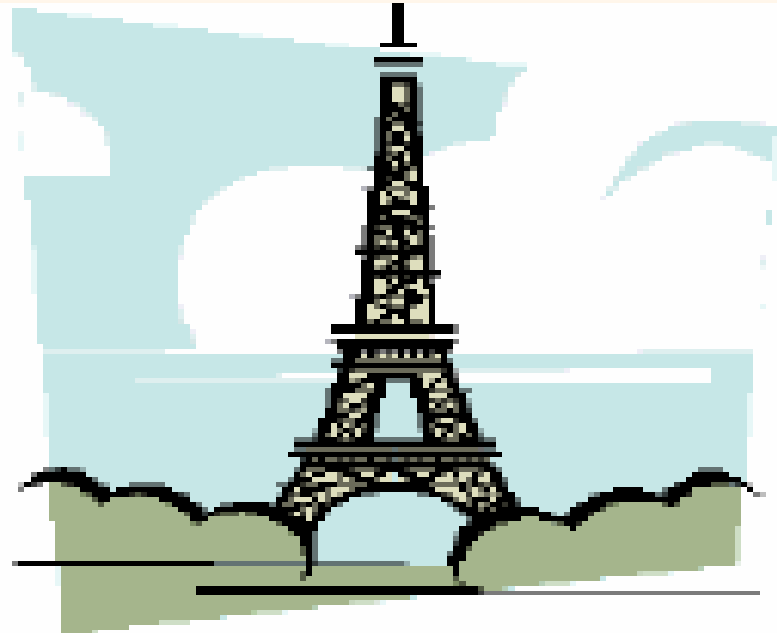


SAI TECHNICAL COOPERATION PROVIDERS NETWORK MEETING



Paris

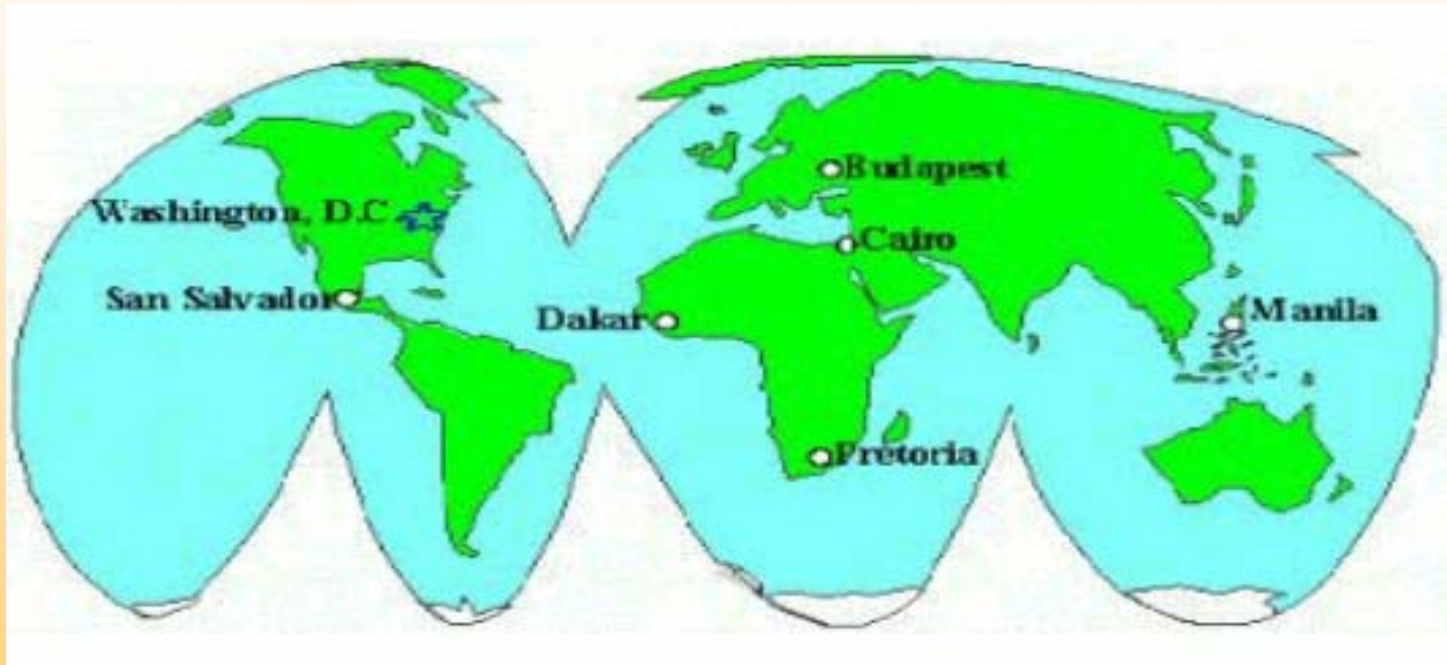
12-13 June, 2003

Inspector General, Everett L. Mosley

Assistant IG for Audit, Bruce N. Crandlemire

USAID

OFFICE OF INSPECTOR GENERAL



OVERVIEW

- *INTRODUCING THE USAID/OIG*
- *ORIGIN OF THE USAID/OIG*
- *INSPECTOR GENERAL ACT OF 1978*
- *IG INDEPENDENCE*
- *OIG ORGANIZATION*
- *AUDIT*
- *INVESTIGATIONS*
- *LAW ENFORCEMENT AUTHORITY*
- *OIG INVOLVEMENT WITH SAIs*
- *RCA GUIDELINES*
- *MODEL AGREEMENT WITH SAIs*
- *LIST OF MOUs*
- *OIG TRAINING GIVEN TO SAIs*
- *OIG SAI TRAININGS OCTOBER 1993-MARCH 2003*

ORIGIN OF THE USAID/OIG

1960s - “Auditor General” established by administrative decision

1978 - “Auditor General” established in statute with an amendment to the Foreign Assistance Act

1980 - “Inspector General” established at USAID

1981 - USAID brought under the IG Act of 1978

INSPECTOR GENERAL ACT OF 1978

- 1. conduct independent audits and investigations**
- 2. prevent and detect fraud, waste, and abuse**
- 3. promote economy, effectiveness, and efficiency**
- 4. review pending legislation and regulation**
- 5. keep agency head and Congress fully and currently informed**

IG INDEPENDENCE

- **Appointed by President, confirmed by Senate, selected without regard to political affiliation and solely on the basis of integrity and demonstrated ability**
- **Report to the head of the establishment**
- **Keep both the head of the establishment and the Congress informed of problems and deficiencies**
- **Head of the establishment shall not prevent or prohibit the Inspector General from carrying out any audit or investigation**
- **Access to all records available to the establishment**
- **May be removed from office only by the President who shall communicate the reasons to both Houses of Congress**

OIG's New Responsibilities

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

The consolidated Appropriations Act (P.L. 106-113) on November 29, 1999.

OIG ORGANIZATION

INSPECTOR GENERAL

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graph TD; IG[INSPECTOR GENERAL] --- I[INVESTIGATIONS]; IG --- A[AUDIT]; IG --- M[MANAGEMENT];
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INVESTIGATIONS

AUDIT

MANAGEMENT

AUDIT



The Mission of Audit

To assist USAID, ADF and IAF:

- *in maintaining accountability*
- *in complying with applicable laws and regulations*
- *by providing information to management, Congress, and the public*

INVESTIGATIONS



The Mission of Investigations



Detect and prevent

- **fraud, waste and abuse**
- **in USAID, ADF and IAF**
- **programs and operations**

LAW ENFORCEMENT AUTHORITY

OIG/I Special Agents *are* Federal Law Enforcement Officers with Authority to:

- **Carry Firearms**
- **Execute Search Warrants**
- **Make Arrests**

OIG INVOLVEMENT WITH SAIs

US policy is to rely on financial audits of US-based grantees that the grantees contract for themselves.

In 1992, OIG extended this policy to foreign-based grantees, and distributed initial guidance on how to implement recipient-contracted audit programs.

- standard statements of work**
- list of public accounting firms pre-qualified to participate in the program**
- training given to USAID missions, public accounting firms, organizations receiving USAID grants, and host government audit institutions**

In 1993, the OIG issued *Guidelines for Financial Audits Contracted by Foreign Recipients* (Guidelines).

RCA GUIDELINES

Preference to accept SAI audits of host government entities

SAIs only accepted when RIG determines SAI:

- Independent in fact and appearance**
- No activities incompatible with the audit function**
- Professional, competent staff**
- Complies with U.S. Government Auditing Standards,
or INTOSAI or IFAC auditing standards**
- Continuing training and professional development staff**

Sign model audit agreement with the USAID mission of staff

MODEL AGREEMENT WITH SAIs

- **Perform audits in accordance with OIG Guidelines**
- **Follow U.S. Government Auditing Standards or other agreed standards**
- **SAI can contract an independent public accounting firm to perform audits of governmental organizations**
- **Standard statements of work provided by the RIG**
- **Prepare an annual schedule of audits**
- **RIG provides technical advice and perform quality control reviews**
- **RIG may request additional work at no cost to USAID if work of SAI or its contractor are found to be deficient**

LIST OF MOUs (as of 6/2003)

	MOU DATE	COUNTRY	TITLE OF SAI ORGANIZATION
1	11/17/1993	Honduras	Comptroller General
2	5/25/1994	Tanzania	Controller and Auditor General
3	9/5/1995	Bolivia	Controller General
4	1/2/1996	Mali	General Inspection of Public Services (formerly "General Inspection of State")
5	7/2/1997	Ethiopia	Auditor General
6	10/28/1997	Peru	Controller General
7	2/19/1998	Ghana	Government of Ghana Audit Service
8	1/21/1999	Zambia	Auditor General
9	2/11/1999	Zimbabwe	Controller and Auditor-General
10	4/15/1999	Senegal	Commission for Audit and Inspection of Public Enterprises
11	8/19/1999	El Salvador	Court of Accounts
12	9/13/1999	Benin (1)	General Inspection of Finance, Ministry of Finance
13	1/25/2000	Thailand	Auditor General
14	2/25/2000	South Africa	Auditor General
15	8/4/2000	Malawi	National Audit Office
16	1/25/2001	Uganda	Auditor General
17	2/15/2001	Indonesia	Badan Pengawasan Keuangan dan Pembangunan
18	2/4/2002	Bangladesh	Comptroller and Auditor General
19	6/24/2002	Nepal	Auditor General
20	7/22/2002	Benin (2)	Chamber of Accounts, Supreme Court (1) The SAI in Benin includes (1) The General Inspection of Finance which audits government ministries and responds to the President, the Ministries and donors; and (2) The Chamber of Accounts which reports to the Government, Parliament, and the public.

OIG TRAINING GIVEN TO SAIs

OIG training is usually targeted to a broad audience, i.e., to USAID missions, public accounting firms, organizations receiving USAID grants, and SAIs.

Once an SAI expresses an interest in auditing USAID funds, OIG staff provide advice, technical assistance, and when possible, on-the-job and classroom training for the SAI staff.

- Core training: U.S. Government Auditing Standards, OIG Guidelines, U.S. Government cost principles, and fraud awareness.**
- Limited occasions: computer auditing techniques, performance auditing, participation in regional inspectors' general continuing professional education training, and, lastly, OIG-sponsored internship program at one regional inspector general office.**

Further, the OIG reviews and critiques all audit reports that the SAI performs under the agreement.

OIG SAI TRAININGS

October 1993 to March 2003

- **Fraud detection training to SAIs in Honduras and El Salvador.**
- **Training in USAID and U.S. Government requirements and auditing standards to SAIs in Ethiopia, Rwanda, Tanzania and Zambia.**
- **Training to the SAI in Benin.**
- **Financial Management training in Malawi, Madagascar, and Mozambique.**
- **Senegal SAI participation in an OIG-sponsored internship program in Senegal.**
- **Training in USAID financial audit requirements, U.S. Government Auditing Standards, and fraud awareness in Uganda.**
- **Training and technical assistance to the National Audit Office in Malawi.**
- **OIG participation in a Senegalese anti-corruption commission training seminar on audit and investigation methodology.**
- **Briefing on performance auditing for the Indonesian SAI.**
- **Training in Peru which included SAI representatives.**
- **Additional guidance on performance auditing practices given to the SAI of Indonesia.**
- **How to audit USAID funds, cost principles, and fraud awareness training in Nepal.**
- **Financial management and related training in 11 countries, which included representatives from host country SAIs.**
- **Fraud awareness presentations in Nepal, Bangladesh and Zambia, which included representatives from the SAIs.**