



**USAID**  
FROM THE AMERICAN PEOPLE

OFFICE OF INSPECTOR GENERAL  
**SEMIANNUAL REPORT  
TO THE CONGRESS**



**October 1, 2005 - March 31, 2006**



# Inspector General HOTLINE

The Office of Inspector General (OIG) maintains a Hotline to make it easy to report allegations of fraud, waste, abuse, mismanagement or misconduct in the programs and operations of the United States Agency for International Development (USAID), the Inter-American Foundation (IAF), the African Development Foundation (ADF), and the Millennium Challenge Corporation (MCC). USAID, IAF, ADF and MCC employees, contractors, and program participants or the general public may report allegations directly to OIG. The Inspector General Act of 1978 and other laws protect persons making hotline complaints. Submit complaints by e-mail, telephone, or mail to:

Phone 1-202-712-1023  
1-800-230-6539

E-mail [ig.hotline@usaid.gov](mailto:ig.hotline@usaid.gov)

Mail USAID OIG HOTLINE  
P.O. Box 657  
Washington, DC 20044-0657



Individuals who contact the Hotline are not required to identify themselves. However, OIG encourages those who report allegations to identify themselves so they can be contacted if additional questions arise as OIG evaluates their allegations. Pursuant to the Inspector General Act of 1978, the Inspector General will not disclose the identity of an individual who provides information unless that individual consents or unless the Inspector General determines that such disclosure is unavoidable during the course of an investigation. You may request confidentiality when using the telephone or mail. E-mail complaints cannot be kept confidential because electronic e-mail systems are not secure.

During the current reporting period, OIG received 3,826 hotline contacts. Of these, 53 were referred for possible case openings, 205 were referred to USAID, seven were referred to other federal agencies, four were referred to other law enforcement agencies, and five were found to be unsubstantiated. The remaining contacts were solicitations for money advertisements, or requests for general information or other non-OIG-related matters.

# MESSAGE FROM THE INSPECTOR GENERAL

This Semiannual Report to the Congress (SARC) highlights the work of the United States Agency for International Development, Office of Inspector General (USAID/OIG) during the October 2005 to March 2006 timeframe. Of all the highlights reported in the SARC, I draw your attention to three:

- In areas of crisis, such as Iraq and Afghanistan, OIG's work confirmed that USAID is making progress and achieving success under very difficult circumstances.

- Savings and recoveries exceeding \$22 million were realized as a result of OIG investigations involving USAID programs and operations.
- A worldwide audit of the President's Emergency Plan for AIDS Relief showed that USAID is making significant contributions to the overall relief plan.

In addition to the highlights above, OIG remained focused on USAID's five major management challenges. While significant

progress has been made in these areas, OIG believes that continued attention and oversight by USAID senior management are required.

OIG will continue to respond to USAID's priority programs and operations. I look forward to keeping you informed and updated in future SARCs.

/s/

Donald A. Gambatesa  
Inspector General

# Acronyms and Abbreviations

ADF	African Development Foundation
ADP	Agribusiness Development Program
CIP	Commodity Import Program
COP	Chief of Party
DCA	Development Credit Authority
DCAA	Defense Contract Audit Agency
EEOC	Equal Employment Opportunity Commission
EOP	Equal Opportunity Programs
FISMA	Federal Information Security Management Act of 2002
FSN	Foreign Service National
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome
IAF	Inter-American Foundation
IG Act	Inspector General Act of 1978
MCC	Millennium Challenge Corporation
OIG	Office of Inspector General
OMB	Office of Management and Budget
PEPFAR	President's Emergency Plan for AIDS Relief
PFAP	Private Farmers Assistance Program
PSIP	Procurement System Improvement Program
SAI	Supreme Audit Institutions
SARC	Semiannual Report to the Congress
UN	United Nations
USAID	United States Agency for International Development
USDA	United States Department of Agriculture
WARP	West African Regional Program

# Table of Contents

Reporting Requirements .....	ii
Executive Summary .....	1
Overview .....	2
Mission.....	2
Organization.....	2
Organizational Chart.....	3
Highlights .....	4
USAID	
Major Management Challenges .....	9
Financial Management.....	9
Information Resources Management .....	9
Managing for Results .....	10
Acquisition and Assistance Management.....	11
Human Capital Management.....	11
Other Management Challenges.....	12
Iraq.....	12
Afghanistan.....	12
West Bank and Gaza.....	13
Tsunami Recovery Program.....	13
HIV/AIDS.....	14
Expanding Accountability .....	15
Expanding Supreme Audit Institutions' Capabilities.....	15
Financial Management Training.....	15
Prevention and Fraud Awareness.....	15
Fraud Awareness Training.....	16
Federal-wide Quality Control Review Program .....	17
Oversight of Audit Work Conducted on OIG's Behalf .....	17
Introduction to USAID Bureaus and Independent Offices.....	18
Bureau for Africa.....	19
Bureau for Asia and the Near East .....	21
Bureau for Europe and Eurasia.....	24
Bureau for Latin America and the Caribbean.....	25
Bureau for Management.....	27
Office of Equal Opportunity Programs .....	28
African Development Foundation	
OIG Strategy .....	30
Management Challenges.....	30
OIG Oversight Activities.....	31
Inter-American Foundation	
OIG Strategy .....	32
Management Challenges.....	32
OIG Oversight Activities.....	33
Appendices .....	35

# Reporting Requirements

The Inspector General Act of 1978, as amended, requires each Inspector General to submit semiannual reports to the Congress summarizing the activities of the office during the preceding six-month period. The required reporting areas, as prescribed under Section 5(a) of the Act, include the following:

Reporting Requirement	USAID	ADF	IAF
Significant Problems, Abuses and Deficiencies	Pages 9 - 14	Nothing to Report	Nothing to Report
Recommendations for Corrective Actions	Pages 19 - 28	Nothing to Report	Nothing to Report
Summary of Each Significant Report	Pages 19 - 28	Page 31	Page 33
List of Audit Reports Issued	Appendix A Pages 36 - 57	Appendix A Page 58	Appendix A Page 58
Summary of Each Audit Report over Six Months Old for Which No Management Decision Has Been Made	Nothing to Report	Nothing to Report	Nothing to Report
Significant Prior Recommendations on Which Corrective Action Has Not Been Completed	Appendix C Pages 60 - 61	Appendix C Page 62	Appendix C Page 62
Statistical Table of Reports with Questioned and Unsupported Costs	Appendix D Page 63	Nothing to Report	Nothing to Report
Statistical Table of Reports with Recommendations That Funds Be Put to Better Use	Appendix E Page 64	Nothing to Report	Nothing to Report
Summary of Instances in Which Information or Assistance was Refused	Appendix F Page 65	Nothing to Report	Nothing to Report
Decisions and Reasons for Significant Revised Management Decisions	Appendix F Page 65	Nothing to Report	Nothing to Report
Significant Management Decisions with Which the Inspector General Disagrees	Appendix F Page 65	Nothing to Report	Nothing to Report
Remediation Plan Information (Required under the Federal Financial Management Improvement Act of 1996)	Appendix F Page 65	Nothing to Report	Nothing to Report
Matters Referred to Prosecutive Authorities and the Prosecutions and Convictions Which Resulted	Appendix G Page 66	Nothing to Report	Nothing to Report



# EXECUTIVE SUMMARY

This Semiannual Report to Congress (SARC) is issued in compliance with the requirements of the Inspector General Act of 1978, as amended. It provides detailed information about the United States Agency for International Development, Office of Inspector General's (USAID/OIG) work and results for the period October 1, 2005 through March 31, 2006.

During the reporting period, OIG issued 234 audit reports with monetary recommendations valued at over \$41 million; 40 investigations were closed and nearly \$23 million in recoveries and savings were realized as a result of its investigative work. Other outcomes of OIG's work include one indictment, two convictions, three debarments, 20 personnel actions, and four systemic changes to the operation of a USAID-funded nonprofit foundation: (1) a bank account was changed; (2) an audit committee was created; (3) the trustee signature cards were updated; and (4) two signatures are now required on all checks.

High risk programs, such as Iraq reconstruction, Afghanistan reconstruction, West Bank and Gaza, tsunami, HIV/AIDS, and USAID management challenges continued to be priorities for OIG. In areas of crisis, such as Iraq and Afghanistan, OIG's work confirmed that USAID is making progress and achieving success under very difficult circumstances. OIG worked closely with USAID missions to arrange for financial audits

related to major tsunami-assistance activities, and tsunami-related audit work and fraud awareness training were conducted. Following the worldwide audit of the President's Emergency Plan for AIDS Relief issued during the last reporting period, OIG launched a second worldwide audit to determine how USAID's Emergency Plan prevention and care activities are progressing.

Management challenges were addressed in areas of financial management, information resources management, acquisition and assistance, human capital management, and managing for results. USAID has continued to show progress in meeting its management challenges and received an unqualified opinion on its fiscal year 2005 financial statements. OIG provided recommendations for improving financial reporting internal controls, future information technology initiatives, and information security. OIG continues to work toward its strategic objective of contributing to the improvement of USAID's processes for awarding and administering its acquisition and assistance instruments.

Audit and investigative work continued in support of programs within each of USAID's Bureaus and the African Development Foundation (ADF) and Inter-American Foundation (IAF). OIG oversaw the work of non-federal audit firms in the financial statements for fiscal year 2005, and both ADF and IAF received unqualified opinions.

Considerable resources were dedicated to proactive efforts intended to expand accountability. This effort included work with and oversight of USAID recipient countries' Supreme Audit Institutions, providing financial management training to over 300 individuals, and conducting fraud awareness training for over 1,040 individuals.

Detailed information regarding OIG's significant audits, investigations, and results are provided in this report along with the required report information for USAID, ADF, and IAF.

# OVERVIEW

The Office of Inspector General (OIG) is responsible for providing audit and investigative services to the U.S. Agency for International Development (USAID), the African Development Foundation (ADF), the Inter-American Foundation (IAF) and the Millennium Challenge Corporation (MCC).

## MISSION

Established under the Inspector General Act of 1978 (IG Act), as amended, OIG is responsible for (1) promoting economy, efficiency, and effectiveness in the administration of programs; and (2) preventing and detecting fraud and abuse in world-wide program operations. The IG Act

also requires all Inspectors General to keep management and the Congress fully and currently informed about problems and deficiencies relating to the administration of programs and operations, as well as about actions taken to correct those deficiencies and problems.

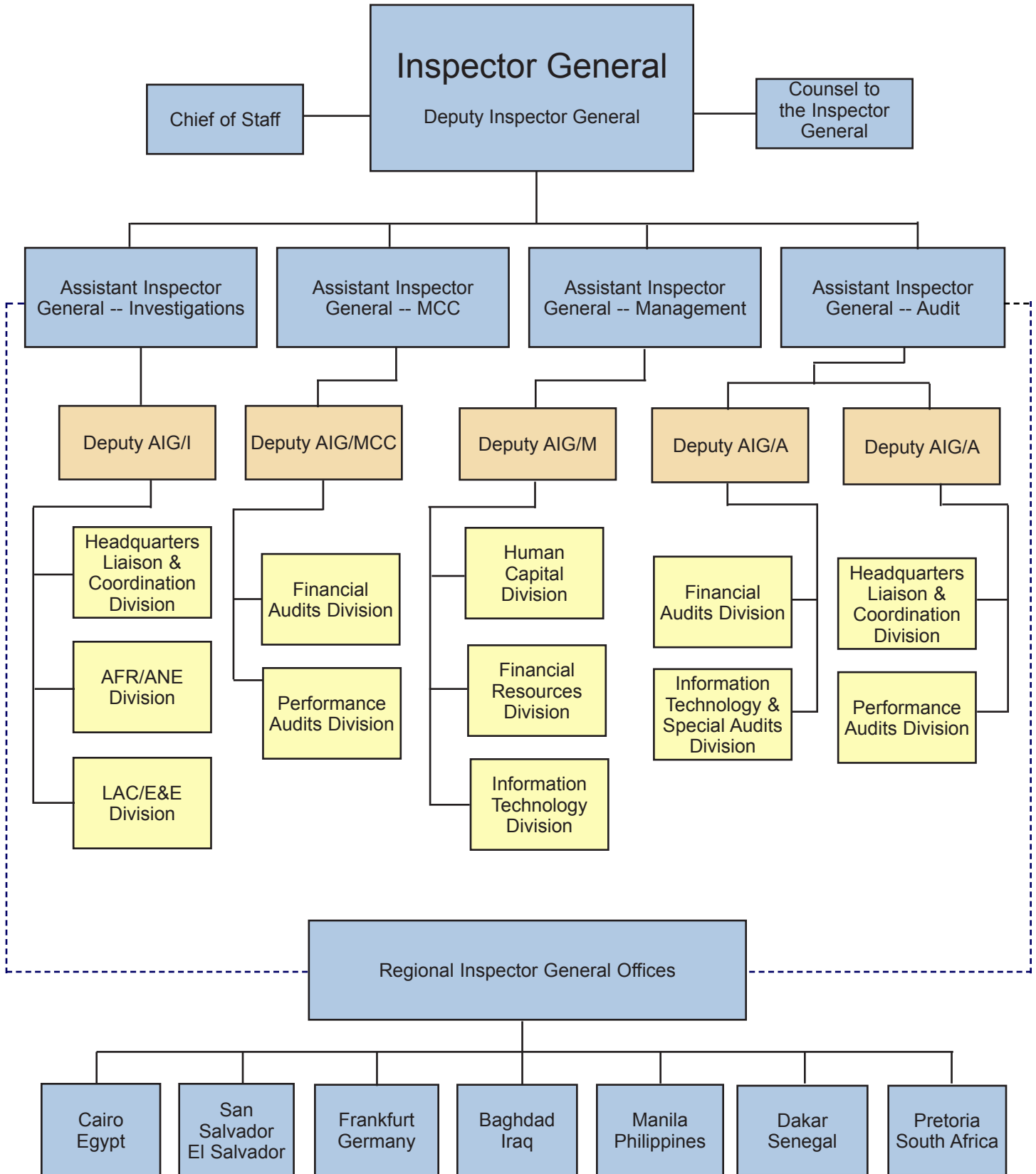
## ORGANIZATION

OIG is organized into four operational units: Audit, Investigations, Management, and MCC. There are seven overseas field offices, each led by a Regional Inspector General, located in Cairo, Egypt; San Salvador, El Salvador; Frankfurt, Germany; Baghdad, Iraq; Manila, Philippines; Dakar, Senegal; and Pretoria, South

Africa. These regional offices maintain close working relationships with the USAID missions in their regions, and their presence in the field enables auditors and investigators to carry out their responsibilities efficiently.



# USAID OFFICE OF INSPECTOR GENERAL



# HIGHLIGHTS

The following sections describe the most significant results of OIG's work concluded in the past six-month period. During this semiannual period, OIG issued reports on its activities in Iraq and Afghanistan, the Tsunami Reconstruction Program, and on USAID's Alternative Development Program.

The investigative results reflect investigative activity that resulted in criminal action, civil action, personnel action, and financial recoveries and savings.

## HIGHLIGHTS OF SIGNIFICANT AUDITS

Audit activities include financial and performance audits at USAID, the African Development Foundation, and the Inter-American Foundation. The following table is a statistical summary of OIG audit activities during this reporting period.

Type of Report	Number of Reports	Monetary Recommendations (\$)*
<b>Financial Audits</b>		
USAID Programs and Operations	2	11,496
Foundations' Programs and Operations	2	0
U.S.-Based Contractors	34	4,833,272
U.S.-Based Grantees	14	1,266,636
Quality Control Reviews	3	0
Foreign-Based Organizations	144	19,487,490
Quality Control Reviews	8	0
Enterprise Funds	0	0
<b>Performance Audits</b>		
USAID Economy and Efficiency	23	16,107,252
Foundations' Economy and Efficiency	0	0
<b>Other</b>	4	131,050
<b>TOTAL</b>	<b>234</b>	<b>41,837,196</b>

\* Monetary Recommendations include questioned costs and funds put to better use.

## Audit of USAID/Iraq's Basic Education Activities

OIG conducted this audit to determine if USAID/Iraq's basic education activities had progressed toward intended outputs.

OIG found that of the 82 intended outputs included in the implementation plan, work had been started and progress was being made on 33 outputs. For the remaining 49 outputs, 27 were to be cancelled due to lack of funding, and 22 other activities were planned to be initiated and completed before the end of the contract in June 2006. Because the full contract amount was unlikely to be funded, the primary implementing partner submitted a revised implementation plan to more accurately reflect what could be achieved given the revised funding levels.

OIG also determined that the Ministry of Education did not have appropriate computer equipment to operate the education management information system being developed by the implementing partner.

OIG recommended that the Mission develop a plan to ensure that appropriate computer equipment is available, or discontinue funding the program.

A management decision was reached, and final action was taken.

(Audit Report No. E-267-06-001-P)

## Audit of Funds Earmarked by Congress to Provide Assistance for Displaced Persons in Afghanistan

In response to a Congressional request, OIG conducted an audit of USAID/Afghanistan's use of \$15 million in fiscal years 2004 and 2005 emergency supplemental funds, which Congress intended to assist displaced Afghans.

The objective of this audit was to determine if USAID/Afghanistan used the fiscal year 2004 and fiscal year 2005 earmarked funds for the intended purpose of providing displaced Afghans with emergency shelter and basic necessities.<sup>1</sup>

OIG determined that, as of September 30, 2005, only \$600,000 of the \$10 million appropriated for fiscal year 2004 had been used to provide shelter materials and basic necessities for displaced persons in Kabul. Additionally, as of September 30, 2005, although Congress had been notified that the funds would be transferred to the Department of State's Bureau of Population, Refugees, and Migration, none of the \$5 million appropriated for fiscal year 2005 had been transferred or spent by the Mission.<sup>2</sup>

OIG made three recommendations to ensure that the remaining balance of approximately \$14.4 million in unspent funds is used for its intended purpose.

Management decisions were reached on all three recommendations.

(Audit Report No. 9-306-06-004-P)



LEFT: Photograph of a computer literacy training class at a regional teacher training center in south central Iraq.

RIGHT: Photograph of a "winterized" (broken windows were covered with plastic sheeting) temporary settlement in an abandoned building in Kabul, Afghanistan.



1. A Congressional earmark places legal requirements on how appropriated funds are spent. Although a Congressional directive is not a legal restriction, it does stipulate Congress' intent as to how the funds should be spent. While the fiscal year 2005 \$5 million appropriation was "earmarked," the fiscal year 2004 \$10 million appropriation included a directive but not an earmark.

2. Subsequently, the Mission—in coordination with Department of State's Bureau of Population, Refugees, and Migration—modified its plans for the use of the \$5 million and planned to direct \$1.5 million of these funds to USAID's Office of Foreign Disaster Assistance.



LEFT: Photograph of a river showing that all debris was removed as a result of a bridge that was destroyed by the tsunami. Remnants of the bridge can be seen on each bank just left of the new temporary bridge in Aceh Providence, Indonesia.

RIGHT: Photograph of the central community gathering location in Achinamiza, Peru.



### *Audit of USAID/Indonesia's Banda Aceh-Lamno Road Reconstruction Activities Under Its Tsunami Recovery and Reconstruction Program*

OIG conducted this audit to determine whether USAID/Indonesia's Banda Aceh Lamno road reconstruction activities were on schedule to be completed as planned and within cost estimates. Although some road reconstruction activities were on schedule or near completion, OIG could not determine whether all activities were on schedule to be completed within estimated costs because USAID/Indonesia did not have an approved design or implementation plan.

The contractor had implemented a number of activities, such as road maintenance, road rehabilitation and removal of bridge debris. As a result, the 80-kilometer road between Banda Aceh and Lamno was open to traffic. However, without an approved implementation plan, USAID/Indonesia could not demonstrate how it intended to complete all road reconstruction activities within the contract period.

OIG made two recommendations to improve USAID/Indonesia's oversight over its Banda Aceh–Lamno road reconstruction activities.

Management decisions were reached on both recommendations.

(Audit Report No. 5-497-06-003-P)

### *Audit of USAID/Peru's Alternative Development Program*

USAID and the Government of Peru's counter-narcotics organization, DEVIDA, signed a bilateral agreement to implement the Alternative Development Program (ADP). DEVIDA was responsible for coordinating, planning, promoting, monitoring, and evaluating the "national strategy to fight against narcotics" as well as for coordinating inputs from several government ministries involved with law enforcement and development. These inputs include, among other things, office supplies and equipment, utilities, and transportation.

OIG conducted this audit to determine: (1) if USAID/Peru's ADP activities were on schedule to achieve planned sustainable results; and (2) if the activities were managed in an efficient manner.

OIG found that USAID/Peru's ADP activities were on schedule to achieve planned sustainable results for two of the four main results indicators. These indicators included the number of hectares of illicit coca voluntarily eradicated and the number of program clients whose land remains coca free. However, the performance target for the number of hectares of illicit coca voluntarily eradicated was met in 2004 only because the original target was substantially reduced. In addition, OIG determined that ADP activities could be managed more efficiently.

OIG made 16 recommendations to USAID/Peru. The recommendations included developing an action plan along with the Department of State to obtain needed support from the Government of Peru, developing a better strategy for targeting communities with high concentrations of coca fields and verifying that all coca grown has been eradicated, and seeking agreements from communities to eradicate all of their coca at one time. In addition, OIG recommended that USAID/Peru make a management decision with regard to the ineligible questioned costs of over \$225,000.



Management decisions were reached on 15 recommendations, and final action was taken on one recommendation.

(Audit Report No. I-527-06-001-P)

## HIGHLIGHTS OF SIGNIFICANT INVESTIGATIONS

Investigative priorities include program integrity (fraud involving contracts, grants and cooperative agreements) and employee integrity (serious misconduct by direct-hire employees). OIG investigations may result in criminal, civil or administrative action. The chart below is a summary of the investigative workload and results during this reporting period.

Workload Indicator	
Cases Opened	46
Cases Closed	40
Results	
Recoveries/Savings	\$22,717,365
Resignations/Terminations	20
Personnel Suspensions	0
Suspensions/Debarments	3
Indictments	1
Convictions	2
Systemic Changes	4

The following summarizes significant cases during the current reporting period.

### Investigation Results in \$1.2 Million Settlement

As a result of an OIG investigation, a U.S.-based firm agreed to pay \$1.2 million to settle potential claims under the False Claims Act that it overcharged USAID on three contracts for overseas economic development services. OIG investigation was based on a referral from the USAID Office of Acquisition and Assistance and was conducted with assistance from the United States Attorney's Office.

The investigation focused on the firm's performance under three USAID contracts in which it used the services of a wholly owned subsidiary as a

subcontractor. One contract involved the implementation of a program to encourage financial institutions to increase the flow of credit to micro and small businesses in developing countries. The other two contracts involved implementation of economic assistance programs in post-war Bosnia-Herzegovina.

The firm created the subsidiary to specialize in banking and business training in developing countries. The subsidiary performed these services as a subcontractor to the parent firm under each of the three contracts. The training included the provision for training materials that were to be billed to USAID at the firm's cost of obtaining the materials. Based on the OIG investigation, the Government contended that the firm charged USAID for the training materials without adequate cost justification, resulting in an overpayment of \$438,200. In addition, the Government contended that in one of the three contracts, the firm charged USAID its agreed profit rate, plus the profit charged by its subsidiary, resulting in an overpayment of \$79,532, making the total overpayments \$517,732.

### Investigation Leads to Recovery of \$1.3 Million

OIG previously reported that a long-term investigation resulted in the filing of a federal civil fraud lawsuit against two U.S.-based companies and an executive officer. The companies, which were participant suppliers in the USAID Commodity Import Program (CIP), brokered shipments of pulp and resin from U.S. manufacturers to foreign importers. According to the civil complaint, the

defendants violated the False Claims Act by knowingly submitting more than 100 false and inflated claims for reimbursement to USAID, overstating the charges actually incurred for freight and insurance. The complaint also alleged that in some cases the defendants erased the actual charge that appeared on freight bills and typed in a different, inflated amount. Further, the complaint alleged that as a result of the defendants' actions, federal funds budgeted for economic development projects abroad instead went to reimburse the defendants for freight and insurance charges they had not, in fact, incurred.

During this reporting period, the defendants entered into a settlement agreement with the U.S. Attorney's Office and paid the government \$1.3 million without admitting any wrongdoing or liability. All but three percent of the payment will be returned to USAID.

# MAJOR MANAGEMENT CHALLENGES

USAID implements America's foreign economic and humanitarian assistance programs in accordance with foreign policy guidance provided by the Secretary of State. USAID manages a budget of approximately \$9.2 billion and advances U.S. foreign policy objectives by supporting:

- Economic growth, trade, and agricultural development.
- Improvements in global health.
- Conflict prevention, democracy, and developmental relief activities.

In pursuit of its mission, USAID faces a number of Major Management Challenges—which parallel the President's Management Agenda. This section updates USAID's continuing efforts to address those challenges and OIG's efforts to assist in overcoming them.

These Major Management Challenges are:

- Financial Management
- Information Resources Management
- Managing for Results
- Acquisition & Assistance Management
- Human Capital Management

## **Financial Management**

In November 2005, OIG issued an unqualified opinion on USAID's fiscal year 2005 and 2004 financial statements. A programming error identified during the review of the fiscal year 2005 financial statements affected the comparability of the financial statements with those of the preceding period, requiring a restatement of the 2004 financial statements. USAID documented the effects of this error in Note 22 of the financial statements.<sup>3</sup>

With respect to internal controls over financial reporting, OIG identified one material internal control weakness and three reportable conditions for fiscal year 2005. The material internal control weakness is related to USAID's Accruals Reporting System and its effect on accounting and reporting for accrued expenditures and accounts payable. Reportable conditions address USAID's need to (1) perform reconciliations of its Fund Balance with the U.S. Treasury; (2) perform regular reconciliations of its intragovernmental transactions; and (3) improve recognition and reporting over its accounts receivable. OIG made three recommendations to improve USAID's internal controls over financial reporting and preparation of its annual financial statements.

During 2005, USAID made progress in (1) mapping strategic objectives to USAID performance goals; (2) deobligating unneeded unliquidated

obligations; and (3) preparing a complete Management Discussion and Analysis. As a result, these issues were not identified as reportable internal control conditions.

## **Information Resources Management**

### **Improving Information Resources Management Processes**

The Clinger-Cohen Act of 1996 requires heads of executive agencies to, among other things, implement (1) a process to select, manage, and evaluate investments; and (2) a means for senior managers to monitor progress in terms of costs, system capabilities, timeliness, and quality.

Prior to November 2005, USAID reported a material weakness in its ability to meet the above Clinger-Cohen Act requirements. In November 2005, USAID re-characterized the weakness as a reportable condition. Specifically, USAID did not:

- Update its information resources management strategic plan
- Fully develop an Agency Enterprise Architecture
- Prepare, complete, and/or codify some policy and procedures for its IT processes
- Fully establish its Program Management Office

3. "Audit of USAID's Financial Statements for Fiscal Years 2005 and 2004," November 14, 2005 (Audit Report No. 0-000-06-001-C).



OIG made several recommendations to help USAID improve its future IT initiatives. For example, OIG recommended that USAID:

- Develop and implement a plan to address the enterprise architecture needs of the Agency
- Develop policies and procedures for each phase and activity of the Agency's project life cycle
- Prepare and implement a plan to establish a mature Program Management Office

USAID management agreed to take corrective actions to implement all of the recommendations. OIG will continue to monitor USAID's progress in implementing the recommendations.

### *Information Security*

The Federal Information Security Management Act of 2002 (FISMA) requires agencies to develop, document, and implement an agency-wide information security program to protect its information and information systems, including those provided or managed by another agency, contractor, or other source. USAID met FISMA's computer security requirements, for example by:

- Providing computer awareness training
- Conducting regular network scans to identify vulnerabilities

- Operating network intrusion sensors to detect unauthorized attempts to access USAID networks
- Detecting and responding to security incidents

However, USAID could do more to strengthen its information security program. For example, the Agency could strengthen its processes for obtaining and retaining signed access authorization documents for users of its general support system. In addition, it could more promptly disable user accounts for employees and contractors who no longer need access to the Agency's computer network.

In addition, USAID could improve contingency planning and certification and accreditation processes, controls over access to the Phoenix financial management system, and controls over the physical security of its computer network. USAID is also taking action to address its non-compliance with provisions on the security classification of system managers at overseas critical threat locations.

OIG is continuing to monitor the Agency's progress in addressing the above issues.

### *Managing for Results*

USAID has programs in approximately 100 countries promoting a wide range of objectives related to economic growth, agriculture, and trade; global

health; and democracy, conflict prevention and humanitarian assistance. Federal laws, such as the Government Performance and Results Act of 1993, require that federal agencies develop performance measurement and reporting systems that establish strategic and annual plans, set annual targets, track progress, and measure results. In addition, government-wide initiatives, such as the President's Management Agenda, require that agencies link their performance results to budget and human capital requirements.

A significant element of USAID's performance management system is the Annual Reports prepared by each operating unit. These reports provide information on the results achieved, which are consolidated in USAID's annual Performance and Accountability Report.

For information reported in the Management's Discussion and Analysis section of USAID's fiscal year 2005 consolidated financial statements, OIG reported no material inconsistencies with the financial statements or nonconformance with Office of Management and Budget (OMB) guidance.<sup>4</sup> This was a notable improvement from the prior year, when OIG reported that certain information included in the Management's Discussion and Analysis section of USAID's fiscal year 2004 consolidated financial statements did not contain a clear picture of USAID's planned and actual performance for

---

4. "Audit of USAID's Financial Statements for Fiscal Years 2005 and 2004," November 14, 2005 (Audit Report No. 0-000-06-001-C).

that year.<sup>5</sup> Moreover, OIG reported that the primary performance information included was based on results achieved in fiscal year 2003.

Each quarter, OMB scores each agency's status and progress towards implementing the President's Management Agenda. OMB developed a scoring system based upon the colors green, yellow and red. A "green" rating indicates success and a "yellow" rating signifies mixed results, while a "red" rating is unsatisfactory. For the quarter ending December 31, 2005, OMB rated USAID's current status in the budget/performance integration initiative as "green"—improving from yellow the previous quarter—and USAID's progress towards meeting its goals in this area as also "green." Still, although USAID is making satisfactory progress towards meeting its budget/performance integration goals, more work remains to be done.

OIG continues to monitor USAID's progress in improving its performance management system.

### **Acquisition and Assistance Management**

Because of the complexities associated with acquisition and assistance—numerous laws, regulations, policies, procedures, definitions, etc.—USAID faces challenges in its efforts to acquire supplies and services. USAID uses several different methods to acquire supplies and services, including contracts, grants, and cooperative

agreements. Consequently, much of USAID's development results are achieved through intermediaries such as contractors and grant recipients, and through cooperative agreements.

OMB's December 31, 2005, scorecard reported that USAID is making some progress in implementing the President's Management Agenda for competitive sourcing. Nevertheless, the scorecard rated the status of USAID's competitive sourcing as "red" or unsatisfactory—no change since the last report in September 2005.

OIG developed its multi-year audit plans to document the Office of Acquisition and Assistance's progress in achieving the necessary steps required to continue improvement. OIG is conducting an audit of the Office of Acquisition and Assistance's procurement evaluation program and an audit of selected scopes of work for task orders issued under indefinite quantity contracts.

### **Human Capital Management**

The President's Management Agenda identifies the strategic management of human capital as one of five government-wide areas that need improvement. A decade of downsizing, insufficient funding, staff reductions and lack of hiring, and reductions in training created human capital gaps at USAID. These gaps include a workforce that is rapidly aging, has a void in the mid-management ranks, and is losing

skills and "institutional memory." In response to the President's Management Agenda's initiative on human capital and to address its own human capital challenges, USAID has undertaken a major effort to improve and restructure its human capital management.

For example, in August 2004, USAID issued its first comprehensive Human Capital Strategic Plan, which covered fiscal years 2004 to 2008. The Office of Management and Budget's December 31, 2005 scorecard reported USAID is making progress in implementing the President's Management Agenda for human capital management. However, the scorecard rated the current status of human capital as "yellow" for mixed results—no change since the last report in September 2005. USAID needs to continue its efforts to implement its workforce planning to close skill gaps through recruitment, retention, training, succession planning, and other strategies. OIG plans to audit USAID's implementation of its human capital strategy during this fiscal year.

5. "Independent Auditor's Report on USAID's Financial Statements for Fiscal Years 2004 and 2003," November 15, 2004 (Audit Report No. 0-000-05-001-C).

# OTHER MANAGEMENT CHALLENGES

## Iraq

The USAID/Iraq reconstruction effort has more than \$5 billion in program resources. OIG Baghdad office has seven auditors and one investigator conducting audits and investigations of reconstruction and relief activities. USAID/Iraq carries out programs in four major areas: (1) restoring essential infrastructure; (2) supporting health and education; (3) expanding economic opportunity; and (4) improving efficiency and accountability in government.

During the period, OIG audited USAID/Iraq's basic education activities and determined that there was progress toward 33 of the 82 outputs. For the remaining 49 outputs, 27 were to be cancelled due to lack of funding, and 22 planned activities were to be completed before the end of the contract (see page 5). In addition, OIG conducted an audit of USAID/Iraq's nonexpendable property and determined that nonexpendable property valued at \$23.5 million in the property database was not managed in accordance with USAID guidance (see page 21).

OIG also uses the Defense Contract Audit Agency to conduct concurrent financial audits of USAID contractors and grantees implementing programs in Iraq. During this period, OIG issued six financial audit reports covering \$79.3 million in incurred costs. These audits questioned approximately \$1.3 million in costs associated with, among other things, salaries and wages, travel, and vehicles.

During the reporting period, OIG provided four fraud awareness seminars to 128 USAID personnel. In addition, OIG initiated five investigations and closed one investigation. Seven investigations were in progress at the end of the period.

## Afghanistan

In May 2005 USAID/Afghanistan published its strategic plan for 2005-2010. This document established new strategic objectives to address the fragility, insecurity, and poverty that exist in Afghanistan. Despite the many challenges of working in Afghanistan—particularly extreme security perils—USAID continues to implement a sizable program, and OIG continues to conduct performance and financial audits.

During this period, OIG conducted three performance audits of USAID activities in Afghanistan.

- The audit of funds provided to assist displaced persons in Afghanistan found that, as of September 30, 2005, only

\$600,000 of the appropriated \$15 million had been used for its intended purpose. OIG made three recommendations to ensure that the remaining \$14.4 million is used as intended. USAID reached management decisions on all recommendations (see page 5).

- The \$153.4 million Rebuilding Agricultural Markets Program (RAMP) audit determined that five of six activities achieved their planned outputs. For the sixth activity, USAID/Afghanistan rehabilitated about 70 percent of the planned 555 kilometers of farm-to-market roads. The planned output was not achieved for a number of reasons, including poor security and poor subcontractor performance. Additionally, USAID/Afghanistan did not properly administer its RAMP contract. OIG made three recommendations (see page 22).

Photograph of a settlement of displaced Afghans, who were intended beneficiaries of some of the \$15 million appropriated to assist displaced Afghans in and around Kabul, Afghanistan.



- The cashiering operations audit found that USAID/Afghanistan managed its cashiering operations in accordance with established regulations, policies and procedures. OIG did not make any recommendations (see page 21).

OIG also conducted three concurrent financial audits of a USAID contractor implementing a \$665 million program in Afghanistan—the largest USAID program in the country. These audits reported internal control weaknesses and questioned costs totaling about \$348,000.

During the reporting period, OIG opened two investigations and closed one. Three investigations were in progress at the end of the period.

### **West Bank and Gaza**

OIG's oversight activities in West Bank and Gaza included audits of USAID's cash-transfer program to the Palestinian Authority and continuing audits of USAID's contractors and grantees.

- OIG contracted with an independent public accounting firm to conduct concurrent audits of cash-transfers to the Palestinian Authority as the funds are disbursed. OIG issued two reports covering concurrent audits of \$20 million disbursed under the first cash transfer. The agreement provided \$11 million for repair and rehabilitation of municipal infrastructure and up to \$9 million for utility services. The auditors found that as of June 30, 2005, the Ministry of Finance disbursed about \$8 million for

repair and rehabilitation projects and \$9 million to pay for utilities. The auditors also identified about \$12,000 in questioned costs.

- OIG continues to contract with independent public accounting firms to conduct audits and agreed-upon procedures of contractors, grantees, sub-contractors, and sub-grantees. Among other things, these audits help to ensure the validity of costs claimed and compliance with Executive Order 13224 on the blocking of assistance to terrorist organizations. During the reporting period, OIG issued six final reports on these activities that identified questioned costs of approximately \$107,000 of the \$12 million audited.

OIG's oversight activities during this reporting period did not identify any instances where terrorist organizations received USAID funds. However, one grantee did not include the required clause in a sub-grant. OIG recommended that the recipient comply with Executive Order 13224.

During the current reporting period, OIG conducted a site visit of the USAID Mission in Tel Aviv to address West Bank and Gaza-related issues. As a result, OIG anticipates future efforts in the areas of fraud awareness presentations and site visits.

### **Tsunami Recovery Program**

On December 26, 2004, a devastating earthquake off the west coast of Northern Sumatra, Indonesia, spawned a massive tsunami that struck several

countries in Southeast Asia and parts of Africa. More than 273,000 people were reported missing or dead, and about 1 million others were displaced.

On May 11, 2005, President Bush signed the "Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief, 2005." This Act provided \$907 million for tsunami recovery and reconstruction assistance. Under the Act, USAID received \$656 million to provide direct assistance to tsunami-affected countries. The Act also provided up to \$1 million for OIG to review USAID's efforts.

During this reporting period, OIG conducted an audit of USAID/Indonesia's \$12 million Banda Aceh—Lamno road reconstruction activities. These activities included outputs such as removal of bridge debris, rehabilitation of usable road sections, and construction of new road sections. Although some planned outputs were on schedule or near completion, OIG could not determine whether all planned outputs would be completed by the project's completion date and within overall estimated costs because two critical project documents were not in place—a completed road design and an approved implementation plan. OIG made two recommendations to improve project implementation (see page 6).

In addition, OIG is working closely with USAID missions to arrange for financial audits of contractors and grantees implementing major tsunami-assistance activities.



During the reporting period, OIG also conducted seven fraud awareness training sessions and site visits in Sri Lanka, Indonesia, and Thailand. During these visits, OIG discussed fraud-related issues with senior USAID Mission personnel and key contractor personnel.

## **HIV/AIDS**

The HIV/AIDS pandemic is a social and economic crisis that is threatening decades of development progress. Recognizing that the HIV/AIDS pandemic is an unprecedented crisis, the President's Emergency Plan for AIDS Relief (Emergency Plan) was announced in January 2003. The Emergency Plan focuses significant new resources in 15 of the most afflicted countries in the world.<sup>6</sup> In these nations, the Emergency Plan aims to support treatment for 2 million people living with HIV/AIDS, prevent 7 million new HIV infections, and support care for 10 million people infected and affected by HIV/AIDS, including orphans and vulnerable children.

These 15 focus countries contain approximately half of the world's 40 million HIV-positive people and have at least 8 million children orphaned or made vulnerable by HIV/AIDS. Along with the Departments of State and of Health and Human Services, USAID is one of the key agencies implementing the Emergency Plan.

In 2005, OIG launched a worldwide audit to review USAID's participation in the President's Emergency Plan for AIDS Relief (PEPFAR) and how it is progressing with PEPFAR activities.<sup>7</sup> In 2006, OIG launched a second worldwide audit to determine how USAID's Emergency Plan prevention and care activities are progressing. The audit showed that USAID is making significant contributions to the overall relief plan. OIG also plans to perform a worldwide audit of USAID's procurement and distribution of commodities for PEPFAR.

---

6. Botswana, Cote d'Ivoire, Ethiopia, Kenya, Mozambique, Namibia, Nigeria, Rwanda, South Africa, Tanzania, Uganda, and Zambia in Africa; Guyana in South America; Haiti in the Caribbean; and Vietnam in Asia.

7. The summary report for this worldwide audit, issued during the previous semiannual reporting period, was the "Audit of USAID's Implementation of the President's Emergency Plan for AIDS Relief," issued September 30, 2005 (Audit Report No. 9-000-05-009-P).

# EXPANDING ACCOUNTABILITY

Corruption and lack of accountability are major impediments to successful development and threaten to negate years of economic growth, especially in areas of the world beset by political instability and violence. OIG audits and investigations are one method of safeguarding USAID funds; however, OIG actively pursues additional methods to promote accountability and transparency. For example, OIG works with Supreme Audit Institutions to expand their capability, provides fraud awareness and financial management training, works with other members of the federal community to improve standards and identify best practices, and maintains oversight of audit work conducted on OIG's behalf.

## **Expanding Supreme Audit Institutions' Capabilities**

OIG continues to work closely with selected Supreme Audit Institutions (SAIs). SAIs are the recipient countries' principal government audit agencies and are often the only organizations that have a legal mandate to audit the accounts and operations of their governments. OIG establishes standards and procedures for SAI audits of USAID funds and oversees the SAI's work. During the reporting period, OIG issued 11 reports to local government agencies that were performed for the USAID OIG by SAIs.

## **Financial Management Training**

USAID's contracts and grants define the types of costs that are legitimate charges to support USAID programs. To increase awareness and compli-

ance with cost principles, OIG has been training overseas USAID staff, contractors, grantees and others. This training provides a general overview of both U.S. Government cost principles and audit requirements. It also provides examples of concepts such as reasonableness, allocability, and allowable and non-allowable costs.

During the reporting period, OIG provided financial management training in five countries to over 300 individuals representing USAID missions, partners and recipients; accounting firms; Supreme Audit Institutions.

## **Prevention and Fraud Awareness**

OIG investigative priorities are twofold: (1) to preserve and protect program and employee integrity within USAID, ADF, and IAF; and (2) to prevent fraud, waste, and abuse within USAID, ADF, and IAF programs and operations. During the reporting period, OIG has emphasized preventive strategies as part of its oversight responsibilities. Using proactive strategies has proven to be very effective in combating fraud, waste, and abuse.

OIG has employed a number of proactive strategies. For example, fraud awareness training given to employees, contractors, grantees and others alerts them to fraudulent practices and schemes and advises them on how to report fraud if it is encountered. When requested, the training is tailored to specific groups, such as contracting officers or cognizant technical officers. Furthermore, investigations resulting in criminal

and/or civil prosecution are publicized on the Agency's website and other publications calling attention to prosecutorial action taken against individuals or organizations whose illegal activities have targeted USAID programs. It is OIG's expectation that the publication of these prosecutorial actions serves as a deterrent to fraud, waste and abuse.

In addition, OIG has developed several publications and promotional materials. The newest publication, "What an Investigation Means to You," outlines the types of activities that OIG investigates, the purpose of its investigations, the investigative process, and the employee's role in that process. Another publication, "What to Report," provides specific guidelines for making complaints to OIG Hotline, while OIG's "Fraud Indicators" publication encourages its readers to explore various techniques to identify indicators of fraud. Furthermore, OIG Hotline posters, flyers, and cards have been distributed to OIG's overseas offices. In an effort to expand OIG's outreach efforts, these materials are produced in English, Spanish, French and Arabic and are also available on OIG Website.

# FRAUD AWARENESS TRAINING

Month	Location	Sessions	Attendees	Type of Attendee
<b>OCT</b>	Washington, DC	1	20	USAID Personnel
<b>NOV</b>	Santo Domingo, Dominican Republic	13	146	USAID/Contractor/Grantee Personnel
<b>DEC</b>	Accra, Ghana	1	54	USAID Personnel
	Kiev, Ukraine	1	74	USAID Personnel
	Addis Ababa, Ethiopia	2	143	USAID/Contractor/Grantee Personnel CPA Firm Personnel
<b>JAN</b>	Colombo, Sri Lanka	2	50	USAID/Contractor/Grantee Personnel
	Jakarta, Indonesia	2	62	USAID/Contractor/Grantee Personnel
	Banda Aceh, Indonesia	1	17	USAID/Contractor/Grantee Personnel
	Washington, DC	1	21	USAID Personnel
	Bangkok, Thailand	2	35	USAID,/Contractor/Grantee Personnel
<b>FEB</b>	Washington, DC	2	38	USAID Personnel
	Yerevan, Armenia	3	115	USAID/Contractor Personnel
<b>MAR</b>	Moscow, Russia	4	85	USAID/State Department/ Contractor/Grantee Personnel
	Washington, DC	2	52	USAID Personnel
	Baghdad, Iraq	4	128	USAID Personnel
<b>Total</b>		<b>41</b>	<b>1,040</b>	



Photograph of an OIG Special Agent during one of the 41 fraud awareness training sessions conducted to alert participants to fraudulent practices and schemes and how to report it.



***OIG identified approximately \$13.7 million in questioned costs in 37 audit reports covering \$632.1 million.***

### ***Federal-wide Quality Control Review Program***

USAID/OIG participates in the Federal Government's Single Audit Quality Control Working Group. OIG performed three quality control reviews of audits of grantees predominately funded by USAID. The Working Group will report on the review results of all federal agencies in fiscal year 2006. OIG also works with USAID program managers to update compliance guidance for the Foreign Food Aid Donation programs. This guidance was submitted to the Office of Management and Budget (OMB) as an addition to the OMB Circular A-133 Compliance Supplement and provides practical guidance on Foreign Food Aid programs to independent public accountants conducting audits of USAID's domestic grantee partners.

### ***Oversight of Audit Work Conducted on OIG's Behalf***

OIG oversees audit work conducted by federal and non-federal auditors. The Defense Contract Audit Agency (DCAA) conducts audits, reviews, and pre-award surveys of U.S.-based contractors on USAID's behalf. OIG then reviews DCAA's reports and transmits them to USAID management. In addition, OIG provides oversight of non-federal auditors who perform audits of U.S.-based nonprofit and foreign organizations that receive USAID funds and conducts quality control reviews to determine if the audits comply with U.S. Government requirements. During this period, OIG issued 37 audit reports which identified about \$13.7 million in questioned costs, covering about \$632.1 million audited. OIG also issued 11 quality control review reports covering \$144 million.

# INTRODUCTION OF USAID BUREAUS AND INDEPENDENT OFFICES

*USAID is organized into ten major bureaus and six independent offices.*

The Office of the Inspector General's audit or investigative results are presented under the appropriate USAID unit or bureau.

USAID is organized into ten major bureaus and six independent offices. The bureaus are divided by region, program focus, and support function. USAID's bureaus are:

## **Regional Bureaus**

- Africa
- Asia and the Near East
- Europe and Eurasia
- Latin America and the Caribbean

The regional bureaus formulate, approve, direct, and implement economic assistance programs with the field mission staff under their responsibility.

## **Program/Pillar Bureaus**

- Democracy, Conflict and Humanitarian Assistance
- Economic Growth, Agriculture and Trade
- Global Health

The pillar bureaus provide leadership, technical expertise, and management worldwide in primary focus areas.

The program activity or technical expertise supports USAID's regional bureaus, field missions and other operational units.

## **Support Bureaus**

- Policy and Program Coordination
- Management
- Legislative and Public Affairs

Centralized programs and services that serve the entire USAID organization are the focus of the support bureaus. The tasks of these three support bureaus encompass policy formulation, coordination, budget formulation, resource allocation, management services (including information technology, personnel and financial management), and public and Congressional liaison.

## **Independent Offices**

- Office of the Executive Secretariat
- Office of Equal Opportunity Programs
- Office of the General Counsel
- Global Development Alliance Secretariat
- Office of Small and Disadvantaged Business Utilization and Minority Resource Center
- Office of Security

The independent offices, headed by directors who are appointed by the Administrator, provide specialized functions for USAID.

# BUREAU FOR AFRICA

## *Audit of USAID/Uganda's Development Credit Authority*

The Development Credit Authority (DCA) is a broad financing authority that allows USAID to use credit to pursue any of the development purposes specified under the Foreign Assistance Act of 1961, as amended. USAID's DCA guarantees encourage commercial banks to finance targeted development projects that otherwise would most likely not be funded, encourage local private-sector lending, and stimulate the development of local capital markets.

This audit was conducted as part of a worldwide audit of USAID's Development Credit Authority to determine whether USAID/Uganda managed its DCA guarantees to ensure that selected results were achieved.

As a result of the audit, OIG determined that USAID/Uganda managed its DCA guarantees to ensure that selected results were achieved but identified several areas where additional oversight would result in improved accountability and monitoring.

OIG made five recommendations to assist USAID/Uganda in improving its oversight of its Development Credit Authority.

Photograph of fish-processing activities at a company that is a DCA guarantee loan recipient in Kampala, Uganda.



Management decisions were reached on four of the recommendations, and USAID/Uganda agreed to de-obligate over \$105,000, which they will reprogram. This reprogramming action could result in over \$3.7 million in additional loan guarantees to qualified borrowers.

(Audit Report No. 4-617-06-004-P)

## *Audit of USAID/Sierra Leone's Management of Its Transition Strategy*

The United States provided over \$300 million annually in support of the UN Peacekeeping Forces in Sierra Leone following a decade of civil war. To address the continuing challenges facing Sierra Leone, USAID implemented a transitional strategy for fiscal years 2001-2003 that had the overarching goal of national peace, security and stability. In 2003, the

transition strategy was extended to a second phase to cover fiscal years 2004-2006, continuing with the same focus.

The objectives of this audit were to determine whether (1) USAID/Sierra Leone managed the transition strategy from Phase 1 to Phase 2 efficiently and (2) USAID/Sierra Leone's transition strategy achieved its intended results.

OIG determined that, despite some delays in completing procurement instruments and a monitoring plan, USAID/Sierra Leone efficiently and effectively managed the extension of its transition strategy from Phase 1 to Phase 2. The Mission followed USAID guidance, which included assessing the Stage 1 Strategy, developing a new strategy that incorporated the results of assessments, and performing required administrative procedures. In addition, the audit found that USAID/Sierra Leone's transition strategy achieved its intended results.

However, the audit did identify weaknesses regarding documentation of monitoring activities and data accuracy.

OIG made two recommendations to assist USAID/Sierra Leone in its monitoring and reporting activities.

Management decisions were reached on both recommendations.

(Audit Report No. 7-636-06-001-P)

### *Audit of USAID/WARP's Management of Environmental and Food Security Monitoring Programs*

The USAID/West African Regional Program (WARP) headquartered in Accra, Ghana deals with West African development challenges.

The objectives of the audit were to determine whether (1) USAID/WARP monitored and reported results of its environmental and food security programs in accordance with applicable requirements and (2) USAID/WARP's environmental and food security programs were on schedule to achieve planned results.

OIG determined that USAID/WARP followed applicable requirements in reporting its program activities and that its environmental and food security programs were on schedule to achieve planned results.

However, OIG made four recommendations to improve program monitoring and to work with partner organizations to improve food security. These recommendations focused on strengthening the Mission's monitoring activities, encouraging high-level

participation and the timely release of agricultural data at regional food security conferences, and developing a strategy to back up meteorological data needed to avoid a food security crisis.

Management decisions have been reached on all recommendations.

(Audit Report No. 7-624-06-002-P)

### *Audit of the Effectiveness of USAID/South Africa's Award Closeout and Contractor Performance Evaluation Programs*

OIG conducted this audit to determine whether USAID/South Africa implemented award closeout and contractor performance evaluation programs as required by USAID policies and procedures. OIG determined that, although it had programs for closing out awards and evaluating contractor performance, the Mission did not complete all award closeouts and contractor performance evaluations in the time frames required. Specifically, it did not complete closeouts for 56 awards with a total of about \$1 million in unliquidated balances that were 36 months past their expiration date. Similarly, during fiscal years 2002, 2003 and 2004, the Mission did not complete 92 percent of required final contractor evaluations and 88 percent of required interim evaluations. In addition, for the same three-year period, the Mission did not document the use of past performance information in source selection for 20 percent of its direct contracts.

OIG made five recommendations to improve USAID/South Africa's programs for award closeouts and contractor performance evaluations, including completing closeout procedures or documenting an appropriate exception for 56 awards with unliquidated balances of about \$1 million and deobligating the balances that were no longer needed.

Final action was taken on all five recommendations, and the Mission deobligated about \$1 million in unliquidated balances.

(Audit Report No. 4-674-06-005-P)

### *Investigation Leads to Conviction of Foreign Service National Employee*

OIG previously reported the indictment and arrest of a former Foreign Service National (FSN) employee on charges of theft and embezzlement in a joint investigation conducted with the Department of State. The FSN had worked in the Cashier's Office of a USAID Mission and then departed for a position in the U.S. Embassy's Cashier's Office. The joint investigation revealed that the FSN embezzled over \$200,000.

During the reporting period, the FSN pled guilty to two counts of embezzlement in U.S. District Court. The former employee admitted to stealing more than \$100,000 from the USAID Mission and approximately \$100,000 from the U.S. Embassy. The individual will be sentenced later this year.

# BUREAU FOR ASIA AND THE NEAR EAST

## *Audit of USAID/Iraq's Nonexpendable Property*

USAID/Iraq was established in July 2003 to manage USAID's reconstruction and humanitarian relief assistance. Due to a staffing shortage, the Mission hired a contractor to procure and manage nonexpendable property.<sup>8</sup> After the contract expired, the Mission took over responsibility for the procurement, maintenance, management and accountability of nonexpendable property.

The objective of this audit was to determine if USAID/Iraq managed its nonexpendable property in accordance with USAID guidance.

OIG found that USAID/Iraq's property, valued at \$23.5 million in its nonexpendable property database, was not managed in accordance with USAID guidance. Based on a statistical sample, OIG could not verify that a projected \$21.3 million was correctly valued in the database because the amounts were not supported by documentation. Additionally, OIG could not verify the existence of a projected \$2.9 million in nonexpendable property included in the database. Furthermore, Mission vehicles valued at \$2.3 million were not properly safeguarded, and questions of ownership existed regarding nonexpendable property shared with another U.S. Government agency.



Photograph of vehicles stored uncovered on the USAID/Iraq compound in Baghdad, Iraq.

OIG made seven recommendations to improve USAID/Iraq's management of its nonexpendable property.

Management decisions have been reached on all recommendations.

(Audit Report No. E-267-06-002-P)

## *Audit of USAID/Afghanistan's Cashiering Operations*

Mission cashiering operations are governed by policies and procedures issued by the Department of the Treasury, the Department of State, and USAID. A mission cashier, among other duties, maintains an imprest fund, makes cash disbursements, and accepts payments.

OIG found that USAID/Afghanistan managed its cashiering operations in accordance with established regulations, policies, and procedures. For example, the Mission:

- Followed appropriate procedures in establishing its imprest fund
- Provided training to its cashiers
- Implemented adequate segregation of duties
- Periodically performed and documented unannounced cash counts

The audit report did not contain any recommendations.

(Audit Report No. 5-306-06-001-P)

8. Nonexpendable property is defined as any item that is (1) complete in itself, (2) does not lose its identity or become a component part of another item when used, and (3) is of a durable nature with an anticipated useful life of over two years.



## *Audit of USAID/Afghanistan's Rebuilding Agriculture Markets Program*

USAID/Afghanistan's Rebuilding Agricultural Markets Program (RAMP) was developed to help the people and Government of Afghanistan rehabilitate the country's rural sector, focusing specifically on enhancing food security and increasing rural incomes.

The objective of this audit was to determine whether USAID/Afghanistan's RAMP activities were on schedule to achieve planned outputs.

Five of six activities achieved their planned outputs for the period ending September 30, 2005, including rehabilitating irrigation canals, providing live-stock vaccinations and treatments, and training women in poultry management. However, USAID/Afghanistan did not meet its goal of rehabilitating 555 kilometers of farm-to-market roads—about 390 kilometers or only 70 percent were rehabilitated. USAID/Afghanistan did not achieve this for a number of reasons, including the security situation and subcontractor performance issues.

In addition, OIG identified needed improvements in contract administration in areas such as the updating of work plans, changes to the scope of work, and annual evaluations of contractor performance.

OIG made three recommendations to improve USAID/Afghanistan's administration of the RAMP contract.

Final action was taken on all three recommendations.

(Audit Report No. 5-306-06-002-P)

## *Audit of the Accuracy of Biographical Data Sheets Provided by International Resources Group to USAID for Contracts in Iraq*

OIG conducted this audit to determine if selected information on the biographical data sheets provided to USAID was accurate.

International Resources Group has two contacts with USAID estimated at \$58 million. Biographical Data Sheets are required and used by the Office of Procurement to establish the appropriate salary level for contractor

employees based on past work experience, education, and previous salary history. Contractors are required to certify that they have verified the information on the biographical data sheet submitted by prospective employees prior to submission to the Office of Procurement.

OIG found that the contractor has put policies and procedures in place to verify information on the biographical data sheets. Furthermore, there were no significant discrepancies noted on the biographical data sheet information tested during the audit.

The audit report did not contain any recommendations.

(Audit Report No. 9-267-06-001-P)



Photographs of the Charkiar Canal's Five-Fingers Extension before rehabilitation (LEFT) and after rehabilitation (RIGHT) in Parwan, Afghanistan.



## *Investigation Yields \$1.93 Million Civil Settlement*

As a result of an OIG investigation, the U.S. Department of Justice, Civil Division entered into an agreement to settle claims against a U.S.-based firm in connection with a contract to build water treatment facilities in Egypt. The U.S.-based firm supplied materials as a subcontractor to the prime contractor. The United States alleged that the firm improperly supplied non-conforming materials that failed to meet U.S. source and origin requirements in violation of the terms of financing being provided by USAID. According to the terms of the settlement, the firm agreed to pay the U.S. Government \$1.93 million to settle all claims.

## *Investigation Results in Termination of \$17 Million Contract*

An OIG investigation into improper procurement activities by multiple USAID contractor firms in an agricultural program in Egypt has resulted in the termination of a \$17 million contract. The investigation also caused two contractor firms involved in the alleged improper activity to terminate a total of 13 employees, including a Chief of Party and a Deputy Chief of Party. Additionally, the USAID Foreign Service National Cognizant Technical Officer in charge of the program resigned from his position. Finally, the prime contractor for the project issued a credit to USAID for \$467,801.



Photograph of an OIG Special Agent inspecting a defective chopper during an investigation in Upper Egypt.



Photograph of an OIG Special Agent in Egypt inspecting a tipper trailer, which turned out to be substandard and overpriced.



# BUREAU FOR EUROPE AND EURASIA

## *Audit of USAID/Bulgaria's Development Credit Authority*

The Development Credit Authority (DCA) is a broad financing authority that allows USAID to use credit to pursue any of the development purposes specified under the Foreign Assistance Act of 1961, as amended. USAID's DCA credit guarantees encourage commercial banks to finance targeted development projects that otherwise would most likely not have been funded, encourage local private-sector lending, and stimulate the development of local capital markets.

This was one in a series of USAID's Development Credit Authority audits conducted in fiscal year 2006. The objective was to determine whether USAID/Bulgaria managed its DCA guarantees to ensure that selected intended results were achieved.

OIG found that USAID/Bulgaria managed its DCA guarantees to ensure that selected results were achieved. The loans selected for review supported the Mission's strategic objectives, were made to qualified borrowers for qualified projects, and funded activities reflecting the intended purpose of the loans. Furthermore, the Mission achieved its targets for the fiscal year ending September 30, 2004.

The audit report contained no recommendations.

(Audit Report No. 9-183-06-002-P)

## *Investigation Results in Termination of Three Employees*

The Chief of Party (COP) of a USAID grantee in Serbia discovered that his signature had been scanned and pasted on payment authorization documents dozens of times without his knowledge or permission. When questioned by the COP and other company officials, local staff denied the charge or stated that it had been done only one or two times for reasons of expediency. During an OIG investigation of the matter, three of the grantee's local staff admitted that they routinely forged the COP's signature on payment requests sent to the company's bank. Accordingly, the grantee terminated the three local employees. A comprehensive financial audit of the grantee is pending.

Note: The terminations occurred in September of 2005 but were not previously reported.

## *Investigation Leads to Savings of \$125,000*

OIG previously reported that an investigation launched in coordination with the USAID Missions to Moldova and Ukraine resulted in the identification of questionable practices in the awarding of sub-grants by U.S.-based implementers involved in USAID's Agribusiness Development Program (ADP) and the Private Farmers Assistance Program (PFAP). The ADP seeks to increase rural incomes and employment by improving the international competitiveness and trade

performance of Moldova's agricultural sector. The PFAP was launched in January 2001 to provide post-privatization assistance to private farmers and rural entrepreneurs in Moldova.

During the reporting period, the investigation resulted in the accelerated closeout of an existing program resulting in a savings of \$125,000. Previously, this investigation had resulted in \$2,000,000 in savings, \$119,189 in disallowed costs, \$149,620 in suspended sub-grants, and the removal of two Chiefs of Party, one Deputy Chief of Party and two financial employees.

# BUREAU FOR LATIN AMERICA AND THE CARIBBEAN

## *Audit of USAID/Paraguay's Reproductive Health and Family Planning Activities*

OIG conducted this audit to determine if (1) USAID/Paraguay's reproductive health and family planning activities met planned results and (2) USAID/Paraguay and its partners managed these activities in an efficient manner.

USAID/Paraguay met two of its four primary planned results. The Paraguayan Center for Population Studies increased its ability to cover core operating expenses with core operating revenues. In addition, it met its target of increasing the institutional capacity of 15 local health councils by 2005. However, the Mission did not meet the third primary planned result of providing quality reproduc-

tive health care at 25 facilities by 2005. OIG could not determine if the planned result was achieved for the fourth primary result, contraceptives distributed, because the reported data were not reliable. In addition, OIG could not determine if USAID/Paraguay and its partners managed these activities in an efficient manner because the performance indicators did not determine efficiency.

OIG made 11 recommendations related to improving the quality of follow-up on reproductive and maternal health activities and improving the ability to measure the efficiency of program activities.

Management decisions were reached on all recommendations.

(Audit Report No. I-526-06-003-P)

## *Audit of USAID/Guatemala's Development Credit Authority*

The Development Credit Authority (DCA) is a broad financing authority that allows USAID to use credit to pursue any of the development purposes specified under the Foreign Assistance Act of 1961, as amended. USAID's DCA credit guarantees encourage commercial banks to finance targeted development projects that otherwise might not be funded and stimulate the development of local capital markets.

This audit was conducted as part of a worldwide audit of USAID's Development Credit Authority. The objective of the audit was to determine whether USAID/Guatemala managed its DCA guarantees to ensure that selected results were achieved.

Except for not establishing and tracking performance indicators for its loan guarantees and not using a bond guarantee with one organization as was originally planned, USAID/Guatemala managed its DCA guarantees to ensure that selected results were achieved for two of the three guarantees, which totaled \$25 million.

USAID/Guatemala did not clearly establish and track performance indicators for its three DCA guarantees as required by USAID's DCA Operations Manual. In fact, its Performance Monitoring Plan did not include indicators or targets for any of the guarantees.



Photograph of a loan recipient and an official from a DCA financial institution. The proceeds were used by the borrower to expand her taxi business.

USAID/Guatemala entered into a bond guarantee for the purpose of guaranteeing the issuance of up to \$5 million in promissory notes which were going to be used to fund loans to microentrepreneurs. However, USAID/Guatemala has not been able to utilize a bond guarantee with a non-profit organization as was originally planned because of new banking regulations. The Mission must now decide whether to pursue or cancel this guarantee.

OIG recommended that USAID/Guatemala (1) establish performance indicators and targets in its Performance Monitoring Plan; and (2) request an action plan that includes a timeline and steps needed to utilize its bond guarantee agreement.

Final action was taken on both recommendations.

(Audit Report No. I-520-06-002-P)

### *Investigation Results in Guilty Plea and Restitution*

An OIG investigation revealed that a subcontractor of a USAID-funded, private voluntary organization created fake travel receipts and falsely inflated travel vouchers that were subsequently submitted to USAID and the United States Department of Agriculture (USDA) for reimbursement. The investigation determined that through the submission of the false and inflated claims, the subcontractor received monies from USAID and USDA that he was not entitled to receive.

As a result of the OIG investigation, the subcontractor pled guilty to an embezzlement statute in U.S. District Court. In addition, the subcontractor made full restitution to USAID and USDA. Sentencing is scheduled for later this year.

### *Investigation Leads to Debarment*

OIG previously reported that the former controller of a USAID contractor pled guilty to the interstate transportation of stolen property. The former controller had stolen \$58,337 from the contractor's operational expense account at a U.S.-based bank by causing checks to be issued payable to himself. He then took the checks from the USAID contractor's offices and deposited them in his personal bank account.

During the reporting period, the former controller was sentenced in U.S. District Court to one year of probation—including six months' home detention—and 150 hours of community service. In addition, the matter was referred to the USAID Office of Acquisition and Assistance for consideration of debarment. Subsequently, the former controller was debarred from all government programs for a period of three years.

### *Investigation Leads to Repayment of \$110,000*

A USAID-funded, nonprofit foundation supporting improvements in coffee production and the quality of life of coffee workers around the world suffered a theft of \$110,000. The subsequent OIG investigation found that a former executive of the

foundation, with continuing access to its operating account, transferred funds to a related company after the former executive began working there. This unauthorized transaction was undertaken to conceal the fact that the former foundation executive was stealing money from the second company. After OIG notified the company that the funds had been improperly transferred by its employee, the company repaid the foundation the \$110,000. In addition, four systemic changes were implemented to improve internal controls and prevent a further loss of USAID funds.

### *Investigation Leads to Termination of Director and Technical Manager*

A nongovernmental organization (NGO) dedicated to home construction and the promotion of health throughout La Paz and the Andes Region of Bolivia received approximately \$5 million from USAID/Bolivia from 2001 to 2005. A portion of the \$5 million was earmarked for project-related travel expenses.

An OIG investigation was initiated based on an anonymous complaint that the NGO's Director and Technical Manager routinely submitted false travel vouchers as a means of augmenting their salaries. The OIG investigation confirmed the allegations and both individuals were terminated.

# BUREAU FOR MANAGEMENT

## *Audit of USAID’s Information Technology Governance Over its Phoenix Overseas Deployment and Procurement System Improvement Program (PSIP) Projects*

OIG conducted this audit to determine whether USAID utilized federal requirements and best practices to manage and control the Phoenix Overseas Deployment and Procurement System Improvement Program (PSIP) projects. USAID did not implement several key components of an effective IT governance structure—primarily because the Chief Information Officer did not have the control over Agency resources to ensure that sufficient resources were made available for these activities. As a result, USAID did not always use its IT resources responsibly and manage its IT risk appropriately.

OIG made five recommendations to help USAID improve its governance over Agency information technology initiatives.

Management decisions were reached on all the recommendations.

(Audit Report No.A-000-06-001-P)

## *Investigation Results in Two Debarments*

After an OIG investigation resulted in the conviction, incarceration and debarment of the president of a U.S.-based Private Voluntary Organization (PVO), as previously reported, the president’s spouse created a new affiliate company. The affiliate company, with the spouse as president, took over the assets and federal contract previously awarded to the debarred PVO. Moreover, the affiliate company did not reveal to the government that the spouse had direct involvement in the fraudulent activities of the debarred PVO. Accordingly, when a new investigation exposed this arrangement, OIG referred the matter to USAID, which debarred the affiliate company and the spouse of the convicted PVO president.

# OFFICE OF EQUAL OPPORTUNITY PROGRAMS

## *Audit of USAID's Reasonable Accommodation Policies and Procedures*

OIG conducted this audit to determine if USAID's reasonable accommodation policies and procedures were in compliance with Executive Order 13164 and Equal Employment Opportunity Commission (EEOC) guidance.

OIG found that over the past three years, USAID's reasonable accommodation policies and procedures did not comply. Although USAID's Office of Equal Opportunity Programs (EOP) had drafted its reasonable accommodation guidance and begun operating under the new guidance, EOP had not submitted the revisions to EEOC for review or published the new reasonable accommodation guidance in a timely manner. Further, EOP had not established a schedule to periodically review management reports on reasonable accommodation requests to determine if processing is occurring within prescribed timeframes. Finally, EOP did not update or maintain its reasonable accommodation tracking report on a periodic basis to accurately reflect the status and disposition of the reasonable accommodation requests.

OIG made five recommendations to bring USAID's reasonable accommodation policies and procedures into compliance with Executive Order 13164 and EEOC guidance.

Management decisions were reached on all recommendations, and final action was taken on two of the recommendations.

(Audit Report No. 9-000-06-003-P)



# AFRICAN DEVELOPMENT FOUNDATION

The African Development Foundation (ADF) is a public corporation and federal agency established by the United States Congress in 1980. It began operations in 1984 and works at the grassroots level in Africa to alleviate poverty and promote economic and social development. Over the past two decades, ADF has provided more than \$212 million in programming support to more than 1,650 projects in 27 countries.

ADF believes that local communities are a vital source of ideas and energy for development. Thus, ADF makes grants directly to African enterprises and non-governmental organizations; none of its resources pass through government agencies or international organizations. Most of ADF's grants are between \$50,000 and \$250,000 and are disbursed to grantees in local currency.

Based in Washington, D.C., ADF has 22 employees and is governed by a seven-member Board of Directors appointed by the President of the United States. ADF receives its funding from congressional appropriations and obtains significant additional funding from strategic partnerships with African governments and from other sources. Congress appropriated \$23 million to ADF in fiscal year 2006. Currently, ADF is supporting approximately 270 projects in 16 African countries.

## OIG STRATEGY

OIG's oversight includes financial and performance audits of ADF operations. An essential aspect of this strategy lies in OIG's annual audit of ADF's financial statements. OIG coordinates this audit work with non-federal auditors and provides on-going technical audit advice and liaison to ADF and its auditors. In addition, OIG advises the auditors and, where appropriate, ADF of any deficiencies found in the audits and presents audit recommendations to ADF through its annual financial statement audit report.

Performance audits also play an important role in maintaining ADF accountability and effectiveness. After initially identifying relevant management controls, OIG performs risk assessments of selected ADF operations. These assessments are used to determine where selected ADF operations could be vulnerable and to assist in developing future audit plans.

## MANAGEMENT CHALLENGES

In order to promote economy, efficiency, and effectiveness in the administration of its programs and to prevent and detect fraud and abuse, ADF is working to resolve a number of difficult issues. The most important of these issues include monitoring performance of its overseas programs and developing a reliable financial management system. This section describes ADF's continuing efforts.

## *Performance Monitoring*

ADF faces a challenge with its indigenous partners that provide technical support and training to ADF grantees, visit projects regularly to monitor progress, and assist with on-the-ground trouble-shooting. ADF's goal is to help these partners become financially sustainable and widely recognized as development experts in their respective countries.

ADF has strengthened its performance monitoring system by (1) aligning grantee project performance indicators with ADF's strategic plan objectives; (2) instituting quarterly monitoring and reporting on projects; and (3) conducting semiannual reviews of its country project portfolios. These reviews provide ADF with greater insight into the strengths and weaknesses of its project development and approval processes.

## *Implementing an Integrated Financial Management System*

ADF prepares a complete set of financial statements and a private accounting firm, with OIG oversight, audits those statements. According to the audit report for fiscal year 2005, ADF implemented an agreement with the Department of the Interior's National Business Center for accounting and general ledger services. This service addressed financial management weaknesses that had been noted in previous audit reports.

## **OIG OVERSIGHT ACTIVITIES**

### *Audit of African Development Foundation's Financial Statements for the Fiscal Year Ended September 30, 2005*

An audit of the African Development Foundation's financial statements for the fiscal year ended September 30, 2005, was performed, under OIG oversight, by a non-federal audit firm. The audit firm issued an unqualified opinion. Additionally, the firm found that (1) ADF had effective internal control over financial reporting and compliance with laws and regulations; (2) its financial management systems substantially complied with the Federal Financial Management Improvement Act of 1996; and (3) for those items tested, ADF had no reportable noncompliance with laws and regulations. Furthermore, the firm found that ADF had corrected financial accounting weaknesses noted in prior audits.

(Audit Report No. 0-ADF-06-003-C)

# INTER-AMERICAN FOUNDATION

The Inter-American Foundation (IAF) is an independent federal agency established by the United States Congress in 1969 to support grassroots development in Latin America and the Caribbean. Since then, it has provided funding of more than \$586 million in over 4,500 projects to 38 countries.

IAF provides grants to nongovernmental and community-based organizations in Latin America and the Caribbean for innovative, sustainable, and participatory self-help programs. IAF primarily funds partnerships among grassroots and nonprofit organizations, businesses and local governments directed at improving the quality of life of poor people and strengthening participation, accountability and democratic practices.

Based in Arlington, Virginia, IAF has 47 employees and is governed by a nine-member Board of Directors appointed by the President of the United States. Its operating and program budgets consist of congressional appropriations and funds derived through the Social Progress Trust Fund. Congress appropriated \$19.5 million to IAF in fiscal year 2006. Currently, IAF supports 229 projects in 26 countries.

## OIG STRATEGY

OIG's oversight includes financial and performance audits of IAF operations. The first key aspect of this strategy lies in OIG's annual audit of IAF's financial statements. OIG contracts with non-federal auditors, coordinates the work to achieve the most timely

and cost-effective audit, and provides on-going technical audit advice and liaison to IAF and its auditors. Also, OIG advises the auditor and, where appropriate, IAF, of any deficiencies found in the audits. OIG presents audit recommendations to IAF through its annual financial statement audit report.

Performance audits also play a key role in maintaining IAF accountability. After initially identifying relevant management controls, OIG performs risk assessments of selected IAF operations. These assessments are used to determine where selected operations could be vulnerable and to assist in developing future audit plans.

## MANAGEMENT CHALLENGES

In order to promote economy, efficiency, and effectiveness in the administration of its programs and to prevent and detect fraud and abuse, IAF is working to resolve a number of difficult issues. The most important of these issues include monitoring performance of its overseas programs, and developing an efficient administrative and organizational structure. This section describes IAF's continuing efforts.

### *Performance Monitoring*

IAF has formed 23 partnerships with corporate foundations and 170 businesses throughout Latin America to co-fund development projects. IAF uses this network to transfer its project methodology and approach to

these foundations and businesses to foster sustainability. These partnerships, however, present IAF with a challenge—how to monitor grants made through the partnerships. To address this challenge, IAF developed a system for auditing its partnerships and introduced this new system to its field auditors. In addition, IAF is developing performance indicators and evaluation measures that will be incorporated into a Grassroots Development Framework for data-gathering and analysis.

IAF is also focusing greater attention on developing performance indicators to measure progress in attaining intangible program results, such as democracy-building and other societal changes. IAF has awarded a contract that will examine the suitability and effectiveness of these performance indicators.

In addition, IAF is working with migrant groups in the U.S. to assist them in channeling some of the \$52 billion in annual remittances, currently sent home to Latin America, into development activities.

### *Administrative and Organizational Structure*

IAF has implemented several major management initiatives, including outsourcing several administrative functions and changing its organizational structure. These initiatives have resulted in more timely financial reporting, faster procurements, and enhanced budget management.

## **OIG OVERSIGHT ACTIVITIES**

### *Audit of the Inter-American Foundation's Financial Statements for the Fiscal Year Ended September 30, 2005*

An audit of the Inter-American Foundation's financial statements for the fiscal year ended September 30, 2005 was performed, under OIG oversight, by a non-federal audit firm. The audit firm provided an unqualified opinion on the financial statements. Moreover, the report did not contain any findings or recommendations for IAF management relative to noncompliance or material weaknesses in internal control.

(Audit Report No. 0-IAF-06-002-C)

# **A P P E N D I C E S**



## USAID FINANCIAL AUDIT REPORTS ISSUED October 1, 2005 through March 31, 2006

Report Number	Date of Report	Report Title	Amount of Findings (\$000s)	Type of Findings
		<b>--PROGRAMS AND OPERATIONS--</b>		
0-000-06-001-C	11/14/05	USAID's Financial Statements for Fiscal Years 2005 and 2004		
I-527-06-001-F	10/21/05	Audit of Certain Transactions Undertaken by Movimiento Manuela Ramos	11 3	QC UN
		<b>--FOREIGN-BASED ORGANIZATIONS--</b>		
0-000-06-015-D	02/21/06	ECI Africa Consulting (Proprietary) Limited, Report on Audit of Fiscal Years 2002 and 2003 Incurred Costs		
0-000-06-023-D	02/21/06	Valid International Ltd., Report on Audit of Pre-Award Accounting System Survey		
0-000-06-024-D	02/21/06	Center for Humanitarian Dialogue, Report on Audit of Accounting System Follow-up		
0-000-06-025-D	02/21/06	Atlas Logistique, Report on Pre-Award Accounting System Survey		
I-520-06-001-N	12/09/05	Close-Out Audit of the Fund Accountability Statement of the Project "Support to the Implementation of the Peace Accords", Special Objective Agreement No. 520-0426, Managed by Fondo de Tierras (FONTIERRAS), for the Period from January 2002 to September 2004		
I-518-06-001-R	10/04/05	Fund Accountability Statement Audit of the Program for Strengthening the Democracy in Ecuador, Agreement No. 518-A-00-03-00054-00, Managed by the Citizen Participation Corporation, for the Year Ended December 31, 2004		
I-520-06-002-N	12/09/05	Close-Out Financial Statement Audit of Projects "Increased Rural Household Income and Food Security" and "Implementation of the Peace Accords", Strategic Objective Grant Agreement Nos. 520-0425.10 and 520-0426, Managed by Centro de Cooperacion Internacional para la Preinversion Agricola (CIPREDA), for the Period from January 1, 2002 to September 30, 2004	4	QC
I-526-06-002-R	10/03/05	Financial Statement Audit of Programs No. 526-A-00-01-00074-00, Civil Society and No. 526-A-00-01-00100-00, Health Decentralization and Community Participation, Managed by the Fundacion Comunitaria Centro de Informacion y Recursos para el Desarrollo, for the Year Ended December 31, 2004		
I-519-06-003-N	01/26/06	Close-Out Concurrent Audit of the Fund Accountability Statement of the Special Objective "Earthquake Recovery Program (EREP)" Housing Activity, Agreement No. 519-0458, Managed by the National Popular Housing Fund (FONAVIPO), for the Period from January 1 to August 31, 2005		

BU--Better Use of Funds  
 QC--Questioned Costs  
 UN--Unsupported Costs  
 Note: UN is part of QC

Report Number	Date of Report	Report Title	Amount of Findings (\$000s)	Type of Findings
I-526-06-003-R	10/04/05	Financial Statement Audit of the Program No. 526-A-00-00-00125-00, Strengthening the Sustainable Management of the Chaco and Pantanal Ecoregions, Managed by the Fundacion para el Desarrollo Sostenible del Chaco, for the Year Ended December 31, 2004		
I-527-06-004-R	10/11/05	Audit of the Fund Accountability Statement of the Institutional Strengthening of the Public Defender's Office, Letter of Understanding LA-527-0402-MOJ-01, Managed by the Ministry of Justice, for the Period from November 5, 2002 to March 30, 2004	7 3	QC UN
I-519-06-004-N	02/07/06	Close-Out Audit of the Fund Accountability Statement of the Special Objective Grant Agreement, Earthquake Recovery Program, Schools, Micro and Small Business (Local Municipal Markets) and Health Facilities Reconstruction Activities, Activity No. 519-0458, Managed by the Social Investment Fund for Local Development, for the Period from January 1, 2005 to October 31, 2005		
I-517-06-005-R	10/11/05	Audit of the Fund Accountability Statement for Three Projects, Cooperative Agreement No. 517-A-00-03-00114-00 and Donation Agreement Nos. 517-G-00-04-00119-00 and 517-G-00-03-00127-00, Managed by the Fundacion Institucionalidad y Justicia, Inc., for the Year Ended December 31, 2004		
I-519-06-006-R	10/14/05	Financial and Compliance Audit for the Closing of the Program of Infrastructure and Topography of the Project, "Technical Assistance to Municipal Governments, Reconstruction Committees and Communities in the Construction of Housing Process," Agreement No. I-519-A-00-01-00149-00, Managed by the Salvadorean Foundation for Reconstruction and Development, for the Period from January 1 to November 30, 2004		
I-522-06-007-R	10/14/05	Audit of Financial Statements of USAID Resources Managed by Asociacion de Municipios de Honduras Under Grant Agreement No. 522-A-00-93-00264-00, "Municipal Development" for the Period from October 1, 2003 to September 30, 2004		
I-522-06-008-R	10/14/05	Closeout Financial Statement Audit of the USAID Resources Managed by "Fundacion para la Educacion Ricardo Ernesto Maduro Andreu (i.e., FEREMA)" Under Grant Agreement No. CA-522-A-00-01-00304-00 "Proyecto Aprendamos Matematicas" for the Period Starting June 1, 2002 to December 31, 2004		
I-520-06-009-R	10/18/05	Fund Accountability Statement Audit of the Project Accord on the Rights and Identity of Indigenous People - Human Capacity Development "EDUMAYA," USAID/G-CAP Project No. 520-A-00-98-00013-00, Managed by Rafael Landivar University, for the Year Ended December 31, 2004		
I-526-06-010-R	10/18/05	Financial Statement Audit of USAID/Paraguay Project "Fortalecimiento Institucional del CEPEP," Cooperative Agreement No. 526-A-00-99-00008-00, Managed by the Centro Paraguayo de Estudios de Poblacion, for the Year Ended December 31, 2004		

BU--Better Use of Funds  
QC--Questioned Costs  
UN--Unsupported Costs  
Note: UN is part of QC

I-527-06-011-R	10/25/05	Financial Audit Report of the USAID Agreement No. 527-0368, "Environmental Management Improvement in Selected Sectors," and Agreement No. 527-0407, "Strengthened Environmental Management to Address Priority Problems," Managed by the National Environment Council, for the Period from January 1, 2003 to December 31, 2003		
I-527-06-012-R	10/25/05	Audit of the Fund Accountability Statement for the Activity, "Strengthened Environmental Management to Attend Priority Problems," Agreement No. 527-0407, Managed by the Instituto Nacional De Recursos Naturales, for the Period July 1, 2003 to February 28, 2005	21 7	QC UN
I-526-06-013-R	10/25/05	Financial Statement Audit of the USAID/Paraguay Project "National Environment Reform and Ecoregional Planning of the Northern Block of the Interior Atlantic Rainforest," Agreement No. 526-A-00-03-00060-00, Managed by the Instituto de Derecho y Economia Ambiental, for the Period from October 1, 2003 to December 31, 2004	30 7	QC UN
I-518-06-014-R	10/25/05	Audit of the Fund Accountability Statement for the Activity, "Program for Community Strengthening Initiatives in Northern Ecuador," Cooperation Agreement No. 518-A-00-01-00010-00, Managed by the International Organization for Migration, for the Period from January 1, 2004 to December 31, 2004	97	QC
I-526-06-015-R	10/27/05	Financial Statement Audit of USAID/Paraguay "Programa de Accion de Desarrollo Ambiental en Paraguay," Under Grant Agreement No. 526-A-00-94-00008-00, Managed by the Alter Vida Association for the Nine Month Period from January 1, 2004 to September 30, 2004		
I-520-06-016-R	10/27/05	Financial Statement Audit of the Program "Better Health for Rural Women and Children," Cooperative Agreement No. 520-98-A-00-00037-00, Managed by the Asociacion Bienestar de la Familia de Guatemala ONG for the Period from January 1, 2004 to December 31, 2004		
I-517-06-017-R	10/28/05	Fund Accountability Statement Audit of Reproductive Health Service Program, Agreement No. 517-G-00-01-00114-00, Managed by Asociacion Dominicana Pro-Bienestar de la Familia, Inc., for the Year Ended December 31, 2004	4	QC
I-527-06-018-R	10/28/05	Financial Audit of the Implementation of Electrification Activities Within the Framework of the Special Objective Grant Agreement No. 527-0348, Managed by the Executive Directorate of Projects of the Ministry of Energy and Mines, for the Period from January 1, 2003 to February 29, 2004	78	QC
I-596-06-019-R	11/10/05	Financial Audit for Strategic Objective No. 596-0184.20, "Increased Central American Competitiveness in Global Markets," for the Program Supporting Central America Participation in the Free Trade Areas of the Americas, Implemented and Administered by the Secretariat for the Central American Economical Integration for the Period from January 1, 2004 to December 31, 2004	59 45	QC UN

BU--Better Use of Funds  
QC--Questioned Costs  
UN--Unsupported Costs  
Note: UN is part of QC

Report Number	Date of Report	Report Title	Amount of Findings (\$000s)	Type of Findings
I-527-06-020-R	11/09/05	Fund Accountability Statement of the Cooperative Agreement No. EDG-A-00-02-00036-00 “Centro Andino de Excelencia Para La Capacitacion de Maestros (Andean Center of Excellence for Teacher Training),” Managed by Universidad Peruana Cayetano Heredia, for the Period January 1, 2004 to December 31, 2004	4 4	QC UN
I-527-06-021-R	11/15/05	Financial Statement Audit of the Bilateral Grant Agreement No. 527-0391, “Addressing the Threats of Emerging and Reemerging Infectious Diseases - VIGIA Project,” Managed by the National Institute of Health (INS) for the Year Ended December 31, 2003	42 13	QC UN
I-522-06-022-R	11/23/05	Financial Statement Audit of the Central American and Dominican Republic Centers of Excellence for Teacher Training Program, Cooperative Agreement No. 522-A-00-02-00348-00, Managed by Universidad Pedagogica Nacional Francisco Morazan, for the Year Ended September 30, 2004	439 368	QC UN
I-532-06-023-R	11/21/05	Close Out Audit of the Fund Accountability Statement for the New Horizons for Primary Schools Project, Agreement No. 532-0004-01, Managed by the Ministry of Education, Youth, and Culture, for the Period April 1, 2004 to May 31, 2005		
I-525-06-024-R	12/05/05	Audit of the Financial Statements of the Ecological Trust Fund of Panama Under the Natural Resources Management Project, Agreement No. 525-0308, Managed by the Foundation for the Conservation of Nature Resources, for the Year Ended December 31, 2003		
I-511-06-025-R	12/06/05	Fund Accountability Statement Audit of the Municipal Health Program of the Yungas, Cooperative Agreement No. 511-A-00-01-00058-00, Managed by SERVIR Servicios Educativos, for the Year Ended December 31, 2004		
I-527-06-026-R	12/20/05	Financial Statement Audit of the Asociacion Benefica Prisma for the Period Between October 1, 2002 to December 31, 2003 (for Eight Activities) and the Commodity Status Report for the Same Period	8	QC
I-527-06-027-R	12/07/05	Financial Statement Audit of Strategic Objective Agreement Nos. 527-0348 and 527-0404, Managed by the National Commission for Development and Life Without Drugs, for the Year Ended December 31, 2003	232 10	QC UN
I-527-06-028-R	12/07/05	Fund Accountability Statement Audit of the Program “Participacion y Vigilancia de la Sociedad Civil en la Reforma y Desempeno del Sistema de Administracion de Justicia,” Agreement No. 527-A-00-02-00221, Managed by Instituto de Defensa Legal, for the Period from January 1, 2004 to December 31, 2004		
I-522-06-029-R	12/08/05	Audit of the Fund Accountability Statement of “Sustainable Improvements in Family Health Program,” Cooperative Agreement No. 522-G-00-02-00-354-00, Managed by the Asociacion Hondurena de Planificacion de Familia, for the Period from October 1, 2003 to September 30, 2004		

BU--Better Use of Funds  
QC--Questioned Costs  
UN--Unsupported Costs  
Note: UN is part of QC

<b>Report Number</b>	<b>Date of Report</b>	<b>Report Title</b>	<b>Amount of Findings (\$000s)</b>	<b>Type of Findings</b>
I-525-06-030-R	12/08/05	Audit of the Financial Statements of the Ecological Trust Fund of Panama Under the Natural Resources Management Project, Agreement No. 525-0308, Managed by the Foundation for the Conservation of Nature Resources, for the Year Ended December 31, 2004		
I-519-06-031-R	12/12/05	Audit of the Fund Accountability Statement for the Sustainable Reproductive Health Project, Cooperative Agreement No. 519-A-00-99-000-92-00, Managed by Salvadoran Demographic Association, for the Year Ended December 31, 2004		
I-522-06-032-R	12/14/05	Financial Statement Audit of USAID Resources Managed by the Federacion de Organizaciones Privadas de Desarrollo de Honduras, Strengthening the Democratic Process in Honduras Project, Agreement No. 522-A-00-02-00350-00, for the Period from October 1, 2003 to September 30, 2004		
I-523-06-033-R	12/15/05	Financial Statement Audit of the Trust Fund Established Under Cooperative Agreement No. 523-4007-A-6001-00, Managed by the Mexican Nature Conservation Fund, A.C., for the Year Ended December 31, 2004		
I-527-06-034-R	12/15/05	Audit of the Fund Accountability Statement of the Institutional Strengthening of the Peruvian Congress, Letter of Understanding LA-527-0402-CON-01, Managed by the Congress of Peru, for the Period from December 17, 2002 to July 31, 2004	2	QC
I-519-06-035-R	12/20/05	Fund Accountability Statement Audit of the Institutional Strengthening Project, Grant Agreement No. 519-A-00-01-00219-00, Managed by the Municipal Corporation of the Republic of El Salvador, for the Year Ended December 31, 2004		
I-527-06-036-R	12/20/05	Financial Statement Audit of Reproductive Health in the Community Project - No. 527-A-00-95-00372-04; Mercomujer - GEG-A-00-01-00002-00; and Congressional Reform Coalition - 527-A-00-02-00167-00, Managed by Movimiento Manuela Ramos, for the Year Ended December 31, 2004		
I-511-06-037-R	12/20/05	Fund Accountability Statement of the Population Council for Sustainable Development, Grant Agreement No. 511-0644.02, Managed by the Ministry of Sustainable Development and Planning, for the Year Ended December 31, 2003		
I-511-06-038-R	12/20/05	Fund Accountability Statement of the Population Council for Sustainable Development, Grant Agreement No. 511-0644.02, Managed by the Ministry of Sustainable Development and Planning, for the Year Ended December 31, 2004		
I-511-06-039-R	12/20/05	Fund Accountability Statement Audit of "Promoting the Full Exercise of Sexual and Reproductive Rights of Bolivian Women, Men and Adolescents" and "Family Planning and Reproductive Health Services" Programs, Cooperative Agreement Nos. 511-A-98-00158-00 and 511-A-00-04-00298-00, Managed by the Center for Research, Education and Services, for the Year Ended December 31, 2004		

BU--Better Use of Funds  
QC--Questioned Costs  
UN--Unsupported Costs  
Note: UN is part of QC



<b>Report Number</b>	<b>Date of Report</b>	<b>Report Title</b>	<b>Amount of Findings (\$000s)</b>	<b>Type of Findings</b>
I-511-06-040-R	12/20/05	Fund Accountability Statement Audit of the Proyecto de Salud Integral Chapare, Cooperative Agreement Nos. 511-0643 and 511-0645, Managed by Ministerio de Asuntos Campesinos Indigenas y Agropecuarios, for the Period from June 24, 2003 to December 31, 2003		
I-511-06-041-R	12/20/05	Fund Accountability Statement Audit of the Proyecto de Salud Integral Chapare, Cooperative Agreement Nos. 511-0643 and 511-0645, Managed by Ministerio de Asuntos Campesinos Indigenas y Agropecuarios, for the Year Ended December 31, 2004		
I-532-06-042-R	12/22/05	Close Out Audit of the Fund Accountability of the Resources of USAID/GOJ HIV/AIDS Prevention and Control Project Number 532-0184, Managed by the Ministry of Health, Health Promotion and Protection Division, for the Period April 1, 2003 to December 31, 2004	1	QC
I-520-06-043-R	01/13/06	Audit of the Fund Accountability Statement of the PL 480 Title II Program, Agreement No. FSP-00-03-00015-00, Managed by the Asociacion SHARE of Guatemala, for the Period from July 1, 2003 to June 30, 2004		
I-520-06-044-R	01/13/06	Audit of the Fund Accountability Statement of the PL 480 Title II Program, Agreement No. FSP-00-03-00015-00, Managed by the Asociacion SHARE of Guatemala, for the Period from July 1, 2004 to December 31, 2004		
I-538-06-045-R	12/29/05	Fund Accountability Statement Audit of USAID Resources, Grant Agreement Nos. 538-004-01, 538-005-01, 538-006-01, and 538-008-01, Managed by the Caribbean Community Secretariat Under Regional Strategic Objectives, for the Year Ended December 31, 2004		
I-526-06-046-R	01/05/06	Audit of the Financial Statements of the Project - Cooperation Agreement No. 526-A-00-02-00073-00 Program of Mediation, Funded by the United States Agency for International Development (USAID/Paraguay) and Managed by Instituto de Estudios Comparados en Ciencias Penales y Sociales, for the Period from January 1 to December 31, 2004	1	QC
I-519-06-047-R	01/05/06	Closeout Audit of the Fund Accountability Statement of the Healthy Salvadorans Project, Grant Agreement No. 519-0430, Managed by the Ministry of Public Health and Social Assistance Through the Project Coordinator Unit, for the Period from January 1, 2005 to September 30, 2005		
I-511-06-048-R	01/10/06	Consolidated Fund Accountability Statement Audit of the Integrated Health Project, USAID Grant Agreement No. 511-0644.02, Managed by the Ministry of Health and Social Welfare, for the Year Ended December 31, 2003	3 2	QC UN
I-511-06-049-R	01/13/06	Consolidated Fund Accountability Statement Audit of the Integrated Health Project, USAID Grant Agreement No. 511-0644.02, Managed by the Ministry of Health and Social Welfare, for the Year Ended December 31, 2004	4	QC

BU--Better Use of Funds  
QC--Questioned Costs  
UN--Unsupported Costs  
Note: UN is part of QC

<b>Report Number</b>	<b>Date of Report</b>	<b>Report Title</b>	<b>Amount of Findings (\$000s)</b>	<b>Type of Findings</b>
I-518-06-050-R	01/23/06	Financial Statement Audit of the “Strategic Communication in the Condor Bioreserve” Project No. 518-A-00-03-00153-00, Managed by the OIKOS Corporation (Corporacion de Gestion Tecnologica y Cientifica Sobre el Ambiente), for the Period from October 1, 2003 to March 31, 2005		
I-511-06-051-R	01/13/06	Financial Audit of the Endowment Fund of the Asociacion de Proteccion a la Salud (PROSALUD), Cooperative Agreement No. 511-A-00-97-00121-00. Managed by PROSALUD, for the Years Ended December 31, 2003 and 2004		
I-520-06-052-R	01/13/06	Closeout Audit of the Fund Accountability Statement of the “Parque Nacional Sierra del Lacandon - PNSL” Project, Cooperative Agreement No. 520-A-00-04-00011-00, Managed by the Fundacion Defensores de la Naturaleza, for the Period from November 18, 2003 to November 30, 2004		
I-519-06-053-R	01/24/06	Closeout Audit of the Fund Accountability Statement of the Sustainable Project of Reproductive Health, Agreement No. 519-A-00-99-000-92-00, Managed by the Salvadoran Demographic Association, for the Period from January 1, 2005 to June 30, 2005		
I-538-06-054-R	01/26/06	Close-out Audit of the Fund Accountability Statement of the Small and Medium Sized Enterprises Development Project No. 538-004-01, Managed by the Organization of Eastern Caribbean States, for the Period from July 1, 2003 to January 31, 2005		
I-519-06-055-R	02/08/06	Close-out Fund Accountability Statement Audit of the Institutional Strengthening Project, Grant Agreement No. 519-A-00-01-00219-00, Managed by the Municipal Corporation of the Republic of El Salvador, for the Period from January 1, 2005 to August 31, 2005		
I-511-06-056-R	02/14/06	Financial Statement Audit of the Primary Attention in Integrated Health Program, Cooperative Agreement No. 511-A-00-98-00156-00, Managed by the Integrated Health Coordination Program, for the Year Ended December 31, 2004	73 29	QC UN
I-522-06-057-R	02/15/06	Audit of the Fund Accountability Statement of the P.L. 480 Title II Program - Monetization Funds, Community Based Health Services Project, Food Security Extension Project, and Rural Employment and Development Project, Grant Agreement No. A-00-01-00002-00, Managed by CARE International in Honduras, for the Period from October 1, 2003 to September 30, 2004		
I-525-06-058-R	02/24/06	Audit of the Financial Statements of the Ecological Trust Fund of Panama Under the Natural Resources Management Project, Agreement No. 525-0308, Managed by the Foundation for the Preservation of Nature Resources, for the Year Ended December 31, 2002		
I-523-06-059-R	03/02/06	Audit of the Fund Accountability Statement for the National Enabling Environment for Mexico Program, Managed by the Mexican Nature Conservation Fund, A.C., Under USAID Cooperative Agreement No. 523-A-00-03-00049-00, for the Period from October 1, 2003 to December 31, 2004		

BU--Better Use of Funds  
QC--Questioned Costs  
UN--Unsupported Costs  
Note: UN is part of QC

Report Number	Date of Report	Report Title	Amount of Findings (\$000s)	Type of Findings
I-511-06-060-R	03/02/06	Fund Accountability Statement Audit of the Projects: (1) Coverage Expansion of Reproductive Services and Products (Santa Cruz Additional Tuberculosis Activity), Agreement No. 511-G-00-95-00089-00 (511-0568 and 511-0644), (2) PROSALUD Institutional Consolidation, Agreement No. 511-A-00-01-00262-00, (3) Social Marketing, Agreement No. 511-A-00-02-00295-00, and (4) Health Partners, Agreement No. 511-A-00-02-0261-00, Managed by Asociacion de Proteccion a la Salud, for the Year Ended December 31, 2004	3	QC
			2	UN
I-532-06-061-R	03/02/06	Close-Out Audit of the Fund Accountability of the Caribbean Regional Program Activity Number 538-008-01, Managed by the Ministry of Health, for the Period April 1, 2003 to March 31, 2005		
I-532-06-062-R	03/02/06	Close-Out Audit of the Fund Accountability Statement for the Improved Citizens Security and Participation in Democratic Processes Project, Agreement No. 532-008, Managed by the Ministry of Justice, for the Period from March 14, 2002 to February 28, 2005		
I-523-06-063-R	03/13/06	Closeout Audit of the Fund Accountability Statement for the Wildfire Prevention and Environmental Restoration Program Managed by the Mexican Nature Conservation Fund, A.C., Under USAID Cooperative Agreement No. 523-A-00-98-00039-00, for the Year Ended December 31, 2004	2	QC
I-517-06-064-R	03/16/06	Closeout Audit of the Fund Accountability Statement for the Programs Improving Living Conditions in the Haitian-Dominican Border Agreement No. 517-A-00-03-00118-00, for the Period from July 1, 2004 to July 31, 2005, and for Mitigation of the Forest Fires in the High and Medium Areas Located in the Dominican Republic's Central Southwest Region Agreement No. 517-G-00-05-00104-00, for the Period from April 6, 2005 to July 31, 2005, Managed by Fundacion Para El Desarrollo Comunitario, Inc.		
I-521-06-065-R	03/17/06	Close-Out Financial Statement Audit for USAID/Haiti's Resources Under Cooperative Agreement No. 521-A-00-02-00036-00, for the Period October 1, 2004 to December 31, 2004, Managed by Fondation Haitienne de L'Environnement		
I-521-06-066-R	03/15/06	Financial Statement Audit of USAID/Haiti's Education 2004, Project No. 521-0259, Cooperative Agreement No. 521-A-00-99-00070-00, Managed by Fondation Haitienne de L'Enseignement Prive for the Year Ended July 31, 2004		
4-611-06-001-N	10/12/05	Audit of the Churches Health Association of Zambia Grant Management Unit Under Cooperative Agreement No. 690-A-00-99-00265-00 for the Eighteen-Month Period Ended March 31, 2002	175	QC
			175	UN
4-615-06-001-R	10/13/05	Audit of the Kenya Agricultural Research Institute Under USAID Award Nos. 615-0268, 615-0229 and 615-0007 for the Period November 1, 2000 to June 30, 2004	960	QC
			679	UN
4-663-06-002-R	10/20/05	Audit of Tigray Development Association Under USAID Cooperative Agreement Nos. 663-0015-A-00-5010-00 and 663-A-00-02-00321-00 for the Period July 1, 2002 to June 30, 2003	23	QC
			23	UN

BU--Better Use of Funds  
QC--Questioned Costs  
UN--Unsupported Costs  
Note: UN is part of QC

Report Number	Date of Report	Report Title	Amount of Findings (\$000s)	Type of Findings
4-674-06-002-N	10/12/05	Closeout Audit of USAID/South Africa's Resources Management by the Career Research Information Centre Under Cooperative Agreement No. 674-A-00-02-00033-00 for the Period October 1, 2002 to March 31, 2004	400 138	QC UN
4-674-06-003-N	11/16/05	Agency-Contracted Audit of USAID/South Africa's Resources Managed by the University of Kwa-Zulu Natal Under Cooperative Agreement No. HFM-A-00-02-00065-00, Grant Agreement No. AOT-G-00-97-00375-00 and Subcontract No. 5907-454-HRD-4 for the Period April 1, 2002 to December 31, 2004	4,524 512	QC UN
4-612-06-003-R	11/10/05	Audit of the Evangelical Baptist Church of Malawi Under USAID Award No. 690-G-00-01-00141-00 for the Period Ended April 30, 2002	5	QC
4-674-06-004-N	12/22/05	Agency-Contracted Audit of USAID/South Africa's Resources Managed by the Amy Biehl Foundation Trust Under Grant Agreement No. 674-G-00-01-00021-00 for the Period April 1, 2004 to March 31, 2005	633 560	QC UN
4-612-06-004-R	11/29/05	Audit of the Creative Centre for Community Mobilization under USAID Award No. 690-A-00-00-00012-00 for the year ended March 31, 2003	3	QC
4-663-06-005-N	01/23/06	Agency-Contracted Audit of USAID/Ethiopia's Resources Managed by Tigray Development Association Under Cooperative Agreement No. 663-A-00-02-00321-00 for the period July 1, 2003 to June 30, 2004	179 132	QC UN
4-617-06-005-R	12/14/05	Closeout Audit of Aktion Afrika Hilfe e.V Under USAID Grant Agreement No. 617-G-00-98-00005-00 for the Period July 1, 2000 to September 30, 2001	95 85	QC UN
4-650-06-006-N	02/16/06	Agency-Contracted Audit of USAID/REDSO/ESA's Resources Managed by Express Travel Group Under Contract No. 623-C-00-04-0045-00 for the Period April 20, 2004 to December 31, 2004	67	QC
4-674-06-006-R	12/14/05	Audit of South African Institute of Race Relations Under USAID Cooperative Agreement No. 674-A-00-90-00039-00 for the Period April 1, 2002 to March 31, 2003	269 269	QC UN
4-623-06-007-R	12/19/05	Audit of Inter-Governmental Authority on Development Under USAID Award No. 623-0006, Project Implementation Letters 49, 51, 54, 55, 56, and 57 for the Period January 1 to December 31, 2004	2,552	QC
4-621-06-008-R	12/28/05	Audit of USAID Resources Managed by the United Republic of Tanzania's National Bureau of Statistics under Strategic Objective Grant Agreement No. 621-000-01, Implementation Letter No. 61 for the Period November 10, 2003 to April 11, 2005	488 314	QC UN
4-663-06-009-R	12/29/05	Closeout Audit of Tigray Regional Education Bureau under USAID Award No. 663-0015, Project Implementation Letters 26 and 28, and Award No. 663-0090, Implementation Letter 3 for the Period July 5, 2001 to December 31, 2002	266 192	QC UN
4-617-06-010-R	01/10/06	Closeout Audit of the AIDS Information Centre Under USAID Cooperative Agreement No. 623-0133-00-A-00-6007 for the Period July 1, 2002 to December 31, 2002	1601	QC

BU--Better Use of Funds  
QC--Questioned Costs  
UN--Unsupported Costs  
Note: UN is part of QC

Report Number	Date of Report	Report Title	Amount of Findings (\$000s)	Type of Findings
4-623-06-011-R	02/10/06	Audit of USAID Resources Managed by the Association for Strengthening Agricultural Research in Eastern and Central Africa Under Cooperative Agreement No. 623-A-00-02-00095-00 for the Period January 1 to December 31, 2004	49	QC
			49	UN
4-623-06-012-R	03/14/06	Audit of USAID's Resources Managed by the African Centre for Technology Studies, Under Cooperative Agreement Nos. 623-A-00-00-0180-00, 623-A-00-04-00099-00 and Sub-Grant Agreement with the Association for Strengthening Agricultural Research in Eastern and Central Africa for the Period January 1, 2004 to December 31, 2004	5	QC
			5	UN
4-621-06-013-R	03/15/06	Audit of the Ministry of Health's Reproductive and Child Health Initiative, under Project No. 621-001-01, Project Implementation Letter Nos. 51, 53, 54, and 58 for the Period December 1, 2001 to June 30, 2003	86	QC
			50	UN
4-674-06-014-R	03/16/06	Audit of Right to Care Under USAID Cooperative Agreement No. 674-A-00-02-00018-00 for the Period January 1 to December 31, 2004	1,319	QC
			1,062	UN
4-621-06-015-R	03/17/06	Audit of USAID Resources Managed by the United Republic of Tanzania's Reproductive and Child Health Initiative Project Under Strategic Objective Grant Agreement No. 621-000-01, Implementation Letter No. 56 for the Period February 1, 2003 to July 31, 2004		
4-656-06-016-R	03/20/06	Audit of the Forum Empresarial para o Meio Ambiente (FEMA) under USAID Cooperative Agreement No. 656-A-00-00-00065-00 for the Period March 1, 2001 to September 30, 2002	82	QC
			25	UN
5-386-06-001-R	10/20/05	Financial Audit of the Financial Institution's Reform and Expansion Project, USAID/India Grant Agreement No. 386-A-00-03-00175-00, Managed by the National Institute of Urban Affairs, for the Period from October 1, 2003 to March 31, 2004		
5-492-06-001-D	11/23/05	Financial Audit of the Program Titled "Private Sector Family and Reproductive Health System," USAID/Philippines Cooperative Agreement No. 492-A-00-01-00020-00, Managed by FriendlyCare Foundation, Inc., for the Period from January 1, 2004 to December 31, 2004	99	QC
			45	UN
5-367-06-004-R	11/02/05	Financial Audit of the Program for Enhancement of Emergency Response, USAID/Nepal Cooperative Agreement No. 367-A-00-03-00075-00, Managed by the National Society for Earthquake Technology-Nepal, for the Period from October 1, 2003 to September 30, 2004	1	QC
5-386-06-005-R	12/15/05	Financial Audit of the Innovations in Family Planning Services Project, USAID/India Project No. 386-0527, Managed by the State Innovations in Family Planning Services Project Agency, for the Period from April 1, 2003 to March 31, 2004		
5-386-06-006-R	01/20/06	Financial Audit of the AVERT Project, USAID/India Project No. 386-0544, Managed by the AVERT Society, for the Period from April 1, 2003 to March 31, 2004	57	QC
			1	UN

BU--Better Use of Funds  
QC--Questioned Costs  
UN--Unsupported Costs  
Note: UN is part of QC



<b>Report Number</b>	<b>Date of Report</b>	<b>Report Title</b>	<b>Amount of Findings (\$000s)</b>	<b>Type of Findings</b>
5-492-06-007-R	01/25/06	Financial Audit of the Contraceptive Social Marketing in the Philippines Program, USAID/Philippines Cooperative Agreement No. 492-A-00-02-00029, Managed by the DKT Philippines Inc., for the Period from January 1, 2004 to December 31, 2004		
5-492-06-008-R	01/25/06	Financial Audit of the Strengthening Capacity to Identify and Reduce the Threat of Leading Infectious Diseases Project, USAID/ Philippines Cooperative Agreement No. 492-A-00-00-00004-00, Managed by the New Tropical Medicine Foundation, Inc., (NTMFI) for the Year Ended December 31, 2003	5 5	QC UN
5-492-06-009-R	01/25/06	Financial Audit of the Strengthening Capacity to Identify and Reduce the Threat of Leading Infectious Diseases Project, USAID/ Philippines Cooperative Agreement No. 492-A-00-00-00004-00, Managed by the New Tropical Medicine Foundation, Inc. (NTMFI), for the Year Ended December 31, 2004	5 5	QC UN
5-497-06-010-R	02/07/06	Financial Audit of the Program Titles “Public Empowerment and Media Monitoring for a Peaceful Election in 2004”, USAID/Indonesia Cooperative Agreement No. AID 497-A-00-03-00029-00 for the Period from January 1, 2004; Managed by the Yayasan Sains Estetika dan Teknologi (Yayasan SET)	4 1	QC UN
5-442-06-013-R	02/13/06	Financial Audit of the Institutional Development and Service Delivery Support Project, USAID/Cambodia Cooperative Agreement No. 442-A-00-99-00033-00, Managed by the Reproductive Health Association of Cambodia (RHAC), for the Period from January 1, 2004, to December 31, 2004		
5-497-06-014-R	02/24/06	Closeout Audit of the Program Titled “Enhancing People’s Political Participation to Consolidate Democracy”, USAID/Indonesia Cooperative Agreement No. 497-A-00-03-00040-00, Managed by the Lembaga Penelitian, Pendidikan dan Penerangan Ekonomi dan Sosial (LP3ES), for the Period from January 1, 2004, to September 30, 2005	59 10	QC UN
5-483-06-015-R	03/13/06	Financial Audit of the Development of Sustainable Aquaculture Project, Cooperative Agreement No. 388-A-00-00-00068-00, Managed by the WorldFish Center for the Period from January 1, 2003, to December 31, 2004	24 5	QC UN
5-442-06-016-R	03/30/06	Financial Audit of the Institutional Development/Maternal/Child Health/ Reproductive Health Project, USAID/Cambodia Cooperative Agreement No. 493-A-00-04-00005-00, Managed by the Reproductive and Child Health Alliance (RACHA), for the Period from February 19, 2004, to December 31, 2004	62	QC
5-000-06-017-R	03/30/06	Financial Audit of USAID Funds Managed by the Asian Disaster Preparedness Center (ADPC) for the Period from January 1, 2004, to December 31, 2004		
5-492-06-018-R	03/31/06	Financial Audit of the Barangay Justice Service System Project, USAID/ Philippines Grant Agreement No. 492-G-0098-00044-00, Managed by the Gerry Roxas Foundation, Inc (GRF), for the Period from January 1, 2004, to December 31, 2004		

BU--Better Use of Funds  
QC--Questioned Costs  
UN--Unsupported Costs  
Note: UN is part of QC

<b>Report Number</b>	<b>Date of Report</b>	<b>Report Title</b>	<b>Amount of Findings (\$000s)</b>	<b>Type of Findings</b>
6-294-06-001-N	10/25/05	Examination Procedures Related to Resources Provided to the Palestinian Authority Through the Ministry of Finance Under the Cash Transfer Grant Agreement Dated July 16, 2003, "USAID Activity Number 294-W-008," for the Periods from October 1, 2004 to December 31, 2004 (Fourth Reporting Period), and January 1, 2005 to March 31, 2005 (Fifth Reporting Period)	12	QC
6-263-06-001-R	02/21/06	Financial Audit of USAID Resources Managed by the Credit Guarantee Company, Related to Financing Agreement Under Strategic Objective No. 16, Project Grant No. 263-0228, and Cooperative Agreement No. 263-A-00-03-00020-00, for the Period From January 1, 2003, Through December 31, 2003		
6-263-06-002-R	02/22/06	Financial Closeout Audit of the Fund Accountability Statement of the Grant Agreement No. 263-G-00-96-00073-13 Between USAID/Egypt and the American Chamber of Commerce in Egypt, for the Year Ended December 31, 2004		
6-294-06-003-N	12/07/05	Audit of the Certified Invoiced Costs of USAID Resources Managed by Industrial Details Under Subcontract Agreement No. 5430-99SS-003 with Development Alternatives, Inc. Contract No. 294-C-00-99-00060-00 "Market Access Program" for the Period from October 1, 2002 to November 30, 2004		
6-263-06-003-R	02/23/06	Financial Audit of the Fund Accountability Statement of the State Information Service/Information, Education and Communication Center, Implementation Letter No. 1, Under USAID Strategic Objective Grant Agreement No. 263-0287, "Healthier, Planned Families," Communication for Healthy Living, Activity No. 263-0287.05, for the Period from October 1, 2003 to September 30, 2004	70 1	QC UN
6-294-06-004-N	12/11/05	Audit of the Certified Invoiced Costs of USAID Resources Managed by Massar Associates Under Subcontract Agreement No. 5430-99SS-002 With Development Alternatives, Inc. Contract No. 294-C-00-99-00060-00 Market Access Program for the Period From October 1, 2002, to June 30, 2004		
6-268-06-004-R	02/27/06	Audit of the Fund Accountability Statement of USAID Resources Managed by René Moawad Foundation, Under Cooperative Agreement Number 268-A-00-02-000209-00, for the Period From May 23, 2002, to May 22, 2004		
6-263-06-005-R	03/02/06	Close-out Audit of USAID Resources Managed by Assuit Businessmen Association, Under Cooperative Agreement No. 263-A-00-02-00007-00, for the Period From January 1, 2003, Through December 31, 2004	1	QC
6-263-06-006-N	02/26/06	Audit of USAID Deposits and Releases of Funds From the Government of Egypt's Dollar Separate Account Under the USAID/Egypt's Sector Policy Reform Programs, for the Period from July 1, 2003, to June 30, 2004		
6-263-06-006-R	03/05/06	Financial Audit of USAID Resources Managed by Alexandria Business Association, Under Cooperative Agreement No. 263-A-00-02-00005-00, for the Period from January 1, 2004 through December 31, 2004		

BU--Better Use of Funds  
QC--Questioned Costs  
UN--Unsupported Costs  
Note: UN is part of QC

<b>Report Number</b>	<b>Date of Report</b>	<b>Report Title</b>	<b>Amount of Findings (\$000s)</b>	<b>Type of Findings</b>
6-263-06-007-R	03/15/06	Close-out Audit of USAID Resources Managed by Dakahlya Businessmen Association for Community Development, Under Cooperative Agreement No. 263-A-00-97-00062-00, for the Period from January 1, 2004 through December 31, 2004		
6-294-06-007-N	02/27/06	Examination Procedures Related to Resources Provided to the Palestinian Authority Through the Ministry of Finance Under the Cash Transfer Grant Agreement Dated July 16, 2003, "USAID Activity No. 294-W-008" for the Period From April 1, 2005, to June 30, 2005 (Sixth Reporting Period)		
6-263-06-008-R	03/19/06	Financial Audit of USAID Resources Managed by Regional Center for Training, Project No. 263-0287.02, Implementation Letter No. 4, Fund Accountability Statement, For the Period From January 1, 2003, Through February 28, 2005	19	QC
6-263-06-009-R	03/19/06	Financial Audit of USAID Resources Managed by Credit Guarantee Company Related to the Financing Agreement Under SO #16, Project Grant No. 263-0228 and Cooperative Agreement No. 263-A-00-03-00020, From January 1, 2004, Through December 31, 2004		
7-688-06-001-R	11/25/05	Audit of Local Currency Expenditures Incurred by the Ministry of Agriculture under the Sustainable Economic Growth Objective Program (SEGP) No. 688-0273 in Mali for the Period May 1, 1999 through December 31, 2003	13	QC
7-641-06-001-D	11/15/05	Close-out Audit of USAID Resources Managed by the Ghana Social Marketing Foundation (GSMF) under Cooperative Agreement No. 641-A-00-00-00079 for the Period December 1, 1999 through September 30, 2004	2,390 1,617	QC UN
8-000-06-001-R	11/18/05	Audit of the German Agro Action, Germany Under USAID Grant Nos. AOT-G-00-00-00038-00, DFD-G-00-03-00008-00, and DFD-G-00-03-00039-00 for the Year Ended December 31, 2003		
8-165-06-002-R	11/30/05	Audit of the Foundation Open Society Institute Macedonia Under USAID Agreement Nos. 165-G-00-02-00113-00, 165-G-00-03-00101-00, and 165-A-00-04-00101-00 for the Year Ended December 31, 2004		
8-000-06-003-R	12/19/05	Audit of the Tuberculosis Coalition for Technical Assistance, Under USAID Award No. HRN-A-00-00-00018-00, for the Year Ended September 30, 2001	448 448	QC UN
8-000-06-004-R	12/20/05	Audit of the Tuberculosis Coalition for Technical Assistance, Under USAID Award No. HRN-A-00-00-00018-00, for the Year Ended September 30, 2002	1,317 1,308	QC UN
8-167-06-005-R	12/22/05	Audit of Reinvest Institute for Development Research Under USAID Cooperative Agreement No. 167-A-00-02-00102-00 for the Period October 1, 2002 to September 30, 2004		
8-118-06-006-R	12/23/05	Audit of Siberian Civic Initiatives Support Center Under USAID Cooperative Agreement Nos. 118-A-00-03-00127, 118-A-00-04-00055/01 and 118-A-00-04-00011 for the 15-Month Period Ended December 31, 2004		

BU--Better Use of Funds  
QC--Questioned Costs  
UN--Unsupported Costs  
Note: UN is part of QC

<i>Report Number</i>	<i>Date of Report</i>	<i>Report Title</i>	<i>Amount of Findings (\$000s)</i>	<i>Type of Findings</i>
8-118-06-007-R	01/04/06	Audit of the Moscow Public Science Foundation, Under USAID Cooperative Agreement No. 118-A-00-02-00135-00, for the Year Ended December 31, 2004		
8-118-06-008-R	01/05/06	Audit of Moscow-Helsinki Group Under USAID Cooperative Agreement No. 118-A-00-02-00183, for the Year Ended December 31, 2004	4	QC
8-118-06-009-R	12/06/05	Audit of the Center for Fiscal Policy Under USAID Cooperative Agreement No. 118-A-00-03-00084, for the Year Ended December 31, 2004		
8-118-06-010-R	01/09/06	Audit of the Institute for the Economy in Transition, Under USAID Award No. 118-A-00-00-00130-00, for the Year Ended December 31, 2004		
8-118-06-011-R	01/10/06	Audit of the International Memorial, Under USAID Cooperative Agreement No. 118-A-00-02-00178, for the Year Ended December 31, 2004		
8-118-06-012-R	01/09/06	Audit of ANO Internews Russia for USAID Grant Nos. 118-G-00-04-00054-00 and 118-G-00-01-00084-00 for the Year Ending December 31, 2004		
8-183-06-013-R	02/15/06	Audit of Partners Bulgaria Foundation Under USAID Grant Award No. 183-A-00-00-00117-00, for the Year Ended December 31, 2003		
8-118-06-014-R	01/30/06	Audit of the Institute for Urban Economics Under USAID Cooperative Agreements No. 118-A-00-01-00135 and No. 118-A-00-04-00011 for the Year Ended December 31, 2004		
8-118-06-015-R	02/08/06	Audit of the Regional Society of Disabled People "PERSPEKTIVA" Under USAID Cooperative Agreement No. 118-A-00-03-0085 for the Year Ended December 31, 2004		
8-386-06-016-R	02/22/06	Audit of the Motivation Charitable Trust for USAID Cooperative Agreement 386-A-00-03-00001-00, for the Period Ended December 31, 2004	2	QC
8-000-06-017-R	02/24/06	Audit of Foundation Hironelle Under USAID Grants Nos. 497-G-00-03-00027-00 and DOT-G-00-03-00017-00 for the Period Ended December 31, 2004		
		<b>--LOCAL CURRENCY TRUST FUND--</b>		
5-492-06-001-N	11/07/05	Financial Audit of USAID/Philippines' Peso Trust Fund for Operating Expenses, for the Period from January 1, 2004 to December 31, 2004		
5-391-06-003-N	01/10/06	Financial Audit of USAID/Pakistan's Rupee Trust Fund for Operating Expenses, for Fiscal Years Ended September 30, 2002, 2003, and 2004		

BU--Better Use of Funds  
QC--Questioned Costs  
UN--Unsupported Costs  
Note: UN is part of QC

<b>Report Number</b>	<b>Date of Report</b>	<b>Report Title</b>	<b>Amount of Findings (\$000s)</b>	<b>Type of Findings</b>
		<b>--U.S.-BASED CONTRACTORS--</b>		
0-000-06-001-D	10/03/05	American Systems Corporation, Report on Audit of Fiscal Year 2003 Incurred Costs		
0-000-06-002-D	02/21/06	Land O' Lakes International Development Division, Report on Audit of Fiscal Year 2003 Incurred Costs	4	QC
0-000-06-003-D	10/03/05	Advanced Engineering Associates International, Inc., Report on Audit of Fiscal Years 1998, 1999, and 2000 Incurred Costs		
0-000-06-004-D	10/11/05	Advanced Engineering Associates International, Inc., Report on Audit of Fiscal Years 2001, 2002, and 2003 Incurred Costs		
0-000-06-005-D	10/11/05	Associates for International Resources and Development, Report on Audit of Fiscal Year 2002 Incurred Costs		
0-000-06-006-D	10/11/05	PA Government Services, Inc., Report on Audit of Claimed Expenditures on Public Voucher No. 0154-33, Contract No. CCN-0002-Q-00152-00, Delivery Order No. 4		
0-000-06-007-D	03/27/06	John Snow, Inc./Report of Audit of Fiscal Year 2002 Incurred Costs		
0-000-06-008-D	03/27/06	Louis Berger Group International, Inc. Report on Audit of Fiscal Year 2000 Incurred Costs	2,678	QC
0-000-06-009-D	02/21/06	The Service Group, Inc., Report on Audit of Fiscal Year 2000 Incurred Costs	17	QC
0-000-06-010-D	02/21/06	The Service Group, Inc., Report on Audit of Fiscal Year 2001 Incurred Costs		
0-000-06-011-D	12/19/05	Abt Associates, Inc., Report on Audit of Fiscal Year 2001 Incurred Costs	72	QC
0-000-06-012-D	12/19/05	Financial Markets International, Inc., Report on Audit of Fiscal Year 2001 Incurred Costs		
0-000-06-013-D	12/19/05	Financial Markets International, Inc., Report on Audit of Fiscal Year 2000 Incurred Costs	636	QC
0-000-06-014-D	12/19/05	Financial Markets International, Inc., Report on Audit of Fiscal Year 2002 Incurred Costs	599	QC
0-000-06-016-D	12/19/05	Casals & Associates, Report on Audit of Fiscal Years 1999 through 2001 Incurred Costs		
0-000-06-017-D	02/21/06	Sibley International Corporation, Report on Audit of Fiscal Year 2000 Incurred Costs		
0-000-06-018-D	12/20/05	Sibley International Corporation, Report on Audit of Fiscal Year 2001 Incurred Costs		
0-000-06-019-D	12/19/05	International Resources Group Ltd., Report on Audit of Fiscal Years 1998 through 2000 Incurred Costs		
0-000-06-020-D	12/19/05	Nexant, Inc., Report on Audit of Calendar Years 2000 and 2001		

BU--Better Use of Funds  
QC--Questioned Costs  
UN--Unsupported Costs  
Note: UN is part of QC



<b>Report Number</b>	<b>Date of Report</b>	<b>Report Title</b>	<b>Amount of Findings (\$000s)</b>	<b>Type of Findings</b>
0-000-06-021-D	12/19/05	The Louis Berger Group, Inc., Report on Audit of Fiscal Years 1992 through 1997 Foreign Costs Negotiation		
0-000-06-022-D	03/27/06	CH2M HILL International Services, Inc. (CHIS), Supplemental Report on Audit of Fiscal Year 2002 Incurred Costs	338	QC
0-000-06-026-D	02/21/06	Aguirre International, Report on Audit of Calendar Years 2000, 2001, 2002, and 2003, Incurred Costs of Contract No. FAO-I-00-99-00010-00		
5-306-06-002-D	12/19/05	Audit of Costs Incurred in the United States by the Louis Berger Group, Inc. to Implement the Rehabilitation of Economic Facilities and Services Program, USAID/Afghanistan Contract No. 306-00-02-00500-00, for the Period from July 1, 2004 to March 31, 2005	348	QC
5-306-06-002-N	12/08/05	Financial Audit of Local Costs Incurred by the Louis Berger Group, Inc. to Implement the Rehabilitation of Economic Facilities and Services Program, USAID/Afghanistan Contract No. 306-C-00-02-00500-00, for the Period from July 1, 2005 to September 30, 2005		
5-306-06-004-N	03/21/06	Financial Audit of Local Costs Incurred by the Louis Berger Group, Inc. to Implement the Rehabilitation of Economic Facilities and Services Program, USAID/Afghanistan Contract No. 306-C-00-02-00500-00, for the Period from October 1, 2005, to December 31, 2005		
6-263-06-001-D	10/13/05	Audit of Booz Allen and Hamilton, Inc. Local Costs Incurred for Calendar Years 2003 and 2004, Under USAID Task Order No. PCE-I-806-98-00013-00		
6-263-06-002-D	12/22/05	Audit of Planning and Learning Technologies, Inc. Local Costs Incurred for Calendar Years 2002, 2003 and 2004, Under Contract No. GS-I0F-0311K, Task Order No. 263-M-00-02-00013-00		
6-294-06-002-N	11/21/05	Audit of the Fund Accountability Statement of USAID Resources Managed by Metcalf and Eddy under Contract No. 294-C-00-99-00038-00, "Coastal Aquifer Management" for the Period from February 19, 1999, to September 30, 2002		
6-294-06-005-N	12/11/05	Audit of the Certified Invoiced Costs of USAID Resources Managed by International Technology Investment Under Subcontract Agreement No. 5430-99SS-001 With Development Alternatives, Inc. Contract No. 294-C-00-99-00060-00 Market Access Program for the Period From October 1, 2002, to September 30, 2004		
6-294-06-009-N	03/20/06	Audit of the Fund Accountability Statement of USAID Resources Managed by Associates in Rural Development Under USAID Award No. 294-C-00-01-00211-00 "Emergency Services Delivery Through NGOs" for the Period From October 1, 2003, to September 30, 2004	36	QC
E-267-06-001-D	10/05/05	Evaluation of Labor Timekeeping System Used by Bechtel National, Inc. Under USAID Contract Nos. EEE-C-00-03-00018-00 and SPU-C-00-04-00001-00 between February and July 2005		

BU--Better Use of Funds  
QC--Questioned Costs  
UN--Unsupported Costs  
Note: UN is part of QC

<b>Report Number</b>	<b>Date of Report</b>	<b>Report Title</b>	<b>Amount of Findings (\$000s)</b>	<b>Type of Findings</b>
E-267-06-002-D	02/28/06	Supplemental Report on Audit of Request for Equitable Adjustment Procedures Used by Bechtel National, Inc. for Contract Nos. EEE-C-00-03-00018-00 and SPU-C-00-04-00001-00 (Revised)		
E-267-06-005-D	02/12/06	Audit of Costs Incurred and Billed by America's Development Foundation Under USAID Contract No. GEW-C-00-04-00001-00 from August 16, 2004 to June 30, 2005	100 100	QC UN
E-267-06-006-D	02/22/06	Audit of Costs Incurred by Louis Berger Group, Inc. under Contract No. 267-C-00-04-0435-00 from October 1, 2004 to July 31, 2005	5	QC
		<b>--U.S.- BASED GRANTEES--</b>		
0-000-06-001-T	03/27/06	Plan International USA, Inc. d/b/a Childreach Fiscal Year Ended June 30, 2003		
0-000-06-002-T	03/27/06	Initial Review of Audit of International Rescue Committee, Inc. Fiscal Year Ending September 30, 2003		
0-000-06-003-T	03/27/06	Mercy Corps. Fiscal Year Ending June 30, 2003		
0-000-06-004-T	03/27/06	Review of Audit of Action Against Hunger – USA for FYE December 31, 2003		
0-000-06-005-T	03/27/06	Review of Audit of International Fertilizer Development Center for FYE December 31, 2003		
0-000-06-006-T	03/27/06	Review of Audit of The Mountain Institute, Inc., for FYE December 31, 2003		
0-000-06-007-T	03/27/06	International Foundation of Hope Fiscal Years Ending December 31, 2003 and 2002		
5-388-06-002-R	10/21/05	Financial Audit of PL-480 Title II Monetized Local Currency Under USAID/Bangladesh Integrated Food for Security Program, Grant Agreement No. 388-00-94-00040-00, Managed by CARE Bangladesh, for the Period from July 1, 2002 to June 30, 2003		
5-388-06-003-R	10/24/05	Financial Audit of PL-480 Title II Monetized Local Currency Under USAID/Bangladesh Integrated Food for Security Program, Grant Agreement No. 388-G-00-94-00040-00, Managed by CARE Bangladesh, for the Period from July 1, 2003 to September 30, 2004		
5-388-06-011-R	02/07/06	Financial Audit of PL-480 Title II Monetized Local Currency under USAID/Bangladesh Food Security Enhancement Initiative (FSEI) Program, Transfer Authorization Award No. FFP-A-00-00-00070-00, Managed by World Vision Bangladesh, for the Period from October 1, 2002, to September 30, 2003		
5-388-06-012-R	02/08/06	Financial Audit of PL-480 Title II Monetized Local Currency under USAID/Bangladesh Food Security Enhancement Initiative (FSEI) Program, Transfer Authorization Award No. FFP-A-00-00-00070-00, Managed by World Vision Bangladesh (WVB), for the Period from October 1, 2003, to September 30, 2004		

BU--Better Use of Funds  
QC--Questioned Costs  
UN--Unsupported Costs  
Note: UN is part of QC

6-294-06-008-N	02/28/06	Audit of the Fund Accountability Statement of USAID Resources Managed by Save The Children Federation Under USAID Award No. 294- A-00-01-00115-00 "Community Psychosocial Support Program" for the Period From June 1, 2002, to June 30, 2004	71	QC
E-267-06-003-D	01/24/06	Audit of Costs Incurred by International Relief and Development, Inc. Under Cooperative Agreement No.AFP-A-00-03-00002-00 from May 16, 2003 to July 31, 2004	911 911	QC UN
E-267-06-004-D	02/01/06	Audit of Costs Incurred by CHF International Under Cooperative Agreement No.AFP-A-00-03-00004-00 from May 16, 2003 to July 31, 2004	285 276	QC UN

BU--Better Use of Funds  
QC--Questioned Costs  
UN--Unsupported Costs  
Note: UN is part of QC

## USAID MISCELLANEOUS REPORTS ISSUED October 1, 2005 through March 31, 2006

Report Number	Date of Report	Report Title	Amount of Findings (\$000s)	Type of Findings
		<b>--QUALITY CONTROL REVIEWS--</b>		
0-000-06-001-Q	10/11/05	Quality Control Review of PricewaterhouseCoopers Fiscal Year 2003 Audit of Save the Children Federation, Incorporated		
0-000-06-002-Q	03/15/06	Quality Control Review of Gelman, Rosenberg & Freedman Fiscal Year 2002 Audit of International Center for Research on Women.		
0-000-06-003-Q	03/15/06	Quality Control Review of Gelman, Rosenberg & Freedman FY 2002 Audit of Counterpart International, Inc.		
1-522-06-001-Q	10/14/05	Quality Control Review of Audit Report and Work Papers Related to Audits of the "Central American and Dominican Republic Centers of Excellence for Teacher Training," for the Years Ended September 30, 2003, and 2004, Agreement No. 522-A-00-02-00348-00, Managed by the Universidad Pedagogica Nacional Francisco Morazan		
1-519-06-002-Q	10/21/05	Quality Control Review of Audit Report and Work Papers Related to "Financial and Compliance Audit Report for the Closing of the Program of Infrastructure and Topography of the Project, Technical Assistance to Municipal Governments, Reconstruction Committees and Communities in the Construction of Housing Process," Managed by the Salvadorian Foundation for Reconstruction and Development, Agreement No. 519-A-00-01-00149-00, from January 1 to November 30, 2004		
1-526-06-003-Q	02/27/06	Quality Control Review of the Audit Reports and Working Papers Related to the "Audit of the Project No. 526-A-00-99-00008-00 Fortalecimiento Institucional del CEPEP," Executed by Centro Paraguayo de Estudios de Poblacion for the Year Ended December 31, 2004; and "Audit of the Programs No. 526-A-00-01-00074-00 Civil Society and No. 526-A-00-01-00100-00 Health Decentralization and Community Participation," Managed by the Fundacion Comunitaria Centro de Informacion y Recursos Para el Desarrollo for the Year Ended December 31, 2004		
4-696-06-001-Q	10/12/05	Quality Control Review of the Audit of USAID Resources Managed by the Forum for African Women Educationists Under Award No. 623-G-00-04-00059-00 for the Period August 1, 2004 to January 31, 2005 Performed by Deloitte & Touche (Kigali, Rwanda)		
4-612-06-002-Q	11/09/05	Quality Control Review of the Recipient-Contracted audit of the Evangelical Baptist Church of Malawi under USAID Grant Agreement No. 690-G-00-01-00141-00 for the period May 1, 2002 to May 16, 2003 Performed by KPMG (Blantyre, Malawi)		
4-612-06-003-Q	11/10/05	Quality Control Review of the Recipient-Contracted Audit of Malawi Centre for Advice, Research and Education on Rights Under USAID Cooperative Agreement No. 690-A-02-00060-00 for the Period October 1, 2002 to September 30, 2003 Performed by Graham Carr (Blantyre, Malawi)		

BU--Better Use of Funds  
 QC--Questioned Costs  
 UN--Unsupported Costs  
 Note: UN is part of QC

<b>Report Number</b>	<b>Date of Report</b>	<b>Report Title</b>	<b>Amount of Findings (\$000s)</b>	<b>Type of Findings</b>
4-612-06-004-Q	11/29/05	Quality Control Review of the Recipient-Contracted Audit of the National Smallholders Association of Malawi Under USAID Grant Agreement No. 690-A-04-00087-00 for the Period of October 1, 2003 to September 30, 2004 Performed by KPMG (Lilongwe, Malawi)		
4-617-06-005-Q	12/14/05	Quality Control Review of the Recipient-Contracted Audit of Joint Clinical Research Center (JCRC) under USAID Cooperative Agreement No. 617-A-00-04-00003-00 for the Period December 4, 2003 to June 30, 2004 Performed by Sam Bisase & Co. (Kampala, Uganda)		
		<b>--OTHER--</b>		
4-674-06-001-S	02/09/06	Memorandum Report Regarding Certain USAID/South Africa Expired Obligation Documents with Unliquidated Balances	131	BU
7-669-06-001-S	03/28/06	Risk Assessment of USAID/Liberia's Major Activities		

BU--Better Use of Funds  
QC--Questioned Costs  
UN--Unsupported Costs  
Note: UN is part of QC



## PERFORMANCE AUDIT REPORTS ISSUED October 1, 2005 through March 31, 2006 USAID

Report Number	Date of Report	Report Title	Amount of Findings (\$000s)	Type of Findings
		<b>--ECONOMY AND EFFICIENCY--</b>		
1-527-06-001-P	12/13/05	Audit of USAID/Peru's Alternative Development Program	252	QC
1-520-06-002-P	01/11/06	Audit of USAID/Guatemala's Development Credit Authority		
1-526-06-003-P	01/13/06	Audit of USAID/Paraguay's Reproductive Health and Family Planning Activities	311	BU
4-654-06-001-P	10/20/05	Audit of USAID/Angola's Operating Expenses	104	BU
4-663-06-002-P	11/10/05	Audit of USAID/Ethiopia's Monitoring of Awards Which Do Not Require Annual Financial Audits		
4-674-06-003-P	12/23/05	Audit of USAID/South Africa's Control Over Prime Recipients' Monitoring of Subrecipients		
4-617-06-004-P	02/13/06	Audit of USAID/Uganda's Development Credit Authority	105	BU
4-674-06-005-P	03/13/06	Audit of the Effectiveness of USAID/South Africa's Award Closeout and Contractor Performance Evaluation Programs	968	BU
4-674-06-006-P	03/30/06	Audit of USAID/South Africa's Compliance with Financial Audit Requirements Regarding Foreign Recipients		
5-306-06-001-P	01/10/06	Audit of USAID/Afghanistan's Cashiering Operations		
5-306-06-002-P	03/28/06	Audit of USAID/Afghanistan's Rebuilding Agricultural Markets Program		
5-497-06-003-P	03/30/06	Audit of USAID/Indonesia's Banda Aceh--Lamno Road Reconstruction Activities Under Its Tsunami Recovery and Reconstruction Program		
7-636-06-001-P	12/22/05	Audit of USAID/Sierra Leone's Management of Its Transition Strategy		
7-624-06-002-P	01/31/06	Audit of USAID/WARP's Management of Environmental and Food Security Monitoring Programs		
8-168-06-001-P	03/31/06	Audit of USAID/Bosnia and Herzegovina's Physical, Environmental, and Contingency Plan Controls for Fiscal Year 2006		
9-267-06-001-P	10/06/05	Audit of the Accuracy of Biographical Datasheets Provided by International Resources Group to USAID for Contracts in Iraq		
9-183-06-002-P	10/25/05	Audit of USAID/Bulgaria's Development Credit Authority		
9-000-06-003-P	12/13/05	Audit of USAID's Reasonable Accommodation Policies and Procedures		

BU--Better Use of Funds  
 QC--Questioned Costs  
 UN--Unsupported Costs  
 Note: UN is part of QC

9-306-06-004-P	12/21/05	Audit of Funds Earmarked by Congress to Provide Assistance for Displaced Persons in Afghanistan	14,366	BU
A-000-06-001-P	02/21/06	Audit of USAID's Information Technology Governance over Its Phoenix Overseas Deployment and Procurement System Improvement Program Projects		
A-000-06-002-P	03/28/06	Audit of USAID's Progress in Implementing Recommendations from Prior General and Application Controls Audits		
E-267-06-001-P	12/20/05	Audit of USAID/Iraq's Basic Education Activities		
E-267-06-002-P	02/16/06	Audit of USAID/Iraq's Nonexpendable Property		

BU--Better Use of Funds  
QC--Questioned Costs  
UN--Unsupported Costs  
Note: UN is part of QC

**FINANCIAL AUDIT REPORTS ISSUED  
October 1, 2005 through March 31, 2006  
AFRICAN DEVELOPMENT FOUNDATION**

<i>Report Number</i>	<i>Date of Report</i>	<i>Report Title</i>	<i>Amount of Findings (\$000s)</i>	<i>Type of Findings</i>
		<b>--PROGRAMS AND OPERATIONS--</b>		
0-ADF-06-003-C	11/14/05	Audit of African Development Foundation's Financial Statements for Fiscal Years 2005 and 2004		

**INTER-AMERICAN FOUNDATION**

<i>Report Number</i>	<i>Date of Report</i>	<i>Report Title</i>	<i>Amount of Findings (\$000s)</i>	<i>Type of Findings</i>
		<b>--PROGRAMS AND OPERATIONS--</b>		
0-IAF-06-002-C	11/14/05	Audit of the Inter-American Foundation's Financial Statements for Fiscal Years 2005 and 2004		

**AUDIT REPORTS OVER SIX MONTHS OLD  
WITH NO MANAGEMENT DECISION\***  
**As of March 31, 2006**

<i>Report Number</i>	<i>Auditee</i>	<i>Issue Date</i>	<i>Current Recommendation Status</i>	<i>Desired Decision Target Date</i>
--------------------------	----------------	-----------------------	--	---

NOTHING TO REPORT

\*Applies to USAID, ADF, and IAF.

**SIGNIFICANT AUDIT RECOMMENDATIONS  
DESCRIBED IN PREVIOUS SEMIANNUAL  
REPORTS WITHOUT FINAL ACTION  
As of March 31, 2006**

**USAID**

<i>Report Number</i>	<i>Subject of Report</i>	<i>Issue Date</i>	<i>Rec. No.</i>	<i>Management Decision Date</i>	<i>Final Action Target Date</i>
9-000-02-005-P	USAID's Staff Training and Development Activities	07/11/02	1	07/11/02	09/06
			2	07/11/02	09/06
			3	07/11/02	09/06
0-000-03-001-C	Report on USAID's Consolidated Financial Statements Internal Controls and Compliance for Fiscal Year 2002	01/24/03	2.2	01/24/03	09/06
1-598-05-001-P	Regionalization Efforts in Latin America and the Caribbean	11/09/04	5	11/09/04	09/06
1-598-05-002-P	USAID's Bureau for Management, Office of Acquisition and Assistance's Administration of Audits Required Under Awards to Foreign and U.S. Recipients	12/03/04	1	12/03/04	05/06
			5	12/03/04	09/06
9-000-05-001-P	Field Support Mechanisms in the Global Health Bureau	12/07/04	3	12/07/04	06/06
A-267-05-005-P	USAID's Compliance with Federal Regulations in Awarding the Contract for Security Services in Iraq to Kroll Government Services International, Inc.	01/06/05	4	01/06/05	04/06
A-000-05-006-P	USAID's Information Technology Infrastructure	02/22/05	1	02/22/05	06/06
			7	02/22/05	06/06
			8	02/22/05	06/06
			9	02/22/05	06/06
E-267-05-003-P	USAID/Iraq's Electrical Power Sector Activities	06/29/05	1	06/29/05	06/06
9-000-05-001-S	Memorandum Regarding the Calculation and Collection of U.S. Treasury Interest on the Development Credit Authority Guarantee Financing Account	07/21/05	1	07/21/05	04/06
			2	07/21/05	04/06
9-615-05-007-P	USAID/Kenya's Implementation of the President's Emergency Plan for AIDS Relief	07/21/05	1	07/21/05	07/06
			2	07/21/05	07/06
			3	07/21/05	07/06
			4	07/21/05	07/06
			5	07/21/05	07/06



<b>Report Number</b>	<b>Subject of Report</b>	<b>Issue Date</b>	<b>Rec. No.</b>	<b>Management Decision Date</b>	<b>Final Action Target Date</b>
I-521-05-010-P	USAID/Haiti's Implementation of the President's Emergency Plan for HIV/AIDS Relief	07/29/05	1	07/29/05	04/06
			2	07/29/05	04/06
			3	07/29/05	04/06
			4	07/29/05	04/06
			5	07/29/05	04/06
			6	07/29/05	04/06
			7	07/29/05	04/06

**SIGNIFICANT AUDIT RECOMMENDATIONS  
DESCRIBED IN PREVIOUS SEMIANNUAL  
REPORTS WITHOUT FINAL ACTION  
As of March 31, 2006**

**AFRICAN DEVELOPMENT FOUNDATION**

<i>Report Number</i>	<i>Subject of Report</i>	<i>Issue Date</i>	<i>Rec. No.</i>	<i>Management Decision Date</i>	<i>Final Action Target Date</i>
9-ADF-03-005-P	Audit of Awarding and Monitoring of Grants by the African Development Foundation	02/28/03	1	02/28/03	05/06
			2	02/28/03	08/06
			3	02/28/03	05/06
			5	02/28/03	05/06
9-ADF-05-008-P	African Development Foundation's Monitoring, Reporting and Evaluation System	08/17/05	1	08/17/05	05/06
			2	08/17/05	05/06
			3	08/17/05	12/06
			4	08/17/05	05/06
			5	08/17/05	05/06
			6	08/17/05	05/06
			10	08/17/05	05/06
			11	08/17/05	05/06
			12	08/17/05	05/06
			13	08/17/05	05/06
			14	08/17/05	10/06

**INTER-AMERICAN FOUNDATION**

<i>Report Number</i>	<i>Subject of Report</i>	<i>Issue Date</i>	<i>Rec. No.</i>	<i>Management Decision Date</i>	<i>Final Action Target Date</i>
----------------------	--------------------------	-------------------	-----------------	---------------------------------	---------------------------------

NOTHING TO REPORT

**REPORTS ISSUED WITH QUESTIONED  
AND UNSUPPORTED COSTS  
October 1, 2005 through March 31, 2006  
USAID**

<i>Reports</i>	<i>Number of Audit Reports</i>	<i>Questions Costs</i>	<i>Unsupported Costs<sup>1</sup></i>
A. For which no management decision had been made as of October 1, 2005	39	\$23,689,917 <sup>2,3</sup>	\$19,001,489 <sup>2,3</sup>
B. Add: Reports issued October 1, 2005 through March 31, 2006	77	\$25,851,177 <sup>4</sup>	\$9,786,756 <sup>4</sup>
Subtotal	116	\$49,541,094	\$28,788,245
C. Less: Reports with a management decision made October 1, 2005 through March 31, 2006	78 <sup>5</sup>	\$35,933,686 <sup>6</sup>	\$22,755,811 <sup>6</sup>
i. Value of Recommendations Disallowed by Agency Officials		\$22,495,223	\$14,887,986
ii. Value of Recommendations Allowed by Agency Officials		\$13,438,463	\$7,867,825
D. For which no management decision had been made as of March 31, 2006	48	\$13,607,408 <sup>7</sup>	\$6,032,434 <sup>7</sup>

1. Unsupported Costs are included in Questioned Costs, but are provided as additional information as required by the Inspector General Act Amendments of 1988 (P.L. 100-504).
2. The ending balance at September 30, 2005, for Questioned Costs totaling \$23,713,840 was decreased by \$23,923 to reflect adjustments in prior period recommendations; the ending balance at the same period for Unsupported Costs of \$19,003,742 was decreased by \$2,253 to also reflect adjustments in prior period recommendations.
3. Amounts include \$15,874,791 in Questioned Costs and \$12,995,604 in Unsupported Costs for audits performed for OIG by other federal audit agencies.
4. Amounts include \$8,481,549 in Questioned Costs and \$3,238,547 in Unsupported Costs for audits performed for OIG by other federal audit agencies.
5. Unlike the monetary figures of this row, this figure is not being subtracted from the subtotal. Some audit reports counted here are again counted in the figure below it.
6. Amounts include \$16,301,609 in Questioned Costs and \$13,330,379 in Unsupported Costs for audits performed for OIG by other federal audit agencies.
7. Amounts include \$8,382,296 in Questioned Costs and \$3,193,403 in Unsupported Costs for audits performed for OIG by other federal audit agencies.

**REPORTS ISSUED WITH RECOMMENDATIONS  
THAT FUNDS BE PUT TO BETTER USE  
October 1, 2005 through March 31, 2006  
USAID**

<i>Reports</i>	<i>Number of Audit Reports</i>	<i>Dollar Value</i>
A. For which no management decision had been made as of October 1, 2005	1	\$263,775
B. Add: Reports issued October 1, 2005 through March 31, 2006	6	\$15,986,019
Subtotal	7	\$16,249,794
C. Less: Reports with a management decision made October 1, 2005 through March 31, 2006	7	\$16,249,794
i. Value of Recommendations Agreed to by Agency Officials		\$16,160,103
ii. Value of Recommendations Not Agreed to by Agency Officials		\$89,691
D. For which no management decision had been made as of March 31, 2006	0	\$0

# REPORTING REQUIREMENTS

## USAID

### ***Summary of Instances in Which Information or Assistance Was Refused***

The Inspector General Act of 1978 (Public Law 95-452), as amended, requires the identification of any reports made to the head of the agency describing where information or assistance was refused or not provided. During this reporting period, there were no reports to the Administrator of USAID describing instances where information or assistance was refused or not provided.

### ***Decisions and Reasons for Significant Revised Management Decisions***

The Inspector General Act requires that each Inspector General's Semiannual Report to the U.S. Congress include a description and explanation of significant revisions of management decisions. During this reporting period, there were no significant revisions of management decisions.

### ***Significant Management Decisions with Which the Inspector General Disagrees***

The Inspector General Act requires that each Inspector General's Semiannual Report to the U.S. Congress include information concerning any significant management decisions with which OIG is in disagreement. During this reporting period, there were no management decisions with which OIG disagreed.

### ***Remediation Plan***

The Inspector General Act requires OIGs to provide an update on issues outstanding under a remediation plan required by the Federal Financial Management Improvement Act of 1996 (FFMIA). FFMIA requires agencies to substantially comply with (1) federal financial management system requirements, (2) Federal Accounting Standards, and (3) the U.S. Standard General Ledger at the transaction level. According to Office of Management and Budget Circular No. A-11, an agency that is not substantially compliant with FFMIA must prepare a remediation plan. The purpose of the remediation plan is to identify fiscal

year activities planned and underway that will allow an agency to achieve substantial compliance with FFMIA.

As part of USAID's remediation plan, which is included in its Performance and Accountability Report, the Agency deployed the Phoenix financial system to missions located in the Asia and Near East and Africa regions. Full overseas deployment is scheduled to be completed in May 2006, and at that time, USAID officials expect its financial system to be substantially compliant with FFMIA.

## OIG STATISTICAL SUMMARY

### USAID

As of March 31, 2006

## INVESTIGATIVE ACTIONS

WORKLOAD			CIVIL	
CASES OPENED	46		CIVIL REFERRALS	3
CASES CLOSED	40		COMPLAINTS	0
			JUDGEMENTS/RECOVERIES	2
			SETTLEMENTS	2
CRIMINAL			ADMINISTRATIVE	
PROSECUTIVE REFERRALS	5		REPRIMANDS/DEMOTIONS	0
PROSECUTIVE DECLINATIONS	6		PERSONNEL SUSPENSIONS	0
INDICTMENTS	1		RESIGNATIONS/TERMINATIONS	20
CONVICTIONS	2		OTHER ADMINISTRATIVE ACTIONS	0
FINES	0		RECOVERIES	3
RESTITUTIONS	1		SUSPENSIONS/DEBARMENTS	3
			SAVINGS	2
			SYSTEMIC CHANGES	4

## INVESTIGATIVE RECOVERIES

JUDICIAL RECOVERIES	\$4,443,067
ADMINISTRATIVE RECOVERIES	\$966,063
SAVINGS	\$17,308,235
<b>TOTAL INVESTIGATIVE SAVINGS/ RECOVERIES</b>	<b>\$22,717,365</b>



**U.S. Agency for International Development**  
**Office of Inspector General**  
1300 Pennsylvania Avenue, NW  
Room 6.06D  
Washington, DC 20523  
**[www.usaid.gov/oig](http://www.usaid.gov/oig)**

The Semiannual Report to the Congress is available on the Internet at  
[www.usaid.gov/oig/public/semiann/semiannual1.htm](http://www.usaid.gov/oig/public/semiann/semiannual1.htm)