted at USAID/WARP in Accra, Ghana with site visits to CILSS offices in Mali, Burkina Faso and Niger from September 12, 2005, to September 29, 2005. The total amount of funding in fiscal year (FY) 2005 for the programs under audit was \$3.2 million.

In planning and performing the audit, we assessed the effectiveness of internal controls related to monitoring and reporting USAID/WARP's environmental and food security monitoring programs. For audit objective 1, we identified pertinent internal controls such as maintaining documentation related to monitoring and reporting activities. For audit objective 2, we identified planned targets for FY 2005 and compared reported achievements as of March 31, 2005 to determine if USAID/WARP's environmental and food security monitoring programs are on schedule to achieve planned results.

In addition to evaluating USAID/WARP's controls, we visited CILSS offices in three locations and evaluated each of their internal control activities over monitoring and reporting to determine the extent to which USAID/WARP can rely on the information reported by CILSS. CILSS' financial auditors were conducting field work at the three CILSS sites at the same time that RIG/Dakar was conducting field work for this performance audit, which allowed RIG/Dakar to review the results of the financial auditors' internal control tests of CILSS' financial system.

The scope of the audit included an evaluation of USAID/WARP's management controls to ensure that, overall, activities are aligned towards achieving the broad intent of USAID/WARP's environmental and food security monitoring programs.

The scope of the audit also included interviewing officials from USAID/WARP, USAID's Famine Early Warning System Network and USAID's Office of Foreign Disaster Assistance, as well as officials at each of the three CILSS offices, to obtain an understanding of the 2005 food security crisis in Niger.

## Methodology

To answer objective 1, we reviewed key program documents such as the Mission's Annual Reports, Performance Monitoring Plans, assessments, funding instruments, and documentation maintained by Mission staff. We also interviewed responsible personnel at USAID/WARP concerning the environmental and food security monitoring programs.

The auditors met with appropriate Mission personnel and the implementing partner to obtain an understanding of program activities. Internal controls over program monitoring were assessed at USAID/WARP and at each of the CILSS offices. When examining the processes for monitoring program performance, auditors noted any deviations from the intended controls and determined if the controls complied with USAID's Automated Directive System requirements.

The auditors verified that activities funded in FY 2005 by USAID/WARP were included in the implementing partner's annual plan and that reporting complied with USAID/WARP's guidelines. To verify the accuracy of performance outputs reported to USAID/Washington in the FY 2005 Annual Report (for activities conducted in FY 2004), we traced reported data back to source documentation provided by the implementing partner to the Mission, such as progress reports. To determine the accuracy of reported data, we traced the partners' data back to their supporting documentation for results of indicators reported in their progress reports. Our verification included examining source documents, including both manual and electronic records.

RIG/Dakar judgmentally selected documentary evidence such as quarterly reports and site visit reports at each CILSS office to verify the effectiveness of each entity's monitoring and reporting processes. RIG/Dakar verified that inventory funded by USAID/WARP was actively in use and that each item was properly branded with the USAID logo.

To answer audit objective 2, for FY 2005 program activities, we considered projects to be on schedule to achieve planned results if indicators had achieved at least 50 percent of their 9/30/05 planned outputs by March 31, 2005. In assessing the extent to which the program met its intended results for program activities, we compared implementing progress reports with USAID/WARP-approved work plans. In addition to looking at the data, through our site visits, we took into consideration our observations of the impact of activities on targeted communities.

To obtain an understanding of the 2005 food security crisis in Niger, RIG/Dakar interviewed officials from USAID/WARP, Famine Early Warning System and USAID's Office of Foreign Disaster Assistance, as well as officials at each CILSS office. In order to observe how CILSS uses its monitoring data to prevent a food security crisis in the Sahel, auditors participated in a 3-day CILSS conference in Bamako, Mali where representatives from the 9 CILSS member countries presented their agricultural production data for the current growing season and shared information on potential shortfalls in food production.

# MANAGEMENT COMMENTS



**USAID** | **WEST AFRICA**  
FROM THE AMERICAN PEOPLE

January 25, 2006

## *MEMORANDUM*

**TO:** Lee Jewell III, RIG/Dakar

**FROM:** Jatinder Cheema, Director, USAID/WARP /s/

**SUBJECT:** AUDIT OF USAID/WARP'S MANAGEMENT OF ENVIRONMENTAL AND FOOD SECURITY MONITORING PROGRAMS. (AUDIT REPORT NO. 7-624-06-002-P)

USAID/WARP welcomes RIG/Dakar's observations that for the most part USAID/WARP monitored and reported on its CILSS program activities in accordance with applicable requirements; however some monitoring activities need to be strengthened. Following are our comments regarding how Mission will address the recommendations of subject audit report.

**Recommendation No.1:** We recommend that USAID/WARP develop a strategy so that the program monitoring activities as set out by the FY 2005 Performance Management Plan can be met.

**Mission's comments:** Mission concurs with the recommendation

**Action to be taken:** The Cognizant Technical Officer (CTO) will develop a monitoring plan for a six month period for the Mission Director's review and approval to ensure that the PMP is met. This plan will include a schedule for site visits by the CTO as well as by CILSS staff, submission of timely reports and recommendations, and follow up actions as identified by these monitoring visits per the PMP. The monitoring plan will also identify other staff from the SO team who will assist the CTO as needed in monitoring of the three CILSS organizations. The WARP Mission is in a process of harmonizing its staff resources per Africa Bureau guidance and, until the harmonization plan is finalized, is not in a position to recruit new staff. The Mission will make every effort to use existing staff to ensure proper monitoring of the CILSS activities.

The Mission will also ensure that the CTO does not get involved in CILSS internal management issues which are the responsibility of CILSS and beyond the scope of work of the CTO. The Mission will send a letter to CILSS identifying their weaknesses in submitting quarterly reports and ensure compliance within the next quarter.

**Recommendation No.2: We recommend that USAID/WARP coordinate with the Permanent Interstate Committee for Drought Control in the Sahel (CILSS) to encourage participation of high-level officials from all of the donor organizations at the food Crises prevention meeting.**

**Mission's comments:** Mission concurs with the recommendation

**Action to be taken:** Mission management will work closely with high level donor officials to encourage greater participation. Mission staff attending the December meeting in Paris raised this issue with the donors, and we have obtained consensus that the next CILSS annual food security meeting will be held in conjunction with the Club du Sahel meeting, thus ensuring greater high-level participation from all donors. Nevertheless, the Mission Director will attend the next policy and planning meeting to be held in the region at mid-year and reinforce this point and get agreement from the donors.

**Recommendation No.3: We recommend that USAID/WARP work with the Permanent Interstate Committee for Drought Control in the Sahel (CILSS) to ensure that data is released by all of the Sahelian countries in time for the Food Crises Prevention Meeting in November, when the implementing partner presents the donors with projected agriculture shortages.**

**Mission's comments:** Mission concurs with the recommendation

**Action to be taken:** Mission management accepts the importance of this recommendation and will make strong recommendations to CILSS by letter and will also hold a follow up meeting to ensure that data are released by all Sahelian countries in time for the November meeting. It might be noted, that only Niger of the nine countries did not submit complete and timely data at the November 2005 meeting.

**Recommendation 4: We recommend that USAID/WARP, in conjunction with other donors, develop a strategy to establish a back-up server in an alternative location.**

**Mission's comments:** Mission concurs with the recommendation

**Action to be taken:** USAID/WARP has already started this dialogue with other donors and is reviewing options to provide a back up server in an alternative location, most likely at the CILSS headquarters in Ouagadougou.

In addition to the above, USAID/WARP would appreciate two small clarifications to the text of the draft audit report, both of which concern our counterpart organization CILSS. On page 5, first paragraph, the last sentence says that CILSS did not submit any quarterly reports in FY 2005. In fact, CILSS did produce and submit some incomplete

quarterly reports, so although the text is technically correct, we would like to modify the statement to reflect their efforts to comply. Second, on page 7, the change in venue of the Food Security Crisis Prevention Meeting from Europe to a Sahelian country was made by CILSS when the Club du Sahel withdrew from participation, leaving CILSS in charge of the activity. CILSS felt that it was more appropriate for the meetings to take place in a Sahel country than in Europe. Cost may or may not have been a consideration in their decision.

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