

## Statement of the Inspector General

I am pleased to present the Office of Inspector General's (OIG) annual plan for fiscal year 2003. Our plan consolidates needed audit and investigative activities into a single document that articulates our goals and objectives for our work in FY 2003 at the United States Agency for International Development, the African Development Foundation, and the Inter-American Foundation.

This annual plan is based on our current strategic plan that was developed in FY 2002 after extensive consultations with USAID, Office of Management and Budget (OMB) officials, and Congress. Also included in the plan is our "standards for success." The OIG developed standards for success for each objective set forth in the OIG's strategic plan as well as in the FY 2003 annual plan. What constitutes success generally derives from such sources as OMB circulars, legislation (GPRA, GMRA, FFMIA, etc.), USAID policy documents and notices, and USAID administration priorities. They were developed with the intent that, by meeting the standards, USAID would be on a solid track to addressing its major challenges and the OIG would thereby have accomplished its objectives.

We designed the Standards for Success to address major management challenges that we have identified at USAID. The standards for success are our approach to seeking agreement with USAID management on its major management challenges as well as on the solutions or goals for achieving success in each major management challenge area.

We have had extensive discussions with the USAID Administrator and USAID managers about the standards for success. We sought and received their concurrence on the major management challenges as well as on the standards for success so that we were working in unison toward the same goal, a more efficient and effective USAID. We also discussed the standards for success with officials from OMB

and with congressional staff and received their comments.

Our standards for success are in concert with the *Management Reform Agenda* launched by the President in August of 2001 to "address the most apparent deficiencies where the opportunity to improve performance is the greatest."<sup>1</sup> Five areas were identified: Strategic Management of Human Capital; Expanded Electronic Government; Competitive Sourcing; Improved Financial Performance; and Budget and Performance Integration. Working with the President's Management Council, the OMB developed standards for success in each of these five initiatives.

Our overriding goal is to support the organizations' management in the delivery of their programs. We do this through our audit and investigative activities and through our day-to-day operational interactions by advising management on program risks and the need for associated internal controls for protecting and promoting the most effective and efficient program delivery. In performing our duties, we work very closely with the organizations' management and staff as well as with members of Congress and their staffs to seek their input and to provide them with information that they can use in developing and administering the organizations' programs and activities.

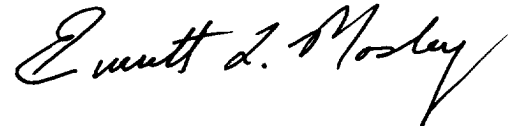
We are able to do this because we have a professional and well-trained staff operating under the professional standards mandated by law and promulgated by the Comptroller General of the United States as well as under the professional standards developed by the President's Council on Integrity and Efficiency. Under these standards, our audit operations are subject to receiving an external peer review performed by another independent Inspector General's office. Our most recent review, completed in 2001, reported that

<sup>1</sup> October 30, 2001, OMB Memorandum to the Heads of Executive Departments and Agencies – Subject: Implementation of the President's Management Agenda and Presentation of the FY 2003 Budget Request.

our operations meet the professional standards in all respects.

In addition, and most important, we can serve the organizations' management and Congress by providing them with timely recommendations, suggestions, and advice that they can depend on because of the independence that the Inspector General Act provides. The Act creates an independent Inspector General by requiring the Inspector General to report both to the head of the respective organization and Congress, keeping both fully informed on problems identified during the course of our work. We accomplish this task through our regular reporting processes, including our audit and

investigation reports and our semiannual reports to Congress, and through frequent briefings of both organization management and members of Congress and their staffs. Our goal through this cooperative approach is to assist the organizations' management by providing solid information and recommendations for solutions to problems as they carry out their day-to-day business.



Everett L. Mosley  
Inspector General

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U.S. Agency for International Development

Office of Inspector General

# Annual Plan

Fiscal Year 2003

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## **Authority and Responsibility**

The USAID Office of Inspector General (OIG) was established on December 16, 1980, by Public Law 96-533, which amended the Foreign Assistance Act of 1961. On December 29, 1981, the President signed the International Security and Development Cooperation Act of 1981, bringing the USAID Inspector General under the purview of the Inspector General Act of 1978. The OIG assumed audit and investigative oversight of the African Development Foundation (ADF) and the Inter-American Foundation (IAF) in 1999 in accordance with Public Law 106-113.

The Inspector General Act of 1978 (IG Act), as amended, authorizes the Inspector General to conduct and supervise audits and investigations. In doing this work, the OIG (1) promotes economy, efficiency, and effectiveness and (2) detects and prevents fraud, waste, and abuse in the programs and operations. The Inspector General is responsible for keeping the head of the respective organization and Congress fully informed of the results of audits and investigations related to the organizations' programs and operations, as well as the necessity for, and progress of, corrective actions.

## **Mission**

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, ADF, and IAF.

## **Values**

In accomplishing our mission, we are committed to the following:

*Integrity:* strive to display character, decency, and honor in everything we do; work openly and fairly with our colleagues and partners; show respect for one another; maintain independence to ensure objectivity and impartiality; and accept responsibility for our actions.

*Excellence:* strive to produce work that has distinction, merit, quality, and a positive effect; work efficiently with highly trained people who enjoy equal opportunities to excel; deliver products that are accurate, timely, complete, concise, and meaningful; and present work in a way that is most useful to those who are responsible for implementing the organizations' goals and objectives.

*Teamwork:* work with USAID, ADF, and IAF management to understand their program objectives; team with the three organizations, demonstrating and encouraging integrity and achieving excellence; understand the entire OIG program and its effect on the organizations' programs; help management find solutions to problems; and remember that our success is measured in part by the success of our colleagues and partners.

## **Strategic Goals and Objectives**

On the basis of the overarching philosophy described in the mission and values statements, the OIG developed its strategic goals and objectives. They are driven by legislative mandates, agency goals, the major challenges facing management, and the activities identified as having high risk of fraud, waste, and abuse. Each strategic goal has accompanying strategic objectives, performance measures, and annual objectives that describe what we expect to accomplish and the measurements we will use to determine if we are achieving our objectives.

**Strategic Goal 1: Keep the Administrator and Congress fully and currently informed of the status of USAID's administration and operations and the need for and progress of corrective actions.**

**Objective 1.1: Provide timely reports and briefings to the Administrator and Congress on the major challenges identified by audits and investigations.**

The OIG will accomplish this objective by doing the following:

- Prepare and submit the semiannual report to Congress as required.
- Present timely briefings to the Administrator and key USAID officials on critical problem issues identified by OIG audits and investigations.
- Present timely briefings to key congressional staff on the status of significant OIG audit and investigative activities, problems and issues identified by these efforts, and the necessity for and progress of corrective actions being taken by USAID.
- Conduct audits and distribute audit reports to Agency management and congressional staff in a timely manner.

The OIG plans to undertake the following specific activities to address objective 1.1.

**1.1.1: Continuing refinement of the OIG semiannual report to Congress**

The IG Act requires that the OIG provide Congress with written reports of its activities and accomplishments every six months. The OIG continually updates and refines its message in the semiannual report in tune with new OIG initiatives and Agency management

challenges. For example, the semiannual report was revised recently to focus information on presenting OIG efforts to help USAID address its primary management challenges. In future reports, we will further refine our presentation by introducing our efforts to help the Agency achieve its agreed-upon standards for success.

**1.1.2: Periodic briefings for USAID officials**

As a matter of routine, senior OIG officials participate in the USAID Administrator's weekly organization briefing sessions. At the meetings, senior OIG managers have taken advantage of the opportunity to bring matters of importance to the attention of Agency management in a time frame enabling those managers to take effective remedial action. Senior OIG officials also participate as observers on high-visibility Agency task forces such as the Business Transformation Executive Committee (BTEC) and Central Asia task force. In this observer capacity, OIG officials respond to questions in the OIG's areas of expertise and provide suggestions for consideration. In addition, the OIG continually attempts to identify issue areas of priority importance, and it establishes a schedule of formal presentations to brief Agency managers on the status of internal controls and OIG activity in those areas.

**1.1.3: Periodic briefings for congressional officials**

The OIG continually attempts to identify issue areas of priority importance, and it also establishes a schedule of formal presentations to brief congressional members and staff on the status of internal controls and OIG activity in those areas. For example, in the recent past, the OIG established a system of quarterly briefings for congressional staff members to discuss the OIG's audit and investigative operations in overseeing USAID's Latin

America disaster recovery programs related to Hurricane Mitch.

**1.1.4: Providing for timely reports and more-efficient and more-effective report distribution**

The OIG continually assesses its planning information to help identify issues and areas of potential audit and investigative concern as expeditiously as possible. The OIG also continually reviews report distribution and dissemination procedures to bring its message more efficiently to its congressional, Agency, and public clients. Audit reports are now placed on the Internet in a format complying with all federal requirements. In addition, the OIG has instituted a new procedure for electronically distributing audit reports directly to congressional members and staffs.

**Performance Measures:**

- Prepare and submit the semiannual report to Congress as required.
- Periodically brief the Administrator and key USAID officials on critical problem issues identified by OIG audits and investigations.
- Periodically brief key congressional staff on the status of significant OIG audit and investigative activities, problems, and issues identified by those efforts and on the necessity for and progress of corrective actions being taken by USAID.
- Distribute audit and other appropriate reports to Agency management and congressional staff in a timely manner.

**Strategic Goal 2: Promote improvements in the way that USAID manages for results.**

**Objective 2.1: Provide timely, high-quality services that contribute to improvements in**

**USAID’s processes for planning, monitoring, and reporting on program activities and integrating performance information with budget decision-making.**

The OIG will accomplish this objective by assisting USAID to achieve agreed-upon standards for success, including the following:

- Establish strategic planning, program implementation, and reporting processes that will facilitate comparing performance with established goals.
- Ensure that USAID's food aid reaches the intended beneficiaries and is accurately tracked and reported.
- Provide cost-effective training to participants, who will use their improved skills in their respective countries.
- Establish a performance-measurement system for verifying the accuracy and reliability of data reported by USAID operating units.
- Provide timely, reliable, and economical program and administrative support to USAID field missions.
- Reduce HIV transmission rates and the negative effect of HIV/AIDS on developing countries.
- Respond rapidly and effectively to requests for disaster assistance.

The OIG plans to undertake the following audits to address objective 2.1.

**2.1.1: Audit of USAID/Russia’s Democracy Program**

USAID has funded approximately \$195 million for various activities in Russia that focus primarily on increasing citizen participation in political and economic

decision-making, strengthening the rule of law, and increasing respect for human rights. This audit will determine if USAID/Russia has a performance-measurement system that verifies the accuracy and reliability of data reported by the Mission and if planned results are being achieved.

### **2.1.2: Review of Management’s Discussion and Analysis Section in USAID’s Fiscal Year 2003 Consolidated Financial Statements**

The Government Management and Reform Act (GMRA) of 1994 requires annual preparation and audits of financial statements for several federal agencies, including USAID. Among other things, USAID is required to prepare a section titled “Management’s Discussion and Analysis” (MD&A). This audit will determine whether information included in the MD&A is presented in accordance with prescribed guidelines.

### **2.1.3: Survey/Pilot for Worldwide Audit of USAID’s Distribution of P.L. 480 Title II Nonemergency Assistance in Support of its Direct Feeding Program Delivery Systems**

The U.S. Government's P.L. 480 Title II food assistance program, the largest and most visible component of USAID’s humanitarian activities, is a priority area for USAID and Congress. USAID is committed to reforming this activity to ensure that donated food is targeted to the genuinely needy, has the maximum effect, and is free from fraud, waste, and abuse. This pilot audit will determine whether USAID missions and cooperating sponsors are ensuring that food aid is being delivered to intended beneficiaries in accordance with existing agreements.

### **2.1.4: Capping Report for Worldwide Audit of USAID’s Distribution of P.L. 480 Title II Nonemergency Assistance in Support of its Direct-Feeding Program Delivery Systems**

The purpose of this assignment is to consolidate the findings from a series of worldwide audits that will determine whether selected USAID missions, through their cooperating sponsors, ensured that P.L. 480 Title II nonemergency assistance programs for their countries of responsibility were delivered to intended beneficiaries in accordance with existing agreements. The capping report also will enable USAID/Washington to address the problems identified and take corrective actions. OIG regional audit offices in Africa and Latin America will participate in this audit.

### **2.1.5: Audit of USAID/Ethiopia’s Monitoring of its P.L. 480 Title II Nonemergency Food Aid Delivery Systems**

This audit is part of a Worldwide Audit of P.L. 480 Title II Non-Emergency Food Aid Delivery Systems, led by the OIG’s Washington audit office. See 2.1.3 and 2.1.4 above.

### **2.1.6: Audit of USAID/Kenya’s Monitoring of its P.L. 480 Title II Nonemergency Food Aid Delivery Systems**

This audit is part of a Worldwide Audit of P.L. 480 Title II Nonemergency Food Aid Delivery Systems, led by the OIG’s Washington audit office. See 2.1.3 and 2.1.4 above.

### **2.1.7: Audit of P.L. 480 Title II Nonemergency Food Aid Delivery Systems (West Africa mission TBD)**

This audit is part of a Worldwide Audit of P.L. 480 Title II Nonemergency Food Aid Delivery Systems, led by the OIG’s Washington audit office. See 2.1.3 and 2.1.4 above.



**2.1.8: Audit of USAID Guatemala's P.L. 480 Title II Non-Emergency Food Aid Delivery Systems**

This audit is part of a Worldwide Audit of P.L. 480 Title II Nonemergency Food Aid Delivery Systems, led by the OIG's Washington audit office. See 2.1.3 and 2.1.4 above.

**2.1.9: Capping Report for Worldwide Audit of USAID's Participant Training Activities**

USAID's participant training programs transfer knowledge and skills through academic and technical training that includes study tours and conferences. The aid-recipient countries sponsor the trainees, and the programs are conducted in the United States, host countries, or other countries. In FY 2001, 6,589 participants received training in the United States at an estimated cost of \$53.9 million. USAID missions are responsible for tracking the participants' timely return to their countries. The purpose of this assignment is to consolidate the findings from a series of worldwide audits that will determine whether (1) USAID has complied with the requirements for administering participant training conducted in the United States, (2) the participants are returning to their countries upon completion of training, and (3) participant training in the United States is accomplishing the intended benefits.

OIG regional audit offices in Latin America, Africa, Asia and the Near East, and Europe and Eurasia will participate in this audit.

**2.1.10: Audit of Participant Training Activities (LAC mission TBD)**

This audit is part of a Worldwide Audit of USAID's Participant Training Activities, led by the OIG's Washington audit office. See 2.1.9 above.

**2.1.11: Audit of Participant Training Activities (West Africa mission TBD)**

This audit is part of a Worldwide Audit of USAID's Participant Training Activities, led by the OIG's Washington audit office. See 2.1.9 above.

**2.1.12: Audit of Participant Training Activities (East/South Africa mission TBD)**

This audit is part of a Worldwide Audit of USAID's Participant Training Activities, led by the OIG's Washington audit office. See 2.1.9 above.

**2.1.13: Audit of Participant Training Activities (East/South Africa mission TBD)**

This audit is part of a Worldwide Audit of USAID's Participant Training Activities, led by the OIG's Washington audit office. See 2.1.9 above.

**2.1.14: Audit of Participant Training Activities (East Asia mission TBD)**

This audit is part of a Worldwide Audit of USAID's Participant Training Activities, led by the OIG's Washington audit office. See 2.1.9 above.

**2.1.15 Audit of Participant Training Activities (Near East mission TBD)**

This audit is part of a Worldwide Audit of USAID's Participant Training Activities, led by the OIG's Washington audit office. See 2.1.9 above.

**2.1.16: Audit of Participant Training Activities (E & E mission TBD)**

This audit is part of a Worldwide Audit of USAID's Participant Training Activities, led by the OIG's Washington audit office. See 2.1.9 above.

### **2.1.17: Audit of USAID/Peru's and USAID/Ecuador's Border Region Development Programs**

The Ecuador and Peru border region development activities have a combined funding of \$40 million. Initiated in FY 1999 and scheduled for completion in FY 2005, the activities are diverse. Examples include (1) social infrastructure development, (2) natural resource management, (3) local government strengthening, (4) small enterprise and microenterprise credit, and (5) human rights protection. This audit will determine how the activities are being coordinated by USAID Missions in Peru and Ecuador with the host-country governments and whether the intended results are being achieved.

### **2.1.18: Audit of USAID-Financed Democracy and Governance Activities in Egypt**

USAID finances democracy and governance activities in Egypt that provide technical assistance and training to (1) build the institutional and technical capacities of non-governmental organizations, (2) promote models for management of community services, and (3) improve the administration of justice. This audit will focus primarily on democracy and governance activities during FY 2001 and FY 2002 and will determine if they are achieving the intended benefits.

### **2.1.19: Audit of the Sustainability of USAID-Financed Utility Infrastructure Activities in Egypt**

Since 1977, USAID has invested approximately \$5 billion in Egypt's infrastructure. In 2004, USAID will conclude a \$700 million telecommunication program and a \$1.8 billion power program. In addition, a \$2.5 billion water and wastewater program, which has reportedly benefited about 21 million people with new or improved services, will be completed in 2005. This audit will (1)

determine whether the completed and ongoing activities have progressed toward meeting USAID policy and program objectives for sustainability, (2) enable the Mission to take timely corrective actions, and (3) assure USAID and Congress that the infrastructure development activities have been implemented in accordance with USAID requirements.

### **2.1.20: Survey of the USAID West African Regional Program (WARP)**

Developed in October 2000, WARP addresses major development challenges in a conflict-ridden region. Examples include lack of access to basic health care and social services and weak political institutions. Combining the activities of the former Sahel Regional Program and the Family Health and AIDS Program in West and Central Africa, WARP focuses on stimulating cooperation and integration in the West Africa region. This survey will assess the program's risks and identify problem areas during the early stages of implementation.

### **2.1.21: Audit of USAID/Benin's Health Program**

In 1998, USAID established a program in Benin to improve preventive health measures and family health services in response to problems identified by several studies conducted between 1993 and 1997. The studies revealed that Benin has high birth rates; low contraceptive use; high incidence of maternal and infant mortality; and widespread prevalence of malaria, diarrhea, and acute respiratory infections.

Through September 30, 2001, approximately \$20 million has been obligated for child survival and disease programs. The planned obligation for FY 2002 is approximately \$6.7 million for child survival and health programs. The estimated completion date for the current phase of the program is FY 2005, and

expenditures on health programs will total approximately \$57 million. This audit will determine whether there is an effective monitoring system in place and whether the intended results are being achieved.

#### **2.1.22: Audit of USAID/Washington Acquisitions of Supplies and Materials**

USAID/Washington annually budgets approximately \$7 million for supplies and materials. Cost savings under this category would increase the availability of funds for the USAID/Washington Operations and Expense account. This audit will determine whether USAID's Office of Administrative Services, Consolidation Property and Services Division, has obtained adequate justification to procure the items purchased under the budget for supplies and materials.

#### **2.1.23: Audit of USAID Office of Security Warehouse Operations**

USAID's Office of Security rents a warehouse in Springfield, Virginia, from the General Services Administration (GSA) for about \$125,000 per year. Its operating costs include physical security, property management, and maintenance of the stored equipment. High-value, sensitive equipment is stored in the warehouse. The OIG recently has identified problems in USAID/Washington's management of warehouse operations for disaster assistance equipment and believes that other USAID/Washington-managed warehouses are likely to have similar problems. This audit will determine whether the Office of Security (1) manages its warehouse operations effectively and efficiently and (2) maintains adequate controls and physical security for sensitive equipment.

#### **2.1.24: Audit of Mission Disaster Relief Plans**

During a recent survey of "disaster relief operations" performed by the OIG, the OIG identified a central Office of Foreign Disaster Assistance depository for mission disaster relief plans (MDRP). The survey noted that most of the plans appeared out of date. According to USAID's Automated Directives System, Chapter 530.1b, every USAID mission must maintain an up-to-date MDRP. This audit will determine whether (1) the selected USAID missions have a current and adequate disaster relief plan and (2) USAID has established adequate oversight and control to ensure that mission disaster relief plans have been updated as required.

#### **2.1.25: Audit of USAID/Paraguay's Family Planning Program**

In 2001, USAID/Paraguay began a family planning activity that is a follow-on to its previous program, initiated in 1997. The activity is to be completed in FY 2005. Total funding for the program is estimated at approximately \$17 million. This audit will examine whether the planned and achieved results for this activity are commensurate with the dedicated resources. This program is a good candidate for an economy and efficiency audit because family planning programs have well-established strategies and standardized performance measures.

#### **2.1.26 Audit of Maintenance of Roads and Bridges Constructed in Honduras by USAID Under the Emergency Roads and Bridges Construction Project (RECAP)**

During the Hurricane Mitch Reconstruction Program, USAID/Honduras constructed or repaired, at a cost of approximately \$50 million, the following: (1) 1,271 kilometers of reconstructed unsurfaced, mainly farm-to-market, roads; (2) 2,000 linear meters of

reconstructed two-lane concrete bridges (nominally 40x50-meter bridges); (3) 30 kilometers of reconstructed and upgraded paved-road sections; and (4) 20 kilometers of repaired cobblestone town streets and related works. A Honduran government agency is responsible for maintaining the roads and bridges. This audit will determine whether the Government of Honduras is meeting its responsibilities and protecting USAID's \$50 million investment in this sector.

### **2.1.27 Audit of Closed Recommendation Related to USAID's Nonpresence Country Database**

In response to an OIG audit conducted in fiscal year 1999, USAID developed a new nonpresence country policy and established an on-line database to track and report on these activities. The purpose of this audit is to determine whether the new policy and the on-line database are meeting their goals and objectives.

#### **Performance Measures**

- Provide recommendations for improving USAID strategic management and program management processes, identify questioned costs, and/or identify opportunities for putting funds to better use.
- Achieve management agreement and plans for corrective action or management improvement on at least 90 percent of audit recommendations within six months of report issuance.
- Follow up on a sample of previous recommendations to ensure that they have been implemented effectively.

**Objective 2.2: Provide timely, high-quality services that contribute to improvements in USAID's processes for awarding and administering contracts and grants.**

The OIG will accomplish this objective by assisting USAID to achieve the following agreed-upon standards for success:

- Cognizant Technical Officers are effective participants in the procurement process.
- USAID's management of service contracts improves its operations and programs.
- USAID ensures that contractors and grantees meet applicable integrity standards.

The OIG plans to undertake the following audits to address objective 2.2.

#### **2.2.1: Capping Report for Worldwide Audit of the Training, Use, and Accountability of Cognizant Technical Officers**

Effective participation by USAID's Cognizant Technical Officers (CTOs) is essential for the success of the Agency's procurement operations. The CTO assists in managing the interaction between various parties by (1) clarifying roles and responsibilities; (2) facilitating communication among the contracting/agreement officer, strategic objective teams, recipients, and contractors; and (3) reducing the potential for disputes. The purpose of this assignment is to consolidate the findings from a series of worldwide audits that will determine whether USAID has established adequate oversight and controls to ensure that CTOs are trained and are performing their duties.

OIG regional audit offices in Latin America, Europe and Eurasia, Africa, and Asia and the Near East will participate in this audit.

**2.2.2: Audit of USAID/Mexico’s Training, Use, and Accountability of Cognizant Technical Officers**

This audit will be performed as part of a Worldwide Audit of the Training, Use, and Accountability of Cognizant Technical Officers (CTOs) led by the OIG’s Washington audit office. See 2.2.1 above.

**2.2.3: Audit of the Training, Use, and Accountability of Cognizant Technical Officers (E & E mission TBD)**

This audit will be performed as part of a Worldwide Audit of the Training, Use, and Accountability of Cognizant Technical Officers led by the OIG’s Washington audit office. See 2.2.1 above.

**2.2.4: Audit of USAID/Uganda’s Training, Use, and Accountability of Cognizant Technical Officers**

This audit will be performed as part of a Worldwide Audit of the Training, Use, and Accountability of Cognizant Technical Officers led by the OIG’s Washington audit office. See 2.2.1 above.

**2.2.5: Audit of USAID/Malawi’s Training, Use, and Accountability of Cognizant Technical Officers**

This audit will be performed as part of a Worldwide Audit of the Training, Use, and Accountability of Cognizant Technical Officers led by the OIG’s Washington audit office. See 2.2.1 above.

**2.2.6: Audit of the Training, Use, and Accountability of Cognizant Technical Officers (West Africa mission TBD)**

This audit will be performed as part of a Worldwide Audit of the Training, Use, and Accountability of Cognizant Technical led by

the OIG’s Washington audit office. See 2.2.1 above.

**2.2.7: Audit of USAID/West Bank and Gaza’s Training, Use, and Accountability of Cognizant Technical Officers**

This audit will be performed as part of a Worldwide Audit of the Training, Use, and Accountability of Cognizant Technical Officers led by the OIG’s Washington audit office. See 2.2.1 above.

**2.2.8: Audit of the Training, Use, and Accountability of Cognizant Technical Officers (East Asia mission TBD)**

This audit will be performed as part of a Worldwide Audit of the Training, Use, and Accountability of Cognizant Technical Officers led by the OIG’s Washington audit office. See 2.2.1 above.

**2.2.9: Audit of USAID/Haiti’s Executive Office Operations**

USAID/Haiti’s Executive Office (EXO) provides general services to the Mission, including information systems, personnel, procurement, maintenance, motor pool, and property management. This audit will determine whether USAID/Haiti’s operating expense-funded procurements by its EXO operations were done in accordance with USAID policies and procedures and U.S. procurement laws and regulations.

**Performance Measures**

- Provide recommendations for improving USAID procurement processes, identifying questioned costs, and/or identifying opportunities to put funds to better use.
- Achieve management agreement and plans for corrective action or management improvement on at least 90 percent of audit

recommendations within six months of report issuance.

- Follow up on a sample of previous recommendations to ensure that they have been implemented effectively.

**Objective 2.3: Provide timely, high-quality services that contribute to better management of USAID activities that address significant, often unplanned, conditions or engender intense congressional interest.**

The OIG will accomplish this objective by assisting USAID to achieve the following agreed-upon standards for success:

- Effective use of, and accountability for, resources in implementing humanitarian and relief programs as well as other emergency and unforeseen activities.
- Efficient and economic delivery of desired results in executing significant, unforeseen activities.

The OIG plans to undertake the following audits to address objective 2.3.

**2.3.1: Concurrent Audits of Disaster Assistance**

USAID allocates resources for responding quickly to disaster assistance needs around the world. These audits will be performed concurrently with USAID disaster assistance operations as the Agency responds to specific disasters and will be closely coordinated with USAID's Office of Foreign Disaster Assistance. The audits will focus primarily on the procurement of disaster assistance commodities and services. Because of the urgency of the assistance requirements, shortcuts often are taken to obtain commodities and services. Fraud, waste, and abuse are not uncommon, and an audit may serve as a deterrent to illegal activities. Accordingly, the primary purpose of these

audits will be to reduce the vulnerability of USAID's disaster assistance operations to fraud, waste, and abuse.

**2.3.2: Quick-response audits for addressing (1) congressional and management requests and (2) allegations of fraud, waste, abuse, and mismanagement**

The OIG is charged with performing special audits, usually requiring quick responses that address (1) congressional and management requests, (2) allegations of fraud, waste, abuse and mismanagement, and (3) other requests. These audits normally require in excess of 100 staff hours each. Specifically, these audits will respond to congressional and management requests; allegations of fraud, waste, abuse and mismanagement; and other requests for information or analysis as assigned. They are normally narrowly scoped and use a methodology designed to provide quick response.

**2.3.3: Vulnerability Assessment of USAID Programs in Afghanistan**

The September 11, 2001, terrorist attacks and U.S. military actions in Afghanistan have placed that country at or near the top of the U.S. foreign policy agenda. This assessment will provide information on the newly established USAID programs in Afghanistan and help identify the areas in which USAID programs and operations are vulnerable. We will issue a survey and informational report on USAID activities in Afghanistan along with an assessment of risk exposure for major Mission programs and administrative operations.

**2.3.4: Vulnerability Assessment of USAID Programs in Pakistan**

Pakistan has become a critical frontline state in the war against terrorism since September 11, 2001. This assessment will provide information on the newly established USAID

programs in Pakistan and identify the vulnerable areas. We will issue a survey and informational report on USAID activities in Pakistan along with an assessment of risk exposure for major mission programs and administrative operations.

### Performance Measures

- Provide recommendations for improving USAID's management of audited activities, identifying questioned costs, and/or identifying opportunities to put funds to better use.
- Achieve management agreement and plans for corrective action or management improvement on at least 90 percent of audit recommendations within six months of report issuance.
- Follow up on a sample of previous recommendations to ensure that they have been implemented effectively.

**Strategic Goal 3: Promote improvements in the way USAID manages its human capital.**

**Objective 3.1: Provide timely, high-quality services that contribute to the acquisition and development of a workforce whose number, skills, and deployment meet Agency needs; strategies for succession planning and leadership continuity; and strategies that integrate workforce planning into the Agency's budget and strategic plans.**

The OIG will accomplish this objective by assisting USAID to achieve the following agreed-upon standards for success:

- No skill gaps or deficiencies exist in mission-critical positions.

- USAID's human capital strategy is consistent with the Office of Personnel Management's (OPM's) Human Capital Scorecard.

The OIG plans to undertake the following audits to address objective 3.1.

#### **3.1.1: Audit of USAID's Human Capital Strategy**

Human capital, if not properly managed, could undermine USAID's ability to fulfill its foreign assistance mission. The OIG has repeatedly identified management of human capital as one of the serious management challenges facing the Agency. To help federal agencies improve their human capital management, OPM issued in December 2001 a "Human Capital Scorecard" focusing on five dimensions that require critical monitoring and management. In addition, the General Accounting Office (GAO) independently has developed a human capital model that highlights steps that agencies can take to make progress in managing human capital strategically. This audit will determine whether USAID's strategy for human capital management is consistent with guidance issued by OPM and the GAO.

#### **3.1.2: Audit of USAID's Staffing Practices**

The ability of USAID to manage its workforce successfully by having the right size of workforce in the right locations at the right time will be important in helping USAID to meet its mission. The Agency's workforce has shrunk and has an increasingly large number of employees who are eligible to retire. For example more than 50 percent of USAID's Foreign Service Officers will be eligible for voluntary retirement by the end of FY 2006. This audit will evaluate the process that USAID uses to establish its direct-hire staffing allocations and recruitment strategies.

**3.1.3: Audit of the Latin America and Caribbean Bureau’s Regionalization Efforts**

The Latin American and Caribbean (LAC) Bureau is discussing regionalization of accounting and other support functions. This probably is the most important management issue being addressed in the LAC region. This audit will assess the LAC Bureau’s regionalization plans, the process followed to develop the plans, and the objectives to be achieved by regionalization. In addition, the OIG anticipates that this audit will contribute toward discussions about the possible effect of regionalization on payment procedures.

**Performance Measures**

- Provide recommendations for improving USAID’s human capital management, identifying questioned costs, and/or identifying opportunities to put funds to better use.
- Achieve management agreement and plans for corrective action or management improvement on at least 90 percent of audit recommendations within six months of report issuance.
- Follow up on a sample of previous recommendations to ensure that they have been implemented effectively.

**Strategic Goal 4: Promote improvements in USAID’s accounting for and reporting on financial and program activities and protecting information.**

**Objective 4.1: Provide timely, high-quality services that assist USAID in improving its financial systems that contribute to preparation of reliable and useful information that managers can use to manage the Agency.**

To contribute to this objective, the OIG will assist USAID in achieving the following agreed-upon standards for success:

- USAID has financial management systems that substantially meet federal financial management system requirements and applicable accounting standards.
- USAID provides accurate and timely interim financial information.
- USAID has integrated financial and performance management systems supporting day-to-day operations, including accurate and timely posting of all financial transactions for both Washington and overseas accounting stations.
- USAID provides timely reconciliation of financial data.
- USAID accurately and timely posts all financial transactions.

The OIG plans to undertake the following audits to address objective 4.1.

**4.1.1: Audit of USAID’s FY 2003 Consolidated Financial Statements**

The Government Management Reform Act (GMRA) requires that the OIG's conduct audits of federal agencies’ consolidated financial statements. Conforming to the GMRA requirement, the OIG will conduct the audit of USAID’s FY 2003 consolidated financial statements.

Our audit objectives are to determine whether USAID’s principal financial statements are presented fairly in all material respects and conform to generally accepted accounting principles. We also will obtain an understanding of USAID’s internal control structure. In addition, we will perform tests of



compliance with laws and regulations that could have a direct and material effect on the principal statements and required supplementary stewardship information, and we will report on whether USAID financial management systems substantially comply with the requirements of the Federal Financial Management Improvement Act, Section 803(a).

OIG regional audit offices in Europe and Eurasia, Latin America, and Asia and the Near East will participate in this audit. These regional audit offices expect to perform audit work in Budapest, San Salvador, and Cairo. In addition, GMRA work will be performed in Dakar, Bamako, Maputo, Pretoria, La Paz, Accra, Moscow, New Delhi, Kiev, and RFMC Nairobi.

**4.1.2: Audit of the National Finance Center Controls over USAID Direct-Hire Employee Salary Payments**

USAID uses about 36 percent of its Operating Expenses budget to fund salaries and benefits of U.S. direct-hire employees. The FY 2002 budget request was \$223 million. In October 2000, USAID implemented the Human Resources/Payroll System at the National Finance Center of the United States Department of Agriculture. Since the implementation of the new payroll system, employee complaints about the accuracy and timeliness of payments has increased. This audit will determine whether USAID's Human Resources/Payroll System at the National Finance Center has effective controls for preventing duplicating salary payments for U.S. direct-hire employees.

**4.1.3: GMRA Fieldwork in El Salvador**

This audit is part of the Worldwide Audit of USAID's FY 2003 consolidated financial statements, led by the OIG's Washington audit office. See 4.1.1 above.

**4.1.4: GMRA Audit of Financial Systems of USAID/RSC Budapest for FY 2003**

This audit is part of the Worldwide Audit of USAID's FY 2003 consolidated financial statements, led by the OIG's Washington audit office. See 4.1.1 above.

**4.1.5: GMRA-Egypt Audit of Financial Systems for FY 2003**

This audit is part of the Worldwide Audit of USAID's FY 2003 consolidated financial statements, led by the OIG's Washington audit office. See 4.1.1 above.

**4.1.6: GMRA-Jordan Audit of Financial Systems for FY 2002 – Year-End Testing**

This audit is part of the Worldwide Audit of USAID's fiscal year 2002 consolidated financial statements, led by the OIG's Washington audit office.

**4.1.7: GMRA-Philippines Audit of Financial Systems for FY 2002, Year-End Testing**

This audit is part of the Worldwide Audit of USAID's FY 2002 consolidated financial statements, led by the OIG's Washington audit office.

**Performance Measures**

- Conduct audit of USAID's annual financial statement.
- Provide recommendations for improving USAID's financial management systems, identifying questioned costs, and/or identifying opportunities to put funds to better use.
- Achieve management agreement and plans for corrective action or management improvement on at least 90 percent of audit

recommendations within six months of report issuance.

- Follow up on a sample of previous recommendations to ensure that they have been implemented effectively.

**Objective 4.2: Provide timely, high-quality services to assist USAID in ensuring the proper accountability of funds provided to contractors, grantees, and host governments.**

To contribute toward this objective, the OIG will assist USAID in achieving the following agreed-upon standards for success:

- Enhance accountability of U.S.-based grantees and contractors.
- Enhance accountability of non-U.S.- based grantees and contractors.
- Enhance accountability of USAID's Enterprise Funds

The OIG plans to undertake the following audits to address objective 4.2.

**4.2.1: Audit of Cash Drawdowns by Federal Grant Recipients**

Drawdowns on letters of credit are used as advances by grant recipients to cover estimated disbursement needs for a given period. The amounts of initial advances to these recipients is fixed to the 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.

The objectives of this audit are to determine whether USAID has an effective internal control system for monitoring recipient cash drawdowns and whether USAID effectively monitors the applicable remittance of earned interest by grant recipients on excess cash.

**4.2.2: Audit of the Bureau for Management, Office of Financial Management, Cash Management Payout Division (M/FM/CMP), Processing of Defense Contract Audit Agency Bills**

M/FM/CMP processes all Defense Contract Audit Agency (DCAA) vouchers for payment. USAID provides immediate reimbursement to DCAA via Internet Payment and Collection (IPAC). DCAA provides detailed support for all billings. The OIG's Washington audit office reviews the support, administratively approves payment, and forwards approval to M/FM/CMP.

The objectives of this audit are to determine whether USAID is being reimbursed for rejected DCAA billings after an administrative review of the detailed support, and whether M/FM/CMP processes timely reimbursements to USAID. An additional objective is to determine whether M/FM/CMP processes and forwards the detailed support for DCAA billings to the appropriate personnel for administrative approval on a timely basis.

**4.2.3: Audit of the Bureau for Management, Office of Procurement Europe, Eurasia, and Regional Division (M/OP/EER) Monitoring of Enterprise Fund Financial Audits**

Audit reports containing findings and recommendations are referred to the appropriate Action Office for review and action. To ensure that the findings have been addressed, M/OP/EER should implement a monitoring system that would provide the status of open issues and recommendations and serve as a measuring guide for any additional follow-up or service.

The objective of this audit is to determine whether M/OP/EER's management system performs effective oversight to ensure that deficiencies identified during financial audits of the Enterprise Funds are corrected.

**4.2.4: Oversight of (1) OMB Circular A-133 audit program, (2) services provided to USAID by Defense Contract Audit Agency, (3) Enterprise Fund audit program, (4) audits contracted by USAID, and (5) coordination and review of audits made by independent public accounting firms for grantee recipients of USAID funding overseas**

Under the terms of OMB Circular A-133, the Support for Eastern European Democracy Act, the Federal Acquisition Regulation, and the terms of grant agreements, annual audits are required and conducted in accordance with generally accepted government auditing standards. USAID relies on nonfederal auditors to audit the operations of nonprofit grantees and USAID Enterprise Funds, and it relies on federal auditors to audit the operations of its for-profit contractors.

We conduct oversight activities to ensure that the following:

- Nonfederal auditors have assessed adequately allowability of USAID award expenditures.
- Federal audits meet USAID's needs.
- Bills are reviewed before being paid to federal auditors.
- Adequate internal control assessments have been made.
- Nonfederal auditors are familiar with the compliance auditing requirements of the Enterprise Fund programs.
- The independence of the nonfederal auditors has not been compromised in appearance or fact.

The objectives are to ensure that federal and non-federal auditors are independent, familiar with the compliance auditing requirements of

USAID's programs, and have assessed adequately the allowability of USAID award expenditures. Additional objectives include determining the adequacy of the audited entity's internal controls.

**4.2.5: Quality control reviews of audits performed by independent public accounting firms under OMB Circular A-133 and recipient-contracted audit program**

We conduct quality control reviews to ensure that nonfederal auditors are independent, familiar with the compliance auditing requirements of USAID's programs, and have assessed adequately the allowability of USAID award expenditures. Additional objectives include determining the adequacy of the audited entity's internal controls.

**4.2.6: Quality control reviews of audits performed by independent public accounting firms of USAID's Enterprise Funds**

We conduct quality control reviews to ensure that nonfederal auditors are independent, familiar with the compliance auditing requirements of USAID's programs, and have assessed adequately the allowability of USAID award expenditures. Additional objectives include determining the adequacy of the audited entity's internal controls.

**4.2.7: Audit of Accountability for Costs Incurred in Peru by U.S.-based Contractors and Grantees**

USAID/Peru, the second largest mission in the Latin America and Caribbean region, with \$147 million requested for FY 2003, implements almost half of its program through U.S. contractors and grantees. The contractors and grantees undergo DCAA cost-incurred audits or annual audits conducted pursuant to the provisions of OMB Circular A-133, but to what extent testing on costs incurred outside the United States is performed is uncertain.

This audit will determine what testing of overseas costs has been performed for USAID/Peru's U.S.-based contractors and grantees and will determine what additional measures USAID/Peru has taken to help ensure that costs incurred in Peru by U.S.-based contractors and grantees are allowable, allocable, and reasonable.

#### **4.2.8: Audit of USAID/Nigeria's Accountability of Local Costs of U.S.-Based Contractors and Grantees**

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 U.S.-based organizations have offices in West and Central Africa that implement their development programs. Although the costs incurred by these local offices are subject to the same rigorous regulations applied to U.S. costs, these local costs are not normally the focus of in-county financial audits. Missions therefore has little assurance that specific costs related to its local country's program would be reviewed during such audits. This audit will determine the degree of accountability and audit coverage being applied to the local costs of selected grantees and contractors at USAID/Nigeria and also will determine the propriety of a sample of those costs.

#### **4.2.9: Audit of USAID/Jordan's Cash-Transfer Program**

USAID/Jordan's cash transfer program involves an annual \$50 million policy-conditioned program for improving the environment for sustained economic policy reform. For economic policy reform and implementation, a number of important milestones are anticipated each year and considered conditions precedent to the disbursement of funds to the Government of

Jordan. Our audit will determine whether USAID/Jordan ensured that conditions precedent were met before releasing cash transfer funds to the Government of Jordan and whether the cash-transfer program is achieving its intended results.

#### **Performance Measures:**

- Perform quality control reviews of OMB Circular A-133 and recipient-contracted audits to ensure that audits comply with federal auditing standards.
- Provide recommendations for improving accountability over funds provided to contractors, grantees, and host governments, identifying questioned costs, and/or identifying opportunities to put funds to better use.
- Achieve management agreement and plans for corrective action or management improvement on at least 90 percent of audit recommendations within six months of report issuance.
- Follow up on a sample of recommendations resulting from OMB Circular A-133 and recipient-contracted audits that have final action to ensure that proper actions were taken.

**Objective 4.3: Provide timely, high-quality services that will promote improvements in the creation of systems and information technology (IT) infrastructures that are able to leverage capital investments, provide blueprints for IT solutions, and share data and information within USAID and with its customers.**

To contribute toward this objective, the OIG will assist USAID in achieving the following agreed-upon standards for success:

- USAID attains full compliance with the Clinger-Cohen Act of 1996.

- USAID's major systems investments comply with OMB Circular A-11 requirements.
- E-government and Government Paperwork Elimination Act (GPEA) are implemented.

The OIG plans to undertake the following audits to address objective 4.3.

#### **4.3.1: Audit of USAID's Information Technology Capital Planning in Accordance with Clinger-Cohen Act**

The Clinger-Cohen Act of 1996 requires that each government agency establish a Chief Information Officer position and vests the procurement authority of the General Services Administration 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 IT resources. It creates incentives for breaking IT acquisitions into smaller, more manageable pieces. It also mandates that agencies manage their IT as a capital investment and implement a process for maximizing the value, assessing and managing risks involved in IT investments, and monitoring progress in terms of costs, system capabilities, timeliness, and quality. This audit will determine whether USAID's process for selecting, monitoring and evaluating capital IT investments complies with legislative and OMB requirements.

#### **4.3.2: Audit of USAID's Plans for Using E-Commerce Solutions to Implement the Government Paperwork Elimination Act**

GPEA requires federal agencies to allow individuals or entities that deal with the agencies the option to submit information or transact with the agency electronically, when practical, and to maintain records electronically, when practical. The actions

required to implement this objective are supposed to be completed by October 21, 2003. USAID can better realize the benefits of the Internet by building collaborative electronic communities, known as "e-marketplaces." These communities can be established with the acquisition and implementation of e-commerce software solutions. A viable USAID marketplace would enable the agency to integrate its supply chains and gain efficiencies in procuring goods and services while strengthening the Agency and its supplier relationships. The primary objective of this audit is to determine whether USAID's Office of Information Resources Management adequately planned to integrate e-commerce software solutions into the Agency's systems architecture.

#### **4.3.3: Audit of USAID Information System's Contractor, Prime and Subcontractor Performance Standards**

The GSA's Federal Simulation Center awarded a task order to Computer Services Corporation (CSC) in May 1998 to support 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 and a total estimated cost of \$54.3 million. Annual costs incurred under this contract were estimated at about \$15 million. The CSC task was to consolidate 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 performed primarily on a cost-plus-fixed-fee basis. This audit will determine whether USAID's Office of Information Resources Management designed appropriate contract performance objectives and quality standards for contract deliverables to permit effective performance monitoring.

#### **4.3.4: Audit of the Professional Document System (PRODOC) Implementation in the LAC Region**

PRODOC is designed to automate several steps in the contracting process and encourage consistency in procedure and in drafting of contract documents. This audit will determine the PRODOC workflow for major functions, identify any problems that have been encountered by PRODOC users in the LAC Region, and determine what actions have been taken by missions and Information Resources Management officials to correct the problems.

#### **Performance Measures**

- Provide recommendations that will enhance information systems development, identify questioned costs, and/or identify opportunities to put funds to better use.
- Achieve management agreement and plans for corrective action or management improvement on at least 90 percent of audit recommendations within six months of report issuance.
- Follow up on a sample of previous recommendations to ensure that they have been implemented effectively.

**Objective 4.4: Provide timely, high-quality services that will contribute to the development, promotion, and monitoring of security awareness and processes to protect USAID's critical information systems from loss, misuse, or unauthorized access or modification.**

The OIG will accomplish this objective by assisting USAID to achieve agreed-upon standards for success for full compliance with the following federal requirements for the security of USAID's information systems:

- Government Information Security Reform provisions included in the FY 2001 Defense Authorization Act
- Computer Security Act of 1987
- OMB Circular A-130, Appendix III.

The OIG plans to undertake the following audits to address objective 4.4.

#### **4.4.1: Audit of USAID's Information Systems' General and Application Controls and Compliance with the Government Information Security Reform Provisions of Public Law 106-398 (GISR)**

The Government Management Reform Act (GMRA) of 1994 requires that the USAID prepare and submit audited consolidated financial statements for inclusion in the U.S. government wide financial statements. This law and applicable auditing standards require the OIG, among other things, to report on related internal controls. In addition, OMB Bulletin No. 01-02, "Audit Requirements for Federal Financial Statements," October 16, 2000, requires auditors to obtain an understanding of the components of internal controls and assess the level of control risk relevant to the assertions embodied in the classes of transactions, account balances, and disclosure components of the financial statements. On October 30, 2000, the President signed into law the FY 2001 Defense Authorization Act (P.L. 106-398), which included provisions for reforming government information security. The provisions seek to improve program management and evaluation of agencies' security efforts for unclassified and national security systems, requiring, among other things, annual agency reviews and annual OIG or independent evaluations. USAID relies on computerized information systems to process financial statement data. It is therefore critical for USAID to maintain adequate internal

controls over the systems that support its financial statements. In FY 2000 and FY 2001, our audits found that USAID did not have effective general controls over financial systems that operate in the client-server and UNIX computer environments. This audit will determine whether (1) USAID's general controls over its financial management systems are effective, (2) USAID's application controls over its financial management systems are effective, and (3) USAID has implemented a security program and practices that meet the Government Information Security Reform provisions of Public Law 106-398 (GISR).

OIG regional audit offices in Europe and Eurasia, Latin America, and Asia and the Near East will participate in this audit.

#### **4.4.2: Audit of USAID's Compliance with the Federal Financial Management Improvement Act of 1996**

The Federal Financial Management Improvement Act of 1996 (FFMIA) requires that each agency implement and maintain financial management systems that comply with the requirements of federal financial management systems, including OMB Circular A-127. That OMB circular requires agencies to implement a single, integrated financial management system, which includes a unified set of financial systems and the financial parts of mixed systems (systems that support both financial and nonfinancial activities). During FY 2001, USAID initiated several measures for improving its financial management systems. This audit will determine whether USAID has implemented and maintained financial management systems that substantially comply with FFMIA requirements.

#### **4.4.3: Information System General Controls-USAID/Regional Service Center Budapest**

This audit is part of a worldwide audit of USAID's information systems' general and

application controls and compliance with the Government Information Security Reform provisions of Public Law 106-398, led by the OIG's Washington audit office. See 4.4.1 above.

#### **4.4.4: Audit of USAID/Egypt's Information System Computer Controls**

This audit is part of a worldwide audit of USAID's information systems' general and application controls and compliance with the Government Information Security Reform provisions of Public Law 106-398, led by the OIG's Washington audit office. See 4.4.1 above.

#### **4.4.5: Audit of USAID/El Salvador's Computer Security over its Information Systems**

This audit is part of a worldwide audit of USAID's information systems' general and application controls and compliance with the Government Information Security Reform provisions of Public Law 106-398, led by the OIG's Washington audit office. See 4.4.1 above.

#### **4.4.6 Audit of USAID/Nicaragua's Computer Security over its Information Systems**

This audit will determine whether USAID/Nicaragua's information systems were protected by the following general controls (1) entitywide security program planning and management, (2) access controls, (3) application software development and change controls, (4) system software, (5) segregation of duties, and (6) service continuity.

#### **4.4.7: Audit of USAID/Philippines' Computer Controls over its Information Systems**

This audit will determine whether USAID/Philippines' information systems were protected by the following general controls (1)

entitywide security program planning and management,  
 (2) access controls, (3) application software development and change controls,  
 (4) system software, (5) segregation of duties, and (6) service continuity.

**Performance Measures**

- Conduct audits of information security.
- Provide recommendations for improving information security, identifying questioned costs, and/or identifying opportunities to put funds to better use.
- Achieve management agreement and plans for corrective action or management improvement on at least 90 percent of audit recommendations within six months of report issuance.
- Follow up on a sample of previous recommendations to ensure that they have been implemented effectively.

**Strategic Goal 5: Preserve and protect USAID program and employee integrity.**

**Objective 5.1: Investigate allegations of fraud, waste, or abuse in the programs and operations of USAID.**

To contribute to this objective, the OIG will assist USAID in achieving the following agreed-upon standards for success:

- USAID maintains the highest possible level of program integrity.
- USAID reduces fraud and corruption in major programs and operations.

The OIG plans to assist USAID in achieving these standards through the following activities in FY 2003.

**5.1.1: Investigate allegations of fraud, waste and abuse in USAID programs and operations**

OIG/I will investigate all allegations of fraud, waste or abuse received from USAID personnel, OIG/A, contractors, grantees, the Hotline or other sources. OIG/I will refer actions to OIG/A, as considered appropriate, and continue to conduct joint activities when appropriate. As warranted, investigations will be presented to the appropriate United States Attorney for criminal and/or civil action(s).

**5.1.2: Prioritize cases involving major fraud**

OIG/I will continue to emphasize program integrity cases and prioritize cases involving major fraud in the programs and operations of USAID, ADF, and IAF. Major fraud investigations are the investigations involving large dollar amounts of losses by USAID, ADF, and IAF.

**5.1.3: Measure and report the results of OIG/Investigations**

OIG/I will report the number of referrals and allegations received, the number of investigations conducted, and the number of criminal, civil, and administrative actions. The appropriate members of Congress and the Executive Branch will be briefed thoroughly on all major investigations and their outcomes.

**Performance Measures**

- Measure the number of allegations investigated by OIG/I.
- Measure the number of criminal, civil, and administrative actions.

**Objective 5.2: Prevent fraud, waste and abuse in USAID programs**

To contribute toward this objective, the OIG will assist USAID in achieving the following agreed-upon standards for success:



- USAID proactively prevents fraud in its programs and operations.
- USAID corrects identified systemic problems.
- USAID is able to identify potential threats to and vulnerabilities of programs and operations before major problems develop.
- USAID employees, contractors, grantees, and others are aware of procedures for reporting fraud, waste, or abuse.

The OIG plans to assist USAID in achieving these standards through the following activities in FY 2003.

#### **5.2.1: Risk Assessment of USAID/Mexico**

This assessment, not an audit, will address risks associated with the major activities carried out by USAID/Mexico, a USAID mission with two U.S. direct hires that expects to obligate \$30 million in FY 2003. In collaboration with mission staff, the assessment will attempt to identify the significant risks facing the Mission's administrative and program operations. This assessment may result in suggestions (but not formal recommendations) to Mission management concerning areas where they might concentrate efforts to reduce risk and may identify areas of future audit interest to the OIG.

#### **5.2.2: Risk Assessment of USAID/Brazil**

This assessment, not an audit, will address risks associated with the major activities carried out by USAID/Brazil. In collaboration with Mission staff, the assessment will attempt to identify the significant risks facing the Mission's administrative and program operations. This assessment may result in suggestions (but not formal recommendations) to Mission management concerning areas

where they might concentrate efforts to reduce risk and may identify areas of future audit interest to the OIG.

#### **5.2.3: Risk Assessment of USAID/Serbia**

Between FY 2000 and FY 2003, USAID will fund approximately \$428 million for development assistance to Serbia. Formerly managed out of Budapest, Hungary, Serbia was given an in-country presence by USAID with the opening of a mission in Belgrade in 2001. This risk assessment will determine whether USAID/Serbia has established adequate systems for properly managing its development programs.

#### **5.2.4: Conduct briefings on fraud awareness**

OIG/I will continue its fraud awareness program by providing fraud awareness training to USAID employees, contractors, and grantees. OIG/I also will offer support and advice to USAID, ADF, and IAF on proactive law enforcement and antifraud strategies through meetings, presentations, conferences, and other forums. OIG/I will continue to develop and widely disseminate pamphlets, handbooks, literature, videotapes, and CDs about fraud to USAID and its partners. OIG/I will continue providing joint audit and investigative training programs whenever possible.

#### **5.2.5: Recommend systemic improvements**

OIG/I will make recommendations for systemic improvements if weaknesses are uncovered in Agency programs or operations and work with the Agency to correct the problems.

#### **5.2.6: Emphasize the Hotline**

OIG/I will continue to emphasize the Hotline as a tool for reporting fraud, waste, and abuse in fraud awareness presentations and other forums. OIG/I believes that the Hotline is both an

effective medium for receiving allegations and an active deterrent against fraud.

### Performance Measures

- Conduct fraud awareness training sessions, briefings, or presentations annually.
- Record the number of recipients of fraud awareness training and identify their responsibility for USAID programs.
- Promote the Hotline through OIG publications, Internet publications, and Agencywide exposure.

### **Objective 5.3: Preserve USAID employee integrity by investigating and concluding employee-integrity investigations efficiently and expeditiously.**

To contribute to this objective, the OIG will assist USAID in achieving the following agreed-upon standards for success:

- USAID maintains the highest possible level of personnel integrity.
- USAID has an expeditious process for investigating and resolving personnel integrity issues

The OIG plans to assist USAID in achieving these standards through the following activities in FY 2003.

#### **5.3.1: Investigate allegations of USAID personnel misconduct**

OIG/I will investigate all allegations of personnel misconduct received from USAID personnel, contractors, grantees, the Hotline, and other sources in an objective and professional manner. Evidence of wrongdoing by any employee will be reported to the appropriate U.S. Attorney for criminal

prosecution and/or to USAID officials for administrative action.

#### **5.3.2: Investigate and conclude employee investigations expeditiously**

OIG/I recognizes the effect that employee investigations have on USAID programs and operations. OIG/I will complete employee integrity investigations within 120 days of receipt of an allegation.

#### **Performance Measure**

- Complete all employee integrity investigations referred to OIG within 120 days of receipt of the allegation.

### **General Strategy for ADF and IAF**

The African Development Foundation (ADF) began field operations in 1984 and provides grants directly to community groups in Africa. Its budget in FY 2001 was approximately \$16 million. The Inter-American Foundation (IAF) was established in 1969. With a budget of about \$13 million in FY 2002, it provides development grants directly to local organizations in Latin America and the Caribbean. Both foundations are U. S. Government corporations. The OIG assumed audit and investigative oversight of the foundations in 1999.

The OIG is developing a comprehensive strategy for maintaining effective oversight of foundation operations into the foreseeable future. The cornerstone of the strategy lies in the OIG's annual audit of each foundation's organizationwide financial statements. The audits will help to identify areas for more in-depth audits and investigations as circumstances warrant. The OIG also will review the foundations' implementation of their financial audit program over their grantees.

Performance audits also will play an integral role in maintaining foundation accountability.

After initially identifying relevant management controls at both organizations, the OIG plans to perform risk assessments of selected foundation operations. Such operations could include, for example, foundation procurement and human capital management. The assessments will help identify potential program and operational vulnerabilities that will become the subject of OIG performance audits. The scheduling of resulting performance audits will depend on both the gravity of a particular vulnerability and the availability of OIG audit resources. Further, the OIG has disseminated information to the foundations and conducted employee briefings on the OIG Hotline. Foundation employees and others can contact the OIG Hotline or OIG investigators to report their accountability concerns. Finally, the OIG will, at all times, remain responsive to congressional concerns about the foundations' operations.

#### **4.1.8: Audit of ADF's Consolidated Financial Statements, Internal Controls, and Compliance for FY 2003**

In accordance with the requirements of the Chief Financial Officers Act of 1990, the OIG will oversee the audit of ADF's FY 2003 financial statements.

Our audit objectives are to determine whether ADF's principal financial statements are presented fair in all material respects and conform to generally accepted accounting principles. We also will obtain an understanding of ADF's internal control structure and its effectiveness. In addition, we will perform tests of compliance with laws and regulations that could have a direct and material effect on the specified elements, accounts, or items of the financial statements and with any other applicable laws, regulation, and governmentwide policies.

#### **4.1.9: Audit of IAF's Consolidated Financial Statements, Internal Controls, and Compliance for FY 2003**

In accordance with the requirements of the Chief Financial Officers Act of 1990, the OIG will oversee the audit of IAF FY 2003 financial statements.

Our audit objectives are to determine whether IAF's principal financial statements are presented fairly in all material respects and conform to generally accepted accounting principles. We also will obtain an understanding of IAF's internal control structure and its effectiveness. In addition, we will perform tests of compliance with laws and regulations that could have a direct and material effect on the specified elements, accounts, or items of the financial statements and with any other applicable laws, regulations, and governmentwide policies.

### **Crosscutting Functions**

An important element in carrying out our audit and investigative work is our collaboration with other organizations.

We consult other organizations to consider the work they have performed, seek opportunities for joint work, and obtain additional information that will have an affect on our planning.

### **External Consultations**

#### *The General Accounting Office*

The IG Act requires coordination with the GAO to prevent duplication and ensure effective coordination and cooperation. The OIG has assigned a liaison to serve as the principal contact with the GAO. The liaison is responsible for keeping the OIG advised on GAO's relevant audit work and reports, which are used for OIG planning. Consultation and coordination are undertaken in planning annual audits.

### *Defense Contract Audit Agency*

The DCAA performs audits, reviews, and preaward surveys as requested by the Agency. The OIG funds these efforts and works with DCAA and USAID to ensure that the work meets USAID's needs.

### *State Department*

The State Department is responsible for the development of a strategic plan for international affairs agencies of the U.S. Government. Beginning with the year 2000, USAID aligned its strategic plan within this framework. Overseas planning and coordination among foreign affairs agencies have increased with the preparation of a "Mission Performance Plan" that reflects the national interests set forth in *U.S. Strategic Plan of International Affairs*.

The inspectors general of USAID and the State Department, along with their senior staffs, meet quarterly to discuss issues of mutual interest in the foreign affairs environment. In the last year, discussions have been under way to explore areas where joint audit work might be performed.

### *Other Agencies*

Several other federal agencies have interests and activities in the foreign affairs community. For example, the Department of Agriculture obtains food commodities for USAID's P.L. 480 food distribution programs and manages USAID's payroll activities. The Department of Health and Human Services, the Federal Emergency Management Agency, the Environmental Protection Agency, and others, including the Department of State, receive funds through USAID to help manage foreign assistance and disaster assistance activities. We coordinate with each agency's OIGs in planning and carrying out our annual audits and investigations.

## **Factors Affecting OIG Audit and Investigative Activities**

The OIG faces several factors, some of which are beyond its control, that could affect its ability to achieve its goals and objectives. For example, the OIG has no implementation authority and only makes recommendations to USAID on the basis of audit and investigative findings. USAID is not obligated to accept any of the OIG's recommendations. The OIG's recommendations, along with USAID's responses, are included in OIG audit reports and summarized in the semiannual report to Congress. In addition, factors both internal and external to USAID affect the OIG's ability to accomplish its work.

## **USAID's Internal Environment**

The high-risk environment of USAID's internal operations has been documented by the OIG in audit reports and by the GAO in its recent High Risk series (GAO-01-263, High Risk Series). USAID has made progress but still does not have accurate and reliable performance data and integrated information management systems. The financial accounting system does not fully meet government standards.

Human capital issues have not been addressed successfully despite long-standing recognition of the problem. For example, the staffing challenges that USAID faces make it difficult for the Agency's procurement workforce to maintain the appropriate levels of contract administration for ensuring the continuation of sound business practices. As a result, USAID could be vulnerable to higher contract costs, delays in contract awards, an increased number of bid protests, and costly contract modifications and revisions.

USAID continues to have problems developing performance measurements and reporting systems that meet internal and external reporting requirements, including the requirements of the

Government Performance and Results Act of 1993.

These internal USAID factors pose significant challenges in our audit and investigative work. Because of the inability to rely on USAID's information systems, for example, our auditors must increase the amount of testing required for our audits, thereby increasing the cost and time required for audits.

## **USAID's High-Risk External Environment**

USAID operates in more than 100 countries. The working environment is complex, given the differences in language, law, and standards of accountability. Further, both Congress and the Administration set the priorities for USAID's overseas activity.

Besides the inherent difficulties in operating in an overseas environment, USAID is faced with implementing programs in countries susceptible to corruption. According to the World Bank, corruption—the abuse of public office for private gain—is a global problem that exists in varying degrees. Transparency International publishes its corruption-perception index, rating countries surveyed on a scale from 10 (least corrupt) to 0 (highly corrupt). Of 91 countries rated for 2001, 55 were perceived as being corrupt, after receiving a rating below 5. USAID has been providing assistance to 45 of the countries.

In carrying out its audits and investigations, OIG staff must be aware of these vulnerabilities and factor the high-risk environment into designing audit and investigative strategies.

## **Congressional and Stakeholder Consultations**

Understanding the views of our customers and ensuring that those views are addressed in conducting our work is vital to the overall success of OIG operations. Traditionally, we have worked

with both USAID and Congress in soliciting comments on our planned work. Managers in our audit and investigations offices hold discussions with USAID managers and congressional staff members when developing the OIG annual plan. The discussions have helped us to focus our limited resources on issues of greatest agency, congressional, and taxpayer concern. In preparing this plan, we also held meetings with the OIG at the Department of State to discuss the issues related to the Foreign Affairs Strategic Plan. The information gained from the meetings was used to update the description of our environment. Meetings also have been held with management of both ADF and IAF.

To facilitate exchanges between the OIG staff and the customers for our work, the OIG held a week-long planning conference. The conference was designed to involve participation by all the units within the OIG and gave representatives from both headquarters and field offices an opportunity to meet and discuss issues that affect audits and investigations.

Professional staff from key Hill appropriations and authorizing committees participated, as did officials from the Department of State and the GAO. Management officials from USAID bureaus discussed their programs and vulnerabilities and where the OIG already is of assistance or could be in the future. The Vice Chair of the President's Council on Integrity and Efficiency addressed issues of common interest among offices of inspectors general. Senior officials of ADF and IAF also presented information on risk, vulnerabilities, and audit and investigation activities.

## Standards for Success

The OIG developed standards for success for each of the objectives set forth in the OIG's strategic plan as well as in the FY 2003 annual plan. What constitutes success generally derives from such sources as OMB circulars, legislation (GPRA, GMRA, FFMIA, etc.), USAID policy documents and notices, and USAID administration priorities. The standards for success were developed with the intent that, by meeting the standards, USAID would be on a solid track to addressing its major challenges and the OIG will thereby have accomplished its objectives.

A key to making the standard for success meaningful is that USAID "buys into them." The OIG considered it essential that USAID and the OIG agree that the standards are relevant and attainable. To accomplish the necessary buy-in, we met with the Administrator and Deputy Administrator as well as with the Assistant and Deputy Assistant Administrators, Office Directors, and other USAID individuals identified as having an interest in meeting the standards. As a result of those meetings, USAID and the OIG are in substantial agreement that the standards for success, as presented in this annual plan, are relevant to USAID's success and are attainable by USAID. The audits and investigative activities planned for FY 2003 are designed to assist USAID in attaining the standards for success. We also held meetings with officials from OMB and with congressional staff on the standards for success and received positive input to the process.

Our standards for success are in concert with the Management Reform Agenda launched by the President in August of 2001 to "address the most apparent deficiencies where the opportunity to improve performance is the greatest."<sup>2</sup> Five areas were identified: Strategic Management of Human Capital, Expanded Electronic Government, Competitive Sourcing, Improved Financial

Performance, and Budget and Performance Integration. Working with the President's Management Council, OMB developed standards for success in each of these five initiatives.

The OIG's strategic goals, objectives, and standards for success are attached to this annual plan as Appendix A. Also included as Appendix B is the list of planned audit activities for FY 2003 organized by geographic bureau within USAID, followed by Appendix C audit activities for ADF and IAF.

<sup>2</sup> October 30, 2001 OMB Memorandum to the Heads of Executive Departments and Agencies – Subject: Implementation of the President's Management Agenda and Presentation of the FY 2003 Budget Request

**APPENDIX A**  
**STANDARDS FOR SUCCESS**

**Strategic Goal 1: Keep the Administrator and Congress fully and currently informed of the status of USAID’s administration and operations and the need for and progress of corrective actions.**

**Objective 1.1: Provide timely reports and briefings to the Administrator and Congress on the major challenges identified by audits and investigations.**

This is an internal OIG goal that reflects continuous OIG activities. Accordingly, specific audits and investigations are not identified in this goal.

**Strategic Goal 2: Promote improvements in the way that USAID manages for results.**

**Objective 2.1: Provide timely, high-quality services that contribute to improvements in USAID’s processes for planning, monitoring, and reporting on program activities and integrating performance information into budget decision-making.**

Standards for Success	Planned OIG Services	Performing Organization	Projected Fiscal Year
<p>USAID has a process of strategic planning, program execution, and reporting that includes the following:</p> <ul style="list-style-type: none"> <li>• A new strategic plan every three years setting out a course of action and accomplishments covering a period of at least five years</li> <li>• An annual performance plan that sets annual goals with measurable target levels of performance</li> <li>• An annual performance report that compares actual performance to the annual goals.</li> </ul> <p>[GPRA, OMB A-11]</p>	<p>Audit of USAID’s 2003-2008 Strategic Plan</p> <p>Audit of USAID’s Efforts to Meet the Requirements of the Government Performance and Results Act (GPRA)<sup>3</sup></p>	<p>IG/A</p> <p>IG/A</p>	<p>04</p> <p>04</p>

<sup>3</sup> Through these GPRA audits, OIG maintains continuous audit oversight of USAID’s planning, monitoring, and reporting systems for program performance.



<p>"Management's Discussion and Analysis," (MD&amp;A) part of USAID's annual financial statements contains meaningful performance information addressing the extent to which programs are achieving their intended objectives.</p> <p>[OMB Bulletin Nos. 97-01, 01-02]</p>	<p>Review of Management's Discussion and Analysis Section in USAID's Consolidated Financial Statements<sup>4</sup></p>	<p>IG/A</p>	<p>Annual</p>
<p>USAID systematically applies performance data to budget decisions and can demonstrate how program results inform budget decisions. Budget processes are efficient and enhance operational efficiency.</p> <p>[OMB Scorecard]</p>	<p>Audit of USAID's Budget Preparation Processes</p>	<p>IG/A</p>	<p>04</p>
<p>USAID-funded food aid is provided to intended beneficiaries, and USAID accurately tracks and reports on this aid.</p> <p>[OMB Scorecard, Administration priority]</p>	<p>Survey/Pilot for Worldwide Audit of USAID's Distribution of P.L. 480 Title II Nonemergency Assistance in Support of its Direct Feeding Program Delivery Systems</p> <p>Capping Report for Worldwide Audit of USAID's Distribution of P.L. 480 Title II Non-Emergency Assistance in Support of its Direct Feeding Program Delivery Systems (Participating audits to be done in Latin American and the Caribbean and Africa.)</p> <p>Audit of USAID's Management of P.L. 480 Title II Non-Emergency Monetization Programs</p> <p>Audit of USAID's Management of P. L. 480 Title II Emergency Assistance Program</p> <p>Audit of USAID's Procurement of Freight Services under P.L.</p>	<p>IG/A</p> <p>IG/A</p> <p>IG/A</p> <p>IG/A</p>	<p>03</p> <p>03</p> <p>04</p> <p>05</p> <p>06</p>

<sup>4</sup> The OIG reviews and reports on internal controls related to the MD&A as part of its annual audit of USAID's financial statements.

	480 Title II Program  Review of referrals from IG/A  Conduct of proactive investigative analysis of commodity purchases and contract-bidding procedures  Provide fraud awareness training to food aid sponsors and other program participants	IG/I  IG/I  IG/I	As needed  As needed  As needed
Training is provided in a cost-effective manner to USAID-funded participants, who use their increased skills in their country of origin.  [Administration priority]	Capping Report for Worldwide Audit of USAID's Participant Training Activities (Participating audits to be done in Africa, LAC, Europe and Eurasia, and Asia and the Near East.)	IG/A	03
USAID can adequately monitor and report on activities not covered by a country strategy.  [Administration priority]	Audit of Closed Audit Recommendation Related to USAID's Nonpresence-Country Database	IG/A	03
USAID has a performance-measurement process that verifies and validates the reliability of data in the Annual Reports of individual operating units.  [GPRA, USAID notice dated 12/5/01]	Survey of the USAID West Africa Regional Program (WARP)  Audit of the Sustainability of USAID-Financed Utility Infrastructure Activities in Egypt  Audit of USAID's Operating Units Performance Monitoring for Indicators Appearing in Their Annual Reports	IG/A  IG/A  IG/A	03  03  04
USAID provides quick, reliable, and economic program and administrative services to field missions.  [Administration priority]	Audit of USAID/Washington Acquisitions of Supplies and Materials  Audit of USAID Field Support Mechanisms to Provide Staff Assistance, Commodities and Technical Services to Overseas Operating Units	IG/A  IG/A	03  04

<p>USAID ensures the security of its employees and implementing partners.</p> <p>[Administration priority]</p>	Audit of USAID Office of Security Warehouse Operations	IG/A	03
	Audit of USAID’s Office of Security	IG/A	04
<p>USAID implements effective and accountable programs that facilitate conflict resolution and transition to and consolidation of democracy.</p> <p>[Administration priority]</p>	Audit of USAID/Russia’s Democracy Program	IG/A	03
	Audit of USAID/Peru’s and USAID/Ecuador’s Border Region Development Programs	IG/A	03
	Audit of USAID-Financed Democracy and Governance Activities in Egypt	IG/A	03
	Risk Assessment of USAID’s Office of Transition Initiatives	IG/A IG/I	05
	Audit of USAID’s Rule of Law Activities	IG/A	07
<p>USAID reduces the HIV transmission rate and the effect of HIV/AIDS on developing countries.</p> <p>[Administration priority]</p>	Audit of Selected HIV/AIDS Activities	IG/A	05
	Review of referrals from IG/A	IG/I	As needed
	Conduct of proactive investigative analysis of commodity purchases and contract-bidding procedures	IG/I	As needed
	Provide fraud awareness training to contractor and grantee employees	IG/I	As needed
<p>USAID ensures that child survival and health funds are used in accordance with federal laws and achieve desired results.</p>	Audit of USAID/Paraguay’s Family Planning Program	IG/A	03
	Audit of USAID/Benin’s Health Program	IG/A	03
	Audit of Child Survival and Health Activities	IG/A	05

USAID maintains appropriate controls over global development alliances to ensure accountability for USAID funds and achieve desired results.  [Administration priority]	Audit of Global Development Alliance Agreements and Activities	IG/A	06
USAID basic education programs result in increased literacy.  [Administration priority]	Audit of Basic Education Activities	IG/A	06
USAID-sponsored agricultural business programs result in increased production and increased incomes.  [Administration priority]	TBD	IG/A	07
USAID assists disaster-prone nations to prepare for emergencies.  [Administration priority]	Audit of Mission Disaster Relief Plans	IG/A	03
	Audit of USAID’s Emergency Preparedness Efforts	IG/A	07
USAID provides rapid, appropriate responses to requests for disaster assistance.  [Administration priority]	Audit of Maintenance of Roads and Bridges Constructed in Honduras by USAID Under the Emergency Roads and Bridges Construction Project (RECAP)	IG/A	03
	Audit of USAID’s Emergency Response Efforts	IG/A	07

<b>Strategic Goal 2: Promote improvements in the way that USAID manages for results.</b>			
<b>Objective 2.2: Provide timely, high-quality services that contribute to improvements in USAID’s processes for awarding and administering contracts and grants.</b>			
<b>Standards for Success</b>	<b>Planned OIG Services</b>	<b>Performing Organization</b>	<b>Projected Fiscal Year</b>
Cognizant Technical Officers (CTO’s) are effective participants in the procurement process.  [OFPP Best Practices USAID Performance Goal 3.2.1]	Capping Report for Worldwide Audit of the Training, Use, and Accountability of Cognizant Technical Officers (Participating audits to be done in LAC, E&E, Africa, and ANE.)	IG/A	03
	Provide fraud awareness briefings for CTOs.	IG/I	As needed
USAID’s management of service	Audit of USAID’s Service	IG/A	03

contracts improves USAID operations and programs.  [OFPP Policy Letter 93-1]	Contracts (to determine whether service contracts accomplish intended purposes, are cost-effective, and preclude contractors from performing inherently governmental functions)		(carryover from 02)
USAID employs procedures to use performance-based contracting where applicable to achieve or exceed OMB targeted goals.  [OFPP Policy Letter 91-2 USAID Performance Goal 3.1.2]	Audit of USAID's Solicitation and Award Process (to determine if acquisition teams translate requirements into essential outputs, explain outputs in precise terms so that results are measurable, and implement published best practices)	IG/A	04
USAID ensures consistent application of Acquisitions and Assistance procurement policies and procedures.  [OFPP]	Audit of USAID-wide Application of Targeted Acquisitions and Assistance Models	IG/A	04
USAID ensures increased competitiveness and access to procurement opportunities for U.S. small businesses.  [OFPP]	Audit of Small and Disadvantaged Business Utilization Practices	IG/A	04
USAID adopts practices that enable it to manage its procurement workload efficiently.  [USAID Performance Goal 3.1.1]	Audit of USAID's Use of GovWorks	IG/A	05
	Audit of USAID's Processes for Procurement Planning	IG/A	05
USAID's internal evaluations of its contracting systems are sufficient and complete to ensure accurate reporting of system compliance and integrity.	Audit of USAID's Procurement Evaluation Program	IG/A	06

<p>USAID identifies and implements applications for on-line procurement.</p> <p>[OFPP OMB Scorecard USAID Performance Goal 3.1.3]</p>	<p>Audit the Solicitation, Award, and Payment Processes (to determine if USAID is maximizing electronic means for receiving and disseminating procurement information)</p>	IG/A	06
	<p>Audit of USAID’s Processes for Collecting, Updating, and Using Procurement Data (to determine if data are used effectively across procurement functions to minimize redundant requests)</p>	IG/A	07
<p>USAID ensures that contractors and grantees meet applicable integrity standards.</p>	<p>Audit of USAID/Haiti’s Executive Office Operations</p>	IG/A	03
	<p>Inclusion of work steps in all audit programs to help identify potential fraud.</p>	IG/A	Ongoing
	<p>Provide fraud awareness training to USAID employees, contractors, and grantees</p>	IG/I	As needed

<b>Strategic Goal 2: Promote improvements in the way that USAID manages for results.</b>			
<b>Objective 2.3: Provide timely, high-quality services that contribute to better management of USAID activities that address significant, often unplanned, conditions or engender intense congressional interest.</b>			
<b>Standards for Success</b>	<b>Planned OIG Services</b>	<b>Performing Organization</b>	<b>Projected Fiscal Year</b>
<p>USAID achieves effective use of, and accountability for, resources in implementing humanitarian and relief programs as well as other emergency and unforeseen activities.</p> <p>USAID achieves efficient and economic delivery of desired results in executing significant, unforeseen activities.</p> <p>[OMB October 30, 2001 Memorandum and Presidents Management Agenda]</p>	Vulnerability Assessment of USAID’s Programs in Afghanistan	IG/A	03
	Vulnerability Assessment of USAID’s Programs in Pakistan	IG/A	03
	Concurrent Audits of Disaster Assistance	IG/A	03
	Quick-response audits for addressing: (1) congressional and management requests and (2) allegations of fraud, waste, abuse and mismanagement	IG/A	03
	Audits and investigations of emergency and humanitarian relief efforts in Afghanistan, which may include concurrent audits of financial and performance operations	IG/A IG/I	As needed
	Audits and investigations of Pakistan humanitarian relief programs, which may include concurrent audits of financial and performance operations		As needed
	Audits and investigations of disasters and humanitarian relief efforts in Africa, Asia, Latin America and Europe/Eurasia		As needed

	Audits and investigations to address special issues related to USAID’s Global Development Alliance		As needed
	Audits and investigations for addressing special USAID requests		As needed
	Audits and investigations for addressing special congressional requests		As needed

<b>Strategic Goal 3: Promote improvements in the way USAID manages its human capital.</b>			
<b>Objective 3.1: Provide timely, high-quality services that contribute to the acquisition and development of a workforce whose number, skills, and deployment meet Agency needs; strategies for succession planning and leadership continuity; and strategies that integrate workforce planning into the Agency's budget and strategic plans.</b>			
<b>Standards for Success</b>	<b>Planned OIG Services</b>	<b>Performing Organization</b>	<b>Projected Fiscal Year</b>
No skill gaps or deficiencies exist in mission-critical positions.  [OMB-Management Initiative USAID-Performance Goal 2.1 OPM Scorecard/Strategic Competency Goal]	Audit of USAID Staffing Practices	IG/A	03
	Audit of the Latin American and Caribbean Bureau’s Regionalization Efforts	IG/A	03
	Audit of USAID’s Use of the Non-direct Hire Workforce to Help Carryout the Agency’s Missions	IG/A	04
Human capital strategy is consistent with OPM’s human capital scorecard.  [OMB-Management Initiative OPM Scorecard]	Audit of USAID’s Human Capital Strategy	IG/A	03
Human capital strategy is integrated into the budget and strategic plans.  [OMB-Management Initiative OPM Scorecard / Strategic Alignment Goal]	Audit of USAID’s Incorporation of Human Capital Strategy into the Budget and Planning Process	IG/A	04
USAID strategically uses existing	Audit of USAID’s Use of	IG/A	05



<p>personnel flexibilities, tools, and technology.</p> <p>[OMB-Management Initiative OPM Scorecard]</p>	<p>Existing Personnel Flexibilities</p> <p>Audit of USAID’s Use of Personnel Flexibilities and Existing Tools and Technology to Manage Human Capital</p>	IG/A	05
<p>USAID implements effective succession plans.</p> <p>[OMB-Management Initiative OPM Scorecard / Leadership Goal]</p>	<p>Audit of USAID’s Succession Planning for Top Leadership and Management Positions</p>	IG/A	05
<p>USAID sustains a high-performing workforce that is continually improving in productivity.</p> <p>[OMB-Management Initiative OPM Scorecard / Leadership and Performance Culture Goals]</p>	<p>Audit of USAID’s Programs to Improve Employee Performance</p>	IG/A	05
<p>Human capital strategy complies with standards for internal accountability systems to ensure effective merit-based human resource management.</p> <p>[OMB-Management Initiative Executive Order 13197]</p>	<p>Audit of USAID’s Human Capital Strategy for Compliance with Standards for Internal Accountability Systems</p>	IG/A	07
<p>USAID employees maintain high standards of honesty and integrity.</p> <p>[OPM Scorecard / Leadership Goal]</p>	<p>Inclusion of work steps in all human capital audit programs to help identify fraud.</p> <p>Provide fraud awareness briefings to USAID employees and personnel services contractors.</p>	<p>IG/A</p> <p>IG/I</p>	<p>Ongoing</p> <p>As needed</p>

<p><b>Strategic Goal 4: Promote improvements in USAID’s accounting for and reporting on financial and program activities and in protecting information</b></p>			
<p><b>Objective 4.1: Provide timely, high-quality services that assist USAID in improving its financial systems that contribute to preparation of reliable and useful information that managers can use to manage the agency.</b></p>			
<p><b>Standards for Success</b></p>	<p><b>Planned OIG Services</b></p>	<p><b>Performing Organization</b></p>	<p><b>Projected Fiscal Year</b></p>
<p>USAID has financial management systems that substantially meet</p>	<p>Audit of USAID’s Consolidated Financial Statements</p>	<p>IG/A</p>	<p>Annual</p>

<p>federal financial management system requirements and applicable accounting standards. This includes a financial management system that does the following:</p> <ol style="list-style-type: none"> <li>1. Complies with the Joint Financial Management Improvement Program.</li> <li>2. Processes transactions in accordance with the Standard General Ledger.</li> <li>3. Complies with federal accounting standards.</li> </ol> <p>[Government Management Reform Act of 1994] [OMB Scorecard] [Federal Financial Management Improvement Act]</p>	<p>(Government Management Reform Act Audit) – During FY 2003, participating GMRA audits to be done in LAC, E&amp;E, and ANE.</p>		
<p>USAID provides accurate and timely interim financial information.</p> <p>[OMB Bulletin 01-09]</p>	<p>GMRA Audit</p> <p>Audit of the National Finance Center Controls over USAID Direct-Hire Employee Salary Payments</p>	<p>IG/A</p> <p>IG/A</p>	<p>Annual</p> <p>03</p>
<p>USAID has integrated financial and performance management systems supporting day-to-day operations for both Washington and overseas accounting stations.</p> <p>[OMB Scorecard]</p>	<p>GMRA Audit</p>	<p>IG/A</p>	<p>Annual</p>
<p>USAID accurately and timely posts all financial transactions</p> <p>[1994 Government Management Reform Act]</p>	<p>GMRA Audit</p>	<p>IG/A</p>	<p>Annual</p>
<p>USAID provides timely reconciliation of financial data.</p> <p>[GAO Internal Control Guidance]</p>	<p>GMRA Audit</p>	<p>IG/A</p>	<p>Annual</p>

**Strategic Goal 4: Promote improvements in USAID’s accounting for and reporting on financial and program activities and in protecting information.**

**Objective 4.2: Provide timely, high-quality services to assist USAID in ensuring proper accountability of funds provided to contractors, grantees, and host governments.**

Standards for Success	Planned OIG Services	Performing Organization	Projected Fiscal Year
<p>Enhance accountability of U.S.-based grantees and contractors.</p> <p>[OMB Circular No. A-133] [Single Audit Act] [Federal Acquisition Regulations]</p>	<p>Audit of Cash Drawdowns by Federal Grant Recipients</p> <p>Audit of M/FM/CMP’s* Processing of Defense Contract Audit Agency Bills (*Management/Financial Management/Cash Management Payout)</p> <p>Audit of Accountability for Costs Incurred in Peru by U.S.-Based Contractors and Grantees</p> <p>Audit of USAID/Nigeria’s Accountability of Local Costs of U.S.-Based Contractors and Grantees</p> <p>Oversight of the OMB Circular A-133 audit program</p> <p>Oversight of Services Provided to USAID by the Defense Contract Audit Agency</p>	<p>IG/A</p> <p>IG/A</p> <p>IG/A</p> <p>IG/A</p> <p>IG/A</p> <p>IG/A</p>	<p>03</p> <p>03</p> <p>03</p> <p>03</p> <p>Annual</p> <p>Annual</p>
<p>Enhance accountability of non-U.S.-based grantees and contractors.</p> <p>[ADS 591] [Federal Acquisition Regulations]</p>	<p>Audit of USAID/Jordan’s Cash Transfer Program</p> <p>Oversight of audits contracted by USAID</p>	<p>IG/A</p> <p>IG/A</p>	<p>03</p> <p>Annual</p>

	<p>Coordination and review of audits made by independent public accounting firms for grantee recipients of USAID funding overseas</p>	IG/A	Annual
	<p>Oversight of services provided to USAID by Defense Contract Audit Agency</p>	IG/A	Annual
<p>Enhance accountability of USAID's Enterprise Funds.</p> <p>[Support for Eastern European Democracy Act of 1989]</p>	<p>Audit of Europe, Eurasia, and Regional Division's (M/OP/EER) Monitoring of Enterprise Fund Financial Audits</p>	IG/A	03
	<p>Oversight of Enterprise Fund audit program</p>	IG/A	Annual
<p>USAID obtains contractor, grantee, and host-country audits that meet standards and provide assurance that financial information is reliable.</p> <p>[Support for Eastern European Democracy Act of 1989] [OMB Circular No. A-133]</p>	<p>Quality control reviews of audits performed by independent public accounting firms under OMB Circular A-133 and recipient-contracted audit program</p>	IG/A	Annual
	<p>Quality control reviews of audits performed by independent public accounting firms of USAID's Enterprise Funds</p>	IG/A	Annual

<b>Strategic Goal 4: Promote improvements in USAID’s accounting for and reporting on financial and program activities and in protecting information.</b>			
<b>Objective 4.3: Provide timely, high-quality services that will promote improvements in the creation of systems and information technology infrastructures that are able to leverage capital investments, provide blueprints for IT solutions, and share data and information within USAID and with its customers.</b>			
<b>Standards for Success</b>	<b>Planned OIG Services<sup>5</sup></b>	<b>Performing Organization</b>	<b>Projected Fiscal Year</b>
<p>USAID attains full compliance with Clinger-Cohen Act of 1996. For example, the Act requires but is not limited to the following:</p> <ol style="list-style-type: none"> <li>1. Capital planning and investment controls.</li> <li>2. Performance-based and results-based management of information resources.</li> <li>3. Assignment of responsibilities within the Agency for managing information technology.</li> </ol> <p>USAID’s major systems investments comply with OMB Circular A-11 (Exhibit 53, Form 300). For example, the circular requires but is not limited to the following:</p> <ol style="list-style-type: none"> <li>1. Submitting to OMB, for all major system investments, a business case that complies with the circular’s provisions.</li> <li>2. Planning, budgeting, and acquisition of capital assets.</li> </ol> <p>(For example, IT investment should include the basis for selection of</p>	Audit of USAID’s Information Technology Capital Planning in Accordance with Clinger-Cohen Act	IG/A	03
	Audit of USAID Information System’s Contractor, Prime and Subcontractor Performance Standards	IG/A	03
	Audit of USAID’s Status on Updating the Enterprise Architecture	IG/A	04
	Audit of USAID’s Selected Business Processes for Information Technology Opportunities	IG/A	04
	Audit of USAID’s Modernization Plans to Upgrade Systems	IG/A	05
	Audit of USAID’s Strategic Plan for Information Resources Management	IG/A	06

<sup>5</sup> The audits listed are part of a proposed schedule. During the course of the OIG’s continuous audit oversight of USAID’s IT infrastructure development, the OIG will be reporting on these issues, as needed.

<p>include the basis for selection of investment, principles of financing, and strategies for strengthening accountability for achieving project cost, schedule and performance goals.)</p>	<p>Audit of USAID’s Management of Information Technology Projects</p>	<p>IG/A</p>	<p>06</p>
<p>On average, all major IT projects operate within 90 percent of Form 300 cost, schedule, and performance targets. (Per OMB Circular A-11, Exhibit 53, Form 300)</p>	<p>Audit of USAID’s Information Technology Capital Planning in Accordance with Clinger-Cohen Act</p>	<p>IG/A</p>	<p>03</p>
	<p>Audit of the Professional Document System (PRODOC) Implementation in the LAC Region</p>	<p>IG/A</p>	<p>03</p>
	<p>Audit of USAID’s Contractor Performance Monitoring Activities for Information Technology Projects</p>	<p>IG/A</p>	<p>05</p>
<p>E-government and Government Paperwork Elimination Act (GPEA) implementation, which must show departmentwide progress or participation in multiagency initiative in the following areas:</p> <ol style="list-style-type: none"> <li>1. Citizen one-stop service delivery integrated through www.firstgov.gov, cross-agency call centers, and offices or service centers.</li> </ol> <p>[OMB Scorecard]</p> <ol style="list-style-type: none"> <li>2. Minimizing of burden on business by reusing data previously collected or using ebXML or other open standards to receive transmissions.</li> </ol> <p>[OMB Scorecard]</p> <ol style="list-style-type: none"> <li>3. Achievement of productivity improvements by</li> </ol>	<p>Audit of USAID’s Plans for Using E-Commerce Solutions to Implement the Government Paperwork Elimination Act</p>	<p>IG/A</p>	<p>03</p>
	<p>Audit of USAID’s Information Technology Capital Planning in Accordance with Clinger-Cohen Act</p>	<p>IG/A</p>	<p>03</p>

<p>implementing customer-relationship management, supply-chain management, enterprise-resource management, and knowledge-management best practices.</p> <p>[President’s Management Agenda—Expanding E-Government: OMB Scorecard]</p>			
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**Strategic Goal 4: Promote improvements in USAID’s accounting for and reporting on financial and program activities and in protecting information.**

**Objective 4.4: Provide timely, high-quality services that will contribute to the development, promotion, and monitoring of security awareness and processes for protecting USAID’s critical information systems from loss, misuse, or unauthorized access or modification.**

<b>Standards for Success</b>	<b>Planned OIG Services<sup>6</sup></b>	<b>Performing Organization</b>	<b>Projected Fiscal Year</b>
<p>Security of USAID’s information systems fully complies with federal requirements.</p>	<p>Audit of USAID’s Compliance with the Federal Financial Management Improvement Act of 1996</p>	<p>IG/A</p>	<p>Annual</p>
<p>Specifically, the Government Information Security Reform Provisions included in the fiscal year 2001 Defense Authorization Act. For example, the provisions require but are not limited to the following:</p> <ol style="list-style-type: none"> <li>1. Annual agency reviews</li> <li>2. Annual Inspector General or independent evaluations</li> <li>3. Annual OMB reports to Congress that summarize the Inspector General and Agency reports</li> </ol>	<p>Audit of USAID’s Information Systems’ General and Application Controls and Compliance with the Government Information Security Reform Provisions of Public Law 106-398 (GISR) (During FY 2003, participating audits to be done in LAC, E&amp;E, and ANE.)</p> <p>Audit of USAID/Nicaragua’s Computer Security over its Information Systems</p>	<p>IG/A</p> <p>IG/A</p> <p>IG/A</p>	<p>Annual</p> <p>Annual</p> <p>03</p>

<sup>6</sup> The audits listed are part of a proposed schedule. During the course of the OIG’s continuous audit oversight of USAID’s computer security, the OIG will be reporting on these issues, as needed.

<p>4. Annual Agency performance plan that describes time periods for implementing the agencywide security program</p>	<p>Audit of USAID/Philippines' Computer Controls over its Information Systems</p>	<p>IG/A</p>	<p>03</p>
<p>5. Agency incorporation of security practices throughout life cycle of all systems.</p>	<p>Audit of USAID's Travel Manager Application Controls and Security</p>	<p>IG/A</p>	<p>04</p>
<p>The provisions also require Agencies to do the following:</p>	<p>Audit of USAID's System Access Controls over the Phoenix System</p>	<p>IG/A</p>	<p>04</p>
<p>1. Develop policy and procedures that are founded on a continuous risk management cycle.</p>	<p>Audit of USAID's Information Systems Security Planning Process</p>	<p>IG/A</p>	<p>04</p>
<p>2. Implement controls that assess information security risk.</p>	<p>Audit of USAID's Implementation of its Information Systems Security Program at Bureau and Office Levels</p>	<p>IG/A</p>	<p>04</p>
<p>3. Continually monitor and evaluate policy and control effectiveness.</p>	<p>Audit of USAID's Business Continuity and Contingency Planning Efforts</p>	<p>IG/A</p>	<p>04</p>
<p>The Computer Security Act of 1987.</p>	<p>Audit of USAID's Certification and Accreditation Process for Information Systems</p>	<p>IG/A</p>	<p>05</p>
<p>For example, the Act requires but is not limited to the following:</p>	<p>Audit of USAID's Process to Ensure Sensitive Data are Transmitted Securely</p>	<p>IG/A</p>	<p>05</p>
<p>1. Identification of sensitive systems</p>	<p>Audit of the Adequacy of USAID's Firewall and Router Configuration Capabilities</p>	<p>IG/A</p>	<p>05</p>
<p>2. Security plans and privacy for federal computer systems; and federal computer system security training.</p>	<p>Audit of USAID's Security Controls over the Bureau for Democracy, Conflict, and Humanitarian Assistance's Computer Systems</p>	<p>IG/A</p>	<p>05</p>
<p>OMB Circular A-130, Appendix III.</p>	<p>Audit of USAID's System Access Controls over the</p>	<p>IG/A</p>	<p>04</p>
<p>For example, the circular requires but is not limited to establishing an</p>	<p>Audit of USAID's System Access Controls over the</p>	<p>IG/A</p>	<p>04</p>





USAID reduces fraud in major programs and contracts.	Emphasis on program integrity cases and prioritizing cases involving major fraud.	IG/I	Ongoing
	Measurement and reporting the number of criminal, civil, and administrative actions and fines, recoveries, and restitutions.	IG/I	Ongoing

<b>Strategic Goal 5: Preserve and protect USAID program and employee integrity.</b>			
<b>Objective 5.2: Prevent fraud, waste, and abuse in USAID programs.</b>			
<b>Standards for Success</b>	<b>Planned OIG Services</b>	<b>Performing Organization</b>	<b>Projected Fiscal Year</b>
USAID proactively prevents fraud in its programs and operations.	Conduct fraud awareness training sessions, briefings and presentations to alert employees, contractors, and grantees to fraud schemes and fraudulent practices.	IG/I IG/A	Annual
USAID corrects any identified systemic problems.	Recommend action of systemic improvements if weaknesses are uncovered in agency programs or operations and work with the Agency to correct the problems.	IG/I	Annual, As needed
USAID is able to identify potential threats and vulnerabilities to programs and operations before major problems develop.	Risk Assessment of USAID/Mexico	IG/A	03
	Risk Assessment of USAID/Brazil	IG/A	03
	Risk Assessment of USAID/Serbia	IG/A	03
	Conduct risk assessments of areas served by USAID to identify vulnerabilities and threats to USAID programs and operations.	IG/A	As needed
USAID employees, contractors, grantees, and others are aware of	Emphasis on the Hotline as a tool for reporting fraud, waste	IG/I IG/A	Ongoing

procedures for reporting fraud, waste, and abuse.	and abuse in fraud awareness presentations and other forums.		
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<b>Strategic Goal 5: Preserve and protect USAID program and employee integrity.</b>			
<b>Objective 5.3: Preserve USAID employee integrity by investigating and concluding integrity investigations efficiently and expeditiously.</b>			
<b>Standards for Success</b>	<b>Planned OIG Services</b>	<b>Performing Organization</b>	<b>Projected Fiscal Year</b>
USAID maintains the highest possible level of personnel integrity.	Investigation of allegations of personnel misconduct received from USAID personnel, contractors, grantees, IG/A, the Hotline, and other sources. Referral of allegations to Audit as appropriate.	IG/I	Ongoing
USAID has an expeditious process for resolving personnel integrity issues.	Completed employee integrity investigations within 120 Days of receipt of the allegation.	IG/I	Ongoing

**APPENDIX B**  
**AUDIT ACTIVITIES BY BUREAU**

## AUDIT ACTIVITIES OF USAID OFFICE OF INSPECTOR GENERAL FOR FISCAL YEAR 2003

Following is a list of planned OIG audit activities for fiscal year 2003 for USAID, the African Development Foundation (ADF), and the Inter-American Foundation (IAF). The number assigned to each audit activity corresponds to the number in the main body of this annual plan. The first two digits of each number correspond to the strategic objective within the OIG strategic plan. The first section, "USAID-General," includes work done by OIG Washington-based audit units and certain activities performed by all audit units, i.e., fraud awareness activities and follow-up of closed audit recommendations.

### USAID-GENERAL

2.1.2 Review of Management's Discussion and Analysis Section in USAID's Fiscal Year 2003 Consolidated Financial Statements

2.1.3 Survey/Pilot for Worldwide Audit of USAID's Distribution of P.L. 480 Title II Non-Emergency Assistance in Support of its Direct Feeding Program Delivery Systems

2.1.4 Capping Report for Worldwide Audit of USAID's Distribution of P.L. 480 Title II Nonemergency Assistance in Support of its Direct Feeding Program Delivery Systems

2.1.9 Capping Report for Worldwide Audit of USAID's Participant Training Activities

2.1.22 Audit of USAID/Washington Acquisitions of Supplies and Materials

2.1.23 Audit of USAID Office of Security Warehouse Operations

2.1.24 Audit of Mission Disaster Relief Plans

2.1.27 Audit of Closed Audit Recommendation Related to USAID's Nonpresence Country Database

2.2.1 Capping Report for Worldwide Audit of the Training, Use, and Accountability of Cognizant Technical Officers

2.3.1 Concurrent Audits of Disaster Assistance

2.3.2 Quick response audits to address: (1) Congressional and management requests; and (2) allegations of fraud, waste, abuse, and mismanagement

3.1.1 Audit of USAID's Human Capital Strategy

3.1.2 Audit of USAID's Staffing Practices

4.1.1 Audit of USAID's Fiscal Year 2003 Consolidated Financial Statements

4.1.2 Audit of the National Finance Center Controls over USAID Direct Hire Employee Salary Payments

4.2.1 Audit of Cash Drawdowns by Federal Grant Recipients

4.2.2 Audit of the Bureau for Management, Office of Financial Management, Cash Management Payout Division's Processing of Defense Contract Audit Agency Bills

4.2.3 Audit of the Bureau for Management, Office of Procurement, Europe and Eurasia and Regional Division's Monitoring of Enterprise Fund Financial Audits

4.2.4 Oversight of OMB Circular A-133 audit program

Oversight of services provided to USAID by the Defense Contract Audit Agency

Oversight of the Enterprise Fund audit program

Oversight of audits contracted by USAID

Coordination and review of audits made by independent public accounting firms for grantee recipients of USAID funding overseas

4.2.5 Quality Control Reviews of Audits Performed by independent public accounting firms under Office of Management and Budget Circular A-133 and recipient-contracted audit program

4.2.6 Quality control reviews of audits performed by independent public accounting firms of USAID's Enterprise Funds

4.3.1 Audit of USAID's Information Technology Capital Planning in Accordance with the Clinger-Cohen Act

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

4.3.3 Audit of USAID Information System's Contractor, Prime and Subcontractor Performance Standards

4.4.1 Audit of USAID's Information Systems' General and Application Controls and Compliance with the Government Information Security Reform Provisions of Public Law 106-398 (GISR)

4.4.2 Audit of USAID's Compliance with the Federal Financial Management Improvement Act of 1996

5.2.4 Fraud awareness briefings to contractors, grantees, Supreme Audit Institutions, and non-governmental organizations

Follow-up of closed audit recommendations by each OIG audit unit

## **BUREAU FOR LATIN AMERICA AND THE CARIBBEAN**

2.1.8 Audit of USAID/Guatemala's P.L. 480 Title II Nonemergency Food Aid Delivery Systems

2.1.10 Audit of Participant Training Activities (mission to be determined)

2.1.17 Audit of USAID/Peru's and USAID/Ecuador's Border Region Development Programs

2.1.25 Audit of USAID/Paraguay's Family Planning Program

2.1.26 Audit of the Maintenance of Roads and Bridges Constructed in Honduras by USAID Under the Emergency Roads and Bridges Construction Project (RECAP)

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

2.2.9 Audit of USAID/Haiti's Executive Office Operations

3.1.3 Audit of the Latin America and Caribbean Bureau's Regionalization Efforts

4.1.3 GMRA Audit Fieldwork in El Salvador

4.2.7 Audit of Accountability for Costs Incurred in Peru by U.S.-Based Contractors and Grantees

4.3.4 Audit of the Professional Document System (PRODOC) Implementation in the Latin America and the Caribbean Region

4.4.5 Audit of USAID/El Salvador's Computer Security over its Information Systems

4.4.6 Audit of USAID/Nicaragua's Computer Security over its Information Systems

5.2.1 Risk Assessment of USAID/Mexico

5.2.2 Risk Assessment of USAID/Brazil

## **BUREAU FOR EUROPE AND EURASIA**

2.1.1 Audit of USAID/Russia's Democracy Program

2.1.16 Audit of USAID Participant Training Activities (mission to be determined)

2.2.3 Audit of the Training, Use and Accountability of Cognizant Technical Officers (mission to be determined)

4.1.4 GMRA Audit of Financial Systems of USAID/Regional Service Center Budapest for Fiscal Year 2003

4.4.3 Information System General Controls - USAID/Regional Service Center Budapest

5.2.3 Risk Assessment of USAID/Serbia

## **BUREAU FOR AFRICA**

2.1.5 Audit of USAID/Ethiopia's Monitoring of its P.L. 480 Title II Nonemergency Food Aid Delivery Systems

2.1.6 Audit of USAID/Kenya's Monitoring of its P.L. 480 Title II Nonemergency Food Aid Delivery Systems

2.1.7 Audit of the P.L. Title II Nonemergency Food Aid Delivery Systems (West Africa mission to be determined)

2.1.11 Audit of Participant Training Activities (West Africa mission to be determined)

2.1.12 Audit of Participant Training Activities (East/South Africa mission to be determined)

2.1.13 Audit of Participant Training Activities (East/South Africa mission to be determined)

2.1.20 Survey of the USAID West Africa Regional Program (WARP)

2.1.21 Audit of USAID/Benin's Health Program

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

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

2.2.6 Audit of the Training, Use and Accountability of Cognizant Technical Officers (West Africa mission to be determined)

4.2.8 Audit of USAID/Nigeria's Accountability of Local Costs of U.S.-Based Contractors and Grantees

## **BUREAU FOR ASIA AND THE NEAR EAST**

2.1.14 Audit of Participant Training Activities (East Asia mission to be determined)

2.1.15 Audit of Participant Training Activities (Near East mission to be determined)

2.1.18 Audit of USAID-Financed Democracy and Governance Activities in Egypt

2.1.19 Audit of the Sustainability of USAID-Financed Utility Infrastructure Activities in Egypt

2.2.7 Audit of USAID/West Bank and Gaza's Training, Use and Accountability of Cognizant Technical Officers

2.2.8 Audit of the Training, Use and Accountability of Cognizant Technical Officers (East Asia mission to be determined)

2.3.3 Vulnerability Assessment of USAID Programs in Afghanistan

2.3.4 Vulnerability Assessment of USAID Programs in Pakistan

4.1.5 GMRA-Egypt Audit of Financial Systems for Fiscal Year 2003

4.1.6 GMRA-Jordan Audit of Financial Systems for Fiscal Year 2002 – Year-End Testing

4.1.7 GMRA-Philippines Audit of Financial Systems for Fiscal Year 2002 – Year-End Testing

4.2.9 Audit of USAID/Jordan’s Cash Transfer Program

4.4.4 Audit of USAID/Egypt’s Information Systems Computer Controls

4.4.7 Audit of USAID/Philippines’ Computer Controls over its Information Systems



**APPENDIX C**  
**AFRICAN DEVELOPMENT FOUNDATION**  
**INTER-AMERICAN FOUNDATION**

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**AFRICAN DEVELOPMENT  
FOUNDATION**

4.1.8 Audit of the African Development Foundation's Consolidated Financial Statements, Internal Controls, and Compliance for FY 2003.

**INTER-AMERICAN  
FOUNDATION**

4.1.9 Audit of the Inter-American Foundation's Consolidated Financial Statements, Internal Controls, and Compliance for FY 2003.

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The Annual Plan is available on the internet at [www.usaid.gov/oig](http://www.usaid.gov/oig)