

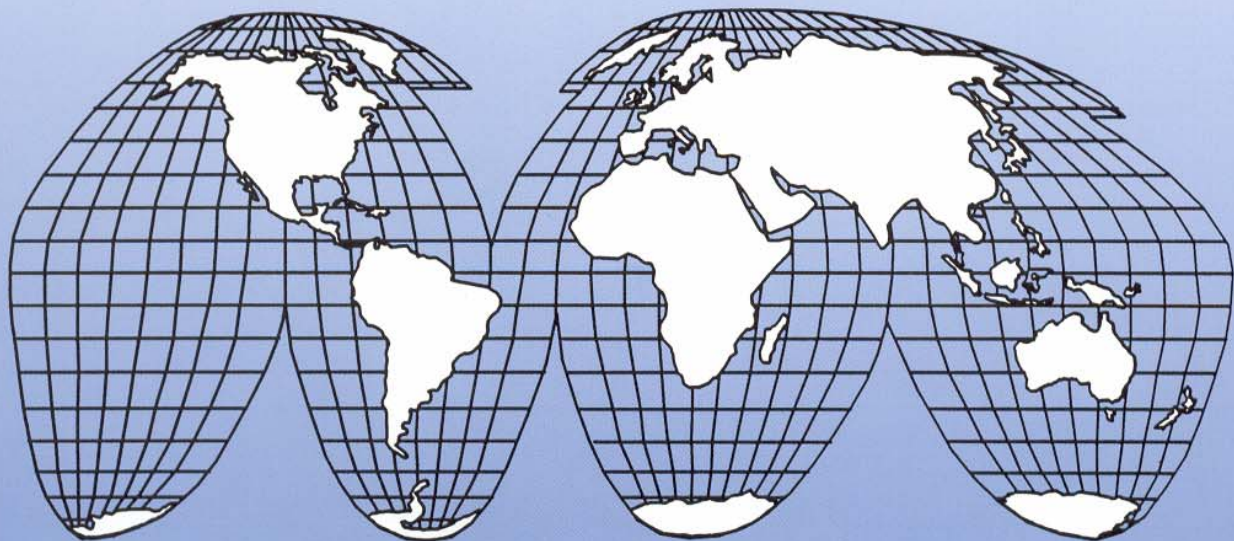
USAID

OFFICE OF INSPECTOR GENERAL

Audit of USAID/Malawi's Training, Use and Accountability of Cognizant Technical Officers

Audit Report No. 4-612-03-002-P

August 27, 2003



PRETORIA, SOUTH AFRICA



August 27, 2003

MEMORANDUM

FOR: Mission Director, USAID/Malawi, Roger Yochelson

FROM: Regional Inspector General/Pretoria, Jay Rollins /s/

SUBJECT: Audit of USAID/Malawi's Training, Use and Accountability of Cognizant Technical Officers (Report No. 4-612-03-002-P)

This is our report on the subject audit. In finalizing this report, we considered management comments on the draft report and have included those comments, in their entirety, as Appendix II in this report.

This report has 4 recommendations. In response to the draft report, USAID/Malawi did not indicate agreement with Recommendation Nos. 1 and 2, but did agree with Recommendation Nos. 3 and 4. In addition, corrective action plans and target completion dates were not included for any of the four recommendations. Management decisions can be reached for Recommendation Nos. 1 and 2 when USAID/Malawi indicates its agreement and provides corrective action plans and target completion dates. Management decisions can be reached for Recommendation Nos. 3 and 4 when USAID/Malawi provides corrective action plans and target completion dates. Please advise my office within 30 days of the actions you have planned or taken to implement all four recommendations.

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



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Summary of Results

As part of the Office of Inspector General's multi-year strategy for auditing USAID's procurement activities, the Regional Inspector General, Pretoria conducted this audit to determine whether USAID/Malawi provided adequate training and guidance to its Cognizant Technical Officers (CTO) and held them accountable for performing their responsibilities. (See page 6.)

The audit showed that USAID/Malawi did not provide enough training and guidance to its CTOs to ensure that they were aware of and capable of performing their responsibilities. Six of the seven CTOs said that they needed more training in the required competencies for acquisition and assistance-related skills. This was caused by the Mission's failure to follow its own requirements and those of the Office of Federal Procurement Policy, which require the development of annual training plans. (See pages 7-10.)

USAID/Malawi did not hold its CTOs accountable for performing their responsibilities in accordance with USAID policies and procedures. The Mission did not maintain clear accountability for the performance of CTO responsibilities for four awards. In addition, the Mission lacked critical information for evaluating the performance of the CTOs and holding them accountable for their CTO responsibilities. Furthermore, the responsible Mission officials and staff did not obtain 360 degree input from the Contracting Office staff to evaluate the performance of the CTOs. (See pages 10-14.)

This report contains four recommendations to help USAID/Malawi provide adequate training to the CTOs and hold them accountable for the performance of their tasks. (See pages 1, 11, and 14.)

In response to the draft report, USAID/Malawi did not indicate agreement with Recommendation Nos. 1 and 2, but did agree with Recommendation Nos. 3 and 4. In addition, corrective action plans and target completion dates were not included for any of the four recommendations. Management decisions can be reached for Recommendation Nos. 1 and 2 when USAID/Malawi indicates its agreement and provides corrective action plans and target completion dates. Management decisions can be reached for Recommendation Nos. 3 and 4 when USAID/Malawi provides corrective action plans and target completion dates. (See page 14)

Background

As a practical matter, contracting/agreement officers rarely have sufficient time or the necessary expertise in critical technical or program areas to single-handedly ensure successful contract, cooperative agreement or grant completion. Contracting/agreement officers, therefore, have been instructed to designate a properly trained individual to serve as the Cognizant Technical

Officer (CTO) for each contract, cooperative agreement or grant.¹ CTOs serve as an important member of any acquisition or assistance team. It is the CTO's responsibility to ensure, through liaison with the contractor or grantee, that the terms and conditions of the acquisition and assistance instrument are accomplished. A formal designation letter, which may follow a standard format, delineates the specific actions the CTO can perform with respect to the award and is effective for the life of the instrument, unless rescinded in writing by the contracting/agreement officer.

As of April 2003, USAID/Malawi had seven designated CTOs who were overseeing 21 active contracts, cooperative agreements, and grants estimated at \$40.2 million.² This CTO workforce was comprised of one foreign service U.S. direct hire, four foreign service nationals, one U.S. personal services contractor, and one third country national personal services contractor. All were selected to be CTOs based on their programmatic responsibilities. They were usually designated as CTOs either after the awards were made or during the implementation of the awards. Five of the CTOs learned about their cognizant technical officer responsibilities from the CTO designation letter that the contracting/agreement officer issued to them. Additionally, four of the CTOs at USAID/Malawi were generally the cognizant technical officers for two or three awards at the same time.

This audit is one of a series of audits the Office of Inspector General is conducting worldwide of USAID's training, use and accountability of CTOs.

Audit Objectives

This audit was part of the Office of Inspector General's (OIG) multi-year strategy for auditing USAID's procurement activities. The Regional Inspector General, Pretoria conducted this audit to answer the following questions:

- Did USAID/Malawi provide adequate training and guidance to its Cognizant Technical Officers to help ensure that they were aware of and capable of performing their responsibilities?
- Did USAID/Malawi hold its Cognizant Technical Officers accountable for performing their responsibilities in accordance with USAID policies and regulations?

¹ USAID uses the term Cognizant Technical Officer for the individual who performs functions that are designated by the Contracting/Agreement Officer, or are specifically designated by policy or regulation as part of contract or assistance administration. In other parts of the U.S. Government, the synonymous term is usually Contracting Officer's Technical Representative (COTR).

² This amount was not audited.

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

Audit Findings

Did USAID/Malawi provide adequate training and guidance to its Cognizant Technical Officers to help ensure that they were aware of and capable of performing their responsibilities?

USAID/Malawi did not provide enough training and guidance to its Cognizant Technical Officers (CTO) to help ensure that they were aware of and capable of performing their responsibilities. In response to an OIG questionnaire, six of the seven CTOs said that they needed more training in the required competencies for acquisition and assistance-related skills. This response was supported by the fact that five of the seven CTOs did not have the necessary CTO-related skills before they were hired by the Mission. In addition, the Contracting Office staff said that the CTOs needed training, and would benefit specifically from contract administration training. These issues are discussed in greater detail below.

Mission Needs to Develop Annual Training Plans for Its CTOs

USAID/Malawi did not provide enough training and guidance to its CTOs to help ensure that they were aware of and capable of performing their responsibilities. Six of the seven CTOs said that they needed more training in specific acquisition and assistance core competencies required to perform their CTO responsibilities. This was supported by the fact that five of the seven CTOs did not have the necessary CTO-related skills before the Mission hired them. This was caused by the Mission's failure to follow its own requirements and those of the Office of Federal Procurement Policy (OFPP), which require the development of annual training plans for CTOs. Without reviewing the CTOs' training needs and preparing the annual training plans to address those training needs, the Mission did not provide its CTOs with the support needed to obtain the expertise necessary to perform their jobs. As a result, the CTOs said that they needed more training to enable them to perform their CTO responsibilities.

Office of Federal Procurement Policy Letter No. 97-01, dated September 12, 1997, requires agencies to (1) identify and publish model career paths; (2) establish education, core training, and experience requirements for their acquisition workforce; and (3) develop mandatory education, training and experience requirements to ensure that individual members of the workforce possess core competencies required of the position. OFPP's definition of acquisition workforce includes all contracting officer representatives (COR), contracting officer technical representatives (COTR), or equivalent positions. The core training must cover the core competencies contained in the Federal Acquisition Institute's COR/COTR Workbook.

USAID's Automated Directives System (ADS) 202.3.1.2 acknowledges OFPP's training requirements and discusses how USAID officials should comply with the requirements. The ADS further states that there may be situations where it is necessary to nominate an individual to be designated as CTO who does not have the mandatory certification required by OFPP. In these cases, the operating unit will develop a written plan that allows the individual to receive the necessary training as quickly as possible in order to obtain these competencies and subsequent certification.

USAID/Malawi Mission Order No. 1109, dated July 7, 1999, states that the Mission's objective is to provide all employees of the Mission as an organization, a team, or individuals with the support needed to obtain expertise (skills, knowledge and abilities) to perform their jobs and prepare for future job challenges. Furthermore, the mission order holds the strategic objective team leaders and office heads responsible for requesting training opportunities for Mission staff through submission of an annual staff development and training plan.

The CTOs' claim relating to their need for more training can be attributed to the Mission's failure to follow its own mission order, which requires responsible strategic objective team leaders and other officials to request training opportunities for their staff by submitting annual staff development and training plans. Responsible Mission officials and staff gave varied explanations for not following the mission order. One strategic objective team leader said that he drafted a training plan, but did not submit it. Another strategic objective team leader said that he included the training plan in the personnel evaluation forms. The personnel office checked the personnel evaluation forms and concluded that no such plan was included. One official said that he did not submit any training plan and none was available.

In June 2002, the Mission offered an in-house training course titled A&A 4 CTO Course³, which was an overview course that did not qualify a participant for the CTO certification requirement. In December 2002, the Mission sent some of its CTOs to attend the A&A Certification Course offered by USAID/South Africa in Pretoria, South Africa. However, the majority of the CTOs who responded to the OIG questionnaire still said that they needed training specific to certain core competencies as shown in Table 1.

³ Acquisition and Assistance for CTO Course

Table 1: Table Showing the Number and Percentage of CTOs Who Said They Needed More Training Specific to Certain Core Competencies

Required Competency	Summary		
	No. of CTOs Responding	CTOs Who Said They Needed More Training	
		No.	%
Contract-related skills and topics			
Knowledge of contracting law and regulations	7	5	71%
Knowledge of contracting ethics including conflicts of interest and security requirements	7	4	57%
Ability to develop contract requirements, conduct market research, and prepare requirements documents and statements of work	7	7	100%
Ability to request/assess bids and proposals	7	7	100%
Ability to conduct price and cost determinations	7	6	86%
Ability to monitor contractor performance	7	6	86%
Ability to process contracting actions	7	6	86%
Ability to keep appropriate records and status reports (to track orders and deliverables, time charges, etc.)	7	6	86%
Ability to administratively approve vouchers for payment on contracts	7	5	71%
Ability to close-out, terminate contract appeals and protests	7	6	86%
Required Competencies for Grant and Cooperative Agreement skills and topics			
Knowledge of the required elements of an award	7	6	86%
Knowledge of laws and regulations applicable to grants and cooperative agreements such as rules of competition.	7	5	71%
Knowledge of types of assistance instruments and when each should be used	7	6	86%
Ability to process closeout procedures	7	7	100%
Ability to monitor and evaluate recipients performance	7	7	100%
Ability to review and analyze performance and financial reports and verify timely delivery	7	7	100%
Knowledge of USAID source origin/nationality requirements	7	6	86%

At the time of the audit, USAID/Malawi had contracted with USAID's Office of Human Resources, Learning Support Division to offer the CTO certification training program at the Mission from June 30 to July 11, 2003. Even though the Mission has scheduled training for its current CTOs, it must still develop written training plans for all CTOs to prevent similar problems from recurring in the future, to help them obtain expertise to perform their responsibilities efficiently and effectively, and to prepare them for future job challenges. Without these training plans, the Mission may fail to strengthen the skills of its CTO staff and improve the efficiency and effectiveness of its operation, especially in the area of acquisition and assistance. Therefore, we recommend the following:

Recommendation No. 1: We recommend that USAID/Malawi develop annual training plans for all Cognizant Technical Officers, in accordance with the Office of Federal Procurement Policy Letter No. 97-01 and its own Mission Order No. 1109.

Did USAID/Malawi hold its Cognizant Technical Officers accountable for performing their responsibilities in accordance with USAID policies and regulations?

USAID/Malawi did not hold its CTOs accountable for performing their CTO-related responsibilities in accordance with USAID policies and procedures. Clear accountability for the performance of CTO responsibilities for four awards was not maintained when the designated CTO resigned from the Mission. In addition, contrary to Federal and USAID guidance and its own mission order, USAID/Malawi did not implement a formal process to hold the CTOs accountable for the performance of their CTO responsibilities. Of the seven CTOs, the position descriptions for five CTOs and work objectives for six CTOs did not reflect CTO responsibilities. Furthermore, the responsible Mission officials and staff, who evaluated the performance of the CTOs, did not obtain 360 degree input from the Contracting Office staff. These issues are discussed in greater detail below.

Clear Accountability for the Performance of CTO Responsibilities Must Be Maintained

USAID/Malawi did not hold its CTOs accountable for performing their CTO-related responsibilities in accordance with USAID Contract Information Bulletin 93-08. The Mission did not inform the Regional Contracting Officer that the designated CTO for four awards resigned from the Mission in January 2003. The responsible strategic objective team leader also neglected to inform the Regional Contracting Officer when he took over as CTO for three of the four awards and assigned his Project Management Analyst to be the CTO for the fourth award.

As a result, clear accountability for the performance of CTO responsibilities for the four awards was not maintained.

Contract Information Bulletin (CIB) 93-08 requires that the Contracting Officer be informed when a CTO is reassigned or is separated from service. Furthermore, it states that, in the absence of the CTO, someone may be designated to serve as CTO, but such designation shall immediately be communicated to the Contracting Officer.

According to the responsible strategic objective team leader, the strategic objective team's focus since the CTO's resignation from USAID has been on finding a new employee. Additionally, he explained that the Mission's CTO designation letter states that the strategic objective team leader identified in the letter was authorized to act as the CTO's alternate.

However, without informing the Regional Contracting Officer about the CTO's resignation from USAID, the Mission did not maintain clear accountability for the performance of CTO responsibilities for the four awards involved. The CTO designation letter may allow the team leader to serve as alternate CTO, but, according to CIB 93-08, such action must still be communicated to the Contracting Officer. Therefore, we recommend the following:

Recommendation No. 2: We recommend that USAID/Malawi request the Regional Contracting Officer to designate a Cognizant Technical Officer for the four awards mentioned above, and issue a Mission notice to remind the strategic objective team leaders to communicate with the Regional Contracting Officer when a Cognizant Technical Officer is reassigned or is separated from service.

Performance Evaluations Must Reflect CTO Responsibilities

Although the CTOs play a critical role and have complex responsibilities in the acquisition and assistance processes, USAID/Malawi did not hold its CTOs accountable for performing their CTO responsibilities in accordance with USAID policies and procedures and Federal regulations. Of the seven CTOs, the position descriptions for five CTOs and work objectives for six CTOs did not reflect their CTO responsibilities. Therefore, there was no official record of the duties, responsibilities, and authority for each position. This occurred because the CTOs were hired under different capacities, and their position descriptions and work objectives were not revised to include CTO responsibilities when they were designated as CTOs. In addition, the responsible Mission rating officers did not obtain 360 degree input from the Contracting Office staff because it did not occur

to them to do so. As a result, the Mission lacked critical information for evaluating the performance of the CTOs and holding them accountable for their CTO responsibilities.

The following policies require the performance of USAID's employees and personal services contractors to be evaluated.

- USAID's Automated Directives System 462 requires supervisors to work with U.S. direct hire employees to develop annual employee performance plans that contain work objectives and performance measures for critical tasks against which actual performance will be compared.
- The Foreign Affairs Handbook, 3 FAH-2 H-440, requires USAID to prepare position descriptions for Foreign Service Nationals, which will serve as the basis for performance evaluations. Furthermore, 3 FAH-2 H-441.3 states that a new or revised description is needed whenever there is a material change in the duties, responsibilities, or organizational relationships of an existing position.
- The Foreign Affairs Manual, 3 FAM 7260, states that personal services contracts with host country nationals or third country nationals must conform to requirements for foreign service nationals.

In addition, Mission Order No. 1111, dated August 14, 2001, states that the rating officer is responsible for developing and maintaining the annual work plan, work objectives and performance measurements. Furthermore, it states that the rating officer is responsible for "gathering performance information from the employee's self-assessment, 360 degree input sources, direct observation of performance, etc., in order to obtain an accurate overview of the employee's overall performance. This type of feedback provides information about the employee's performance on specific work objectives and appropriate skill areas. Additionally, obtaining feedback from other persons involved in the rated employee's performance provides additional evidence about the employee's work that will either support or contradict the rater's views."

As of April 2003, USAID/Malawi's seven designated CTOs, who were overseeing 21 active awards, were comprised of one foreign service U.S. direct hire, four foreign service nationals, one U.S. personal services contractor, and one third country national personal services contractor. Although different personnel policies regulate the performance evaluation of CTOs in different employment categories, there is an underlying requirement that all employees should be evaluated on the actual duties they are expected to perform. However, not all of the CTOs' position descriptions and work objectives reflected their CTO responsibilities. The position descriptions for five CTOs and the work objectives for six CTOs did not reflect their CTO responsibilities. Furthermore, the personal

services contractors' statement of duties did not reflect any references to CTO responsibilities.

A Mission official explained that accountability is an on-going day-to-day responsibility. If an issue arises, it is discussed and resolved, possibly on the same day that it occurs. Therefore, he did not see the need for the CTO responsibilities to be included in the work objectives. However, he agreed that CTO responsibilities should be included in the CTO's position description. Another Mission official said that the CTO designation letter and the award document itself, which both contain the responsibilities of the CTO, hold the CTOs accountable for the performance of their CTO tasks.

However, without including the CTO responsibilities in the position descriptions of the CTOs, there is no official personnel record of the duties, responsibilities, and authority for each position. Likewise, if the CTO responsibilities are not reflected in the CTOs' work objectives, the CTOs are not being accurately measured for the CTO tasks they are performing. As a result, the Mission lacked critical information necessary for evaluating the performance of the CTOs and holding them accountable for their CTO responsibilities.

Additionally, the Mission officials and staff, who were responsible for the evaluation of the CTOs' performance, said that they did not obtain 360 degree input from individuals who were most likely to have information on the performance of CTO tasks—the staff of the Contracting Office. It did not occur to the responsible Mission officials and staff to use the Contracting Office as a source for 360 degree input. However, one Mission official mentioned that it was his practice to obtain 360 degree input from the Contracting Office at his previous post. But, being new at the Mission, he has not made it a practice to do so.

Without using the Contracting Office staff as a source for 360 degree input for the performance evaluation of their CTOs, the Mission's rating officers may not have performed an accurate assessment of their CTOs' overall performance.

Cognizant Technical Officers play a critical role in the acquisition and assistance processes. The CTO's responsibilities can be very complex, which would require them to have the necessary qualifications to do the work. Because of their critical role and complex responsibilities, the CTOs should be held accountable for performing the tasks assigned to them. To help the Mission hold its Cognizant Technical Officers accountable for performing their responsibilities in accordance with USAID policies and procedures, we recommend the following:

Recommendation No. 3: We recommend that USAID/Malawi revise the position descriptions, work objectives, and statements of duties of employees, who are

designated as Cognizant Technical Officers, to include their Cognizant Technical Officer responsibilities.

Recommendation No. 4: We recommend that USAID/Malawi revise Mission Order No. 1111 to include the requirement that rating officers obtain 360 degree input from the Contracting Office, and other pertinent sources, when evaluating the performance of the Cognizant Technical Officers.

**Management
Comments and
Our Evaluation**

In response to our draft report, USAID/Malawi provided written comments that are included in their entirety as Appendix II. All four recommendations are open without a management decision.

For Recommendation No. 1, USAID/Malawi noted that they could not, rather than did not, provide adequate training to their Cognizant Technical Officers (CTO). The Mission also stated that since the USAID contract office and training division, among other sections responsible for designing and offering training, have yet to succeed in developing an Agency-wide requirement, it is impossible for the Mission to fully comply with any recommended course of CTO training. While we appreciate the Mission's frustration with the CTO program to date, the fact remains that USAID/Malawi did not provide enough training and guidance to its CTOs in accordance with USAID and the Office of Federal Procurement policies. A management decision can be reached when USAID/Malawi indicates their agreement with the recommendation and provides a corrective action plan with a target completion date.

For Recommendation No. 2, USAID/Malawi stated that notices are issued regularly to team leaders to remind them to keep the Regional Contracting Officer informed of changes in staff and the need for new or revised CTO designations. They also stated that no Mission Order is necessary as the requirement already exists in the regulations. We agree that a Mission Order is not necessary, nor did the recommendation require one to be prepared. A management decision can be reached when USAID/Malawi indicates their agreement with the recommendation and provides a corrective action plan with a target completion date.

For Recommendation Nos. 3 and 4, USAID/Malawi stated that they agreed with the recommendations. A management decision can be reached when USAID/Malawi provides corrective action plans with target completion dates.

**Scope and
Methodology****Scope**

The Regional Inspector General, Pretoria conducted this audit in accordance with generally accepted government auditing standards. The audit is part of a worldwide audit led by the Office of Inspector General's Performance Audits Division (IG/A/PA) in Washington, D.C. The audit was conducted to determine if USAID/Malawi (1) provided adequate training and guidance to its Cognizant Technical Officers (CTOs) to help ensure that they were aware of and capable of performing their responsibilities; and (2) held its CTOs accountable for performing their responsibilities in accordance with USAID policies and regulations. The audit covered the review of CTO training and performance in fiscal year 2002 and the first nine months of fiscal year 2003.

The audit focused on reviewing management controls related to (1) the identification of the tasks to be performed by CTOs; (2) the identification of training needed by CTOs; (3) the provision of training to CTOs; (4) the establishment of work objectives and performance measures for CTOs; and (5) the evaluation of CTO performance. We interviewed all seven CTOs who were overseeing 21 active awards estimated at \$40.2 million (this amount was not audited). In addition, we reviewed pertinent employee-related documentation.

We conducted the audit at USAID/Malawi located in Lilongwe, Malawi. Fieldwork was conducted in Lilongwe, Blantyre, Mangochi, and Zomba, Malawi from May 12 to May 30, 2003.

Methodology

To answer both audit objectives, we used the IG/A/PA-designed CTO questionnaire to gather information from the CTOs in USAID/Malawi. Through the questionnaire, we obtained information on the CTOs' work background, training and experience in performing CTO tasks. As of April 2003, USAID/Malawi had seven CTOs overseeing 21 active awards. We distributed the CTO questionnaire to all seven CTOs, who all responded. We did not develop materiality thresholds for the audit objectives.

To answer the first audit objective, we analyzed the responses to the CTO questionnaire and interviewed the seven CTOs, their supervisors, the Contracting Office staff, the regional legal advisor, and the training coordinator. Due to time constraints, we judgmentally selected 12 implementing partners and interviewed them. These interviews provided us with an understanding of how CTOs performed their tasks and their level of understanding of their CTO responsibilities. We also reviewed pertinent training documents.

To answer the second audit objective, we reviewed relevant employee evaluation documents such as position descriptions, work objectives, and statements of duties for the seven CTOs interviewed. We examined these documents to determine if they adequately delineated the scope and expected standards for performance of their CTO responsibilities.

For criteria, we used relevant Automated Directives System chapters, the Foreign Affairs Handbook, the Foreign Affairs Manual, Office of Federal Procurement Policy Letter No. 97-01, Contract Information Bulletin No. 93-08, and the Guidebook for Managers and CTOs on Acquisition and Assistance.

Management Comments



United States Agency for International Development, Malawi
Office of the Director

TO: Jay Rollins

FROM: Roger Yochelson /s/

SUBJECT: Mission Comments on Draft Audit of USAID/Malawi's Training, Use and Accountability of Cognizant Technical Officers (Report No. 4-612-03-XXX-P)

DATE: August 6, 2003

There were two audit objectives, one dealing with training and guidance to CTOs, the other with holding CTOs accountable for their performance.

The Draft Audit Report states as to the first objective that the Mission did not provide enough training and guidance. As to the second objective the report states that the Mission did not hold CTOs accountable for performing their responsibilities in accordance with USAID policies and procedures.

The Mission finds that as to the first objective the conclusion in the report is not supported by the information made available to the auditor. We find as to the second objective that the conclusion in the report is in error as being incomplete and inaccurate.

Objective One:

Central to the audit finding is that USAID did not provide enough training and guidance. As discussed with the auditor here, this mis-states the situation.

USAID could not, rather than did not, provide adequate training.

You are aware of the many revisions in the CTO training offered by the agency in recent years, and of the many revisions in CTO requirements. Numerous efforts by the Mission, and many other Missions, to adhere to the shifting requirements were frustrated by the changes being made on what seemed to many in the agency as a regular basis. When we began planning, certification was not even yet required, but had been announced as one day to be necessary for staff to serve as CTOs. We were proactive in trying to line up training for the entire staff – not just CTOs – involved in overseeing the work of contractors and grantees. The course then required and available was in three parts.

The June 2002 course which the audit states “did not qualify” toward CTO certification had been announced to us as a course which did, in fact, qualify. This audit statement is therefore at odds with the information then being distributed within the agency.

Indeed that course is a good example of the problem I describe. An exclusive contract had been awarded to PRGI to conduct the various segments of the CTO training. The first was the program we spent approximately \$20,000, in time and direct cost, on. The trainer from PRGI did no training, and the RCO arrived with no preparation and no experience teaching such a course. That said, the week was undertaken, and it was our belief this was to be one of the three required modules. You can verify this with Washington. It was sometime later that the final (again) and current requirements were announced, and we were told that this one-week course would no longer be used as part of the qualification.

Nor could we, with a full portfolio and certain funding constraints, have scheduled training more often than we did. The final and complete CTO training, completed for all but a couple of staff (CTOs and others) a few weeks ago, was accomplished only after enormous shifting of schedules in the Mission and months of planning with the one contractor we are allowed to use. The audit findings take no note of these operational realities.

An additional element described in the audit is that staff did not have the required CTO skills when they were hired. This is an observation which seems more logically suited to an audit of agency-wide hiring practices. I say this because in the history of the agency there has never been a time to my knowledge when a precondition to employment was a proven fluency with the agency-specific requirements under our contracting and grant-making mechanisms. Staff, including USDHs, are hired for various skill-related reasons, and then trained as to our own procedures and mechanisms.

Finally, it bears emphasis that at no time did the Regional Contracting Office raise any concerns or offer and guidance over CTO preparedness in the Mission. The responsibility for ensuring a qualified CTO rests as well with the Contracts Officer who designates the CTO. I would suggest that in the final version of the findings you make mention of this. It will assist us in the future when we are again struggling for adequate RCO support.

Recommendation No. 1:

Training of all but one CTO has been completed. The recommendation therefore has been rendered moot by events. The one CTO not trained is concluding a PSC contract, so the training committee rightly determined that it was not justified to use resources to train someone who might be leaving the agency in a matter of a couple of months. For all future Mission staff, the development of training plans will be a part of the early phase of their work here.

The recommendation however reflects again the too-narrow view of the issue: The agency contract office and the training division, among other sections responsible for designing and offering training, are a necessary component to the situation in a Mission. Where they have yet to succeed, it is obviously impossible for the Mission to abide by any recommended course of CTO training.

Objective Two:

The conclusion that “the Mission did not hold its CTOs accountable ... in accordance with policies and procedures” is incomplete.

As the audit points out, CTOs are very much held responsible for the work they are assigned, including the CTO work. What remains to be finalized are the specific documents from the RCO designating new staff as CTOs, and the addition of the technical language into position descriptions.

Related to this: It is not accurate to state that “there was no official record of the duties and responsibilities” of the CTOs. More accurate would be that in addition to descriptions of CTO duties and responsibilities contained in various communications with CTOs, including the CTO designation letter and the award documents, the Mission should complete the inclusion of CTO duties in position descriptions.

The role and actions of the RCO come into play here again. To the extent that 360 input was not obtained from the RCO, neither did the RCO raise this issue with the Mission. We count on guidance from that office. Likewise, the RCO knew of changes in staffing, and as I mentioned did not take any role in advising the Mission as to requirements to notify formally.

Recommendation No. 2:

This had been done as of the date of the draft audit. Notices are issued regularly to team leaders to remind them to keep the RCO informed of changes in staff and the need for new or revised CTO designations. No Mission Order is necessary, as the requirement exists in the regulations already.

The Mission agrees with Recommendation Nos. 3 and 4.

In closing, as a general comment I would add that the stark language of the audit findings do not take into account nuances nor standard practice in the agency. The practice varies quite a lot from written policies. This does not obviate the need to attend to those policies. It does however mean that a written analysis of Mission practices should recognize that the common law, if you will, is being observed.