



U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT



OFFICE OF INSPECTOR GENERAL

Semiannual Report to the Congress

April 1–September 30, 2016

COVER:

A Syrian boy peeks out from his improvised classroom in Jordan while other students read aloud. A Syrian refugee—a former teacher—set up the classroom when he saw Syrian refugee children wandering the neighborhood where they were living, unable to get into the already overcrowded Jordanian schools. The refugees receive USAID-funded electronic food vouchers from the World Food Programme. Photo: USAID/Jessica Hartl (September 30, 2015)

Mission

The mission of the Office of Inspector General is to provide independent oversight that promotes the efficiency, effectiveness, and integrity of foreign assistance programs and operations under USAID OIG's jurisdiction.

Vision

OIG's vision is to be a leading oversight organization with a motivated and resourceful workforce that

- Produces high-quality work that facilitates mission achievement in foreign assistance.
- Increases accountability and promotes good stewardship of foreign assistance funds.

MESSAGE FROM THE INSPECTOR GENERAL

I am pleased to present the U.S. Agency for International Development Office of Inspector General Semiannual Report to the Congress for the second half of fiscal year 2016. In accordance with the Inspector General Act of 1978, as amended, this report presents the results of our work performed from April 1 to September 30, 2016, in overseeing U.S. Agency for International Development (USAID), the Millennium Challenge Corporation, the U.S. African Development Foundation, the Inter-American Foundation, and the Overseas Private Investment Corporation.

During this reporting period, we issued 298 audit reports with a total of 442 recommendations aimed at improving the operations and programs of the agencies we oversee. These reports resulted in more than \$19 million in questioned costs.

Also, during the period, we closed 147 investigations and opened 59. Our investigations uncovered fraud schemes involving bribes and kickbacks, product substitution, falsified documents, and other abuses of USAID funds, including employee misconduct that resulted in 20 prosecutorial referrals, 57 administrative actions, and 12 suspensions or debarments. These investigations directly resulted in more than \$1.7 million in recoveries and savings. The results of some notable audits and investigations we completed during this reporting period include the following:

- Our investigations uncovered product substitution, collusion, and bribery in USAID-funded aid programs and projects in Syria, which resulted in suspensions, terminations, and recovery of funds. I testified before the House Foreign Affairs Committee, Subcommittee on the Middle East and North Africa on these cases; the concerns they raise about implementer procurement practices and internal controls for managing projects, as well as USAID's oversight; and how they will advance our programmatic audit work to identify vulnerabilities before they can be exploited.



Ann Calvaresi Barr
Inspector General

- Our audit of USAID’s activities under the Enhanced Partnership with Pakistan Act of 2009 determined that USAID has not achieved the development objectives under the act, notwithstanding the mission’s self-reported accomplishments. Competing Department of State and USAID/Pakistan priorities weakened the mission’s performance, despite efforts to coordinate USAID’s long-term development goals and State’s short-term and political priorities.
- Following up on data quality concerns the Office of Inspector General (OIG) previously identified, we audited a total of 71 activities managed by USAID’s Egypt, Jordan, and West Bank and Gaza missions and determined that persistent gaps in internal controls continued to result in inadequate monitoring and evaluation of programs. We made 55 recommendations to help missions close these gaps.
- Our toll-free hotline established earlier in 2016 with Malawi’s Anti-Corruption Bureau and Police Service received dozens of tips related to the potential theft, diversion, and resale of U.S. Government-funded antimalarial commodities that resulted in 15 search warrants, 6 arrests, and the seizure of a significant volume of stolen commodities.
- Our audit of USAID’s classification policies, procedures, and practices found that USAID’s classification policy does not meet Executive Order 13526 requirements, and the Office of Security has not effectively administered USAID’s classified national security information program.

OIG ACCOMPLISHMENTS DURING THE REPORTING PERIOD

More than \$19 million in questioned costs

More than \$1.7 million in investigative recoveries and savings

298 audit reports issued

147 investigations closed

20 prosecutorial referrals

57 administrative actions

In addition to our audit and investigative work, we continued to reach out to OIG stakeholders.

- OIG agents conducted 176 fraud awareness briefings for more than 5,000 agency and implementer staff in 26 countries.
- In August 2016, OIG and the oversight bodies of the United Nations Population Fund and United Nations Development Program cohosted a 2-day meeting of the Syria Investigations Working Group—a group OIG founded in October 2015—to discuss specific investigative issues.

Finally, we continued to partner with the Departments of State and Defense OIGs to effectively implement the lead OIG framework and provide quarterly reporting on U.S. Government activities related to the overseas contingency operation to combat Islamic State of Iraq and the Levant, describing USAID efforts to address the needs of populations affected by the conflict as well as work to promote effective governance and stabilization in Iraq and Syria. We also issued our final quarterly report related to the Government's response to the Ebola outbreak in West Africa, working with the Department of Health and Human Services OIG to provide information on agencies' response and recovery efforts, and related oversight work.

Our audit and investigative work reflects our continued commitment to fully inform Congress, the agencies we oversee, and the public of pressing humanitarian aid concerns and to aggressively pursue individuals intent on abusing our Nation's foreign aid resources. I commend our hardworking staff for their steadfast dedication to our mission, especially as we refine our internal policies and processes to better target aid initiatives that are susceptible to fraud, waste, and abuse and programs and functions that present the most challenges to execute. I look forward to continuing to work effectively with the USAID Administrator and the CEOs of the Millennium Challenge Corporation, the U.S. African Development Foundation, the Inter-American Foundation, and the Overseas Private Investment Corporation to achieve our shared goal to combat extreme poverty and promote resilient, democratic societies while advancing our security and prosperity.

INSPECTOR GENERAL HOTLINES

The Office of Inspector General hotlines 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) and the other organizations under Office of Inspector General (OIG) oversight: the Millennium Challenge Corporation (MCC), the United States African Development Foundation (USADF), the Inter-American Foundation (IAF), and the Overseas Private Investment Corporation (OPIC). Employees of these organizations, as well as contractors, program participants, and the general public, may report allegations directly to OIG. Complaints may be submitted via email, phone, or mail, or through OIG's online complaint form.

Email

ighotline@usaid.gov

Complaint form

oig.usaid.gov/content/oig-hotline

Phone

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

Mail

USAID OIG HOTLINE

P.O. Box 657

Washington, DC 20044-0657

OIG has separate hotlines for each of its non-USAID client organizations: MCC, USADF, IAF, and OPIC. These hotlines are accessible from each organization's main Web site. OIG also receives allegations of fraud, waste, and abuse through a country-specific hotline in Pakistan, which is implemented locally by Transparency International, an international nongovernmental organization (NGO) that focuses on anticorruption.

The Inspector General Act of 1978, as amended, and other laws protect those who make hotline complaints. For example, the Whistleblower Protection Enhancement Act of 2012 protects employees who disclose misconduct or misuse of Government resources. Individuals who contact the hotline are not required to identify themselves and may request confidentiality when submitting allegations. However, OIG encourages those who report allegations to identify themselves so OIG can contact them with any additional questions. Pursuant to section 7 of the Inspector General Act, OIG will not disclose the identity of an employee of USAID, MCC, USADF, IAF, or OPIC who provides information unless that employee consents or unless the Inspector General determines that such disclosure is unavoidable during the course of an investigation. As a matter of policy, OIG provides comparable protection to employees of contractors, grantees, and others who provide information to OIG and request confidentiality. The hotline Web site is encrypted, consistent with industry standards; however, individuals who are concerned about the confidentiality or anonymity of electronic communication may submit allegations by phone or mail.

EBOLA HOTLINE

The U.S. Government responded to the unprecedented spread of the Ebola virus in West Africa by mobilizing a large-scale response to contain the disease. USAID OIG continues to promote the integrity of these efforts, namely USAID activities to promote recovery following the Ebola crisis. Although the lead inspector general oversight and reporting under section 8L of the Inspector General Act concluded at the end of fiscal year 2015, USAID OIG continues to provide oversight of Ebola-related U.S. Government activities through ongoing audit and investigative work.

Email
ebolahotline@usaid.gov

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

Mail
USAID OIG HOTLINE
Attn: Ebola Hotline
P.O. Box 657
Washington, DC 20044-0657

The Ebola hotline was launched to receive complaints of fraud, waste, or abuse relating to the U.S. Government’s Ebola programs and activities. Ebola-related complaints may include information about mismanagement or violations of law, rules, or regulations by U.S. Government employees, implementers of U.S. Government-funded programs, and program participants. OIG accepts complaints from employees, program participants, and the general public.

“MAKE A DIFFERENCE” MALARIA HOTLINE

OIG’s “Make a Difference” campaign solicits the involvement of local communities in three African countries to protect the integrity of America’s overseas antimalarial programs. The campaign currently works in Benin, Malawi, and Nigeria to obtain actionable information about the theft, transshipment, resale, or falsification of antimalarial drugs, as well as about commodities in select countries funded by the President’s Malaria Initiative. In support of this objective, OIG has developed materials with information about the hotline and safe malaria medications and distributed them in local communities.

Email

madmalariahotline@usaid.gov

Phone

1-855-484-1033

Mail

USAID OIG HOTLINE

P.O. Box 657

Washington, DC 20044-0657

The campaign offers country-specific reward hotlines for community members to safely report information on manufacturers, distributors, or sellers of illicit commodities. Rewards are offered through OIG for relevant and actionable information. Significant impacts, such as the arrest or conviction of individuals participating in antimalarial pharmaceutical crime or systemic changes that result from information obtained through the hotline, may result in additional reward payments.

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INTRODUCTION

History, Mandates, and Authority

USAID's OIG was established on December 16, 1980, by Public Law 96-533, an amendment to the Foreign Assistance Act of 1961. On December 29, 1981, the International Security and Development Cooperation Act of 1981 brought the USAID Inspector General under the purview of the Inspector General Act of 1978. OIG assumed audit and investigative oversight of USADF and IAF in 1999 and of MCC in 2004. OIG also maintains some oversight authority over OPIC under 22 U.S.C. 2199(e).

The Inspector General Act authorizes the Inspector General to conduct and supervise audits and investigations. Our mission is to provide independent oversight that promotes the efficiency, effectiveness, and integrity of programs and operations under our jurisdiction. Some of our work is mandated by statute or other requirements; other work is performed at OIG's discretion. When identifying and prioritizing appropriate audit and investigative activity, we consider stakeholder interests and needs, alignment with strategic goals, program funding, and risks associated with the agencies' programs, including potential vulnerabilities in internal controls.

Areas of Responsibility

Audits

OIG conducts audits of worldwide foreign assistance programs and agency operations of USAID, MCC, USADF, IAF, and OPIC. Audit activities include performance audits and reviews of programs and management systems, financial statement audits required under the Chief Financial Officers Act of 1990, and audits related to the financial accountability of grantees and contractors.

Investigations

OIG investigates allegations of fraud, waste, and abuse relating to the foreign assistance programs and operations of the agencies for which we provide oversight. Investigations of criminal, civil, and administrative violations cover all facets of these worldwide operations. OIG also works proactively by providing fraud awareness briefings and literature, audiovisual aids, and advice on fraud prevention strategies for our agencies' personnel and employees of foreign assistance implementers worldwide.

Joint Work and Partners

OIG participates in task forces and cooperates with other groups. The following activities summarize our participation in these areas.

Overseas Contingency Operation Oversight Coordination

Section 8L of the Inspector General Act of 1978, as amended, requires the inspectors general for the Department of Defense (DoD), Department of State (DOS), and USAID to coordinate oversight on overseas contingency operations lasting more than 60 days. Section 8L requires these OIGs to work together to develop and execute a joint strategic plan for comprehensive oversight of the contingency operation and to submit to Congress a quarterly report on the operation's progress and a semiannual report on corresponding oversight activities.

In connection with Operation Inherent Resolve (OIR), the overseas contingency operation to combat the Islamic State of Iraq and the Levant (ISIL), USAID OIG conducted site visits and performed extensive outreach to USAID's implementing partners, providing fraud awareness briefings in Iraq, Jordan, and Turkey. To promote fraud prevention, USAID OIG hosted workshops with USAID's Office of Foreign Disaster Assistance and produced guides on compliance and fraud prevention for implementing partners in the region. The inspectors general for the Department of State and USAID have been working closely on these issues, as well as on a joint investigation, as the two agencies share many of the same implementing partners in the region. Meanwhile, USAID OIG has worked to identify weaknesses in USAID programs in the region so the Agency can more swiftly respond to problems that arise in the humanitarian responses in Iraq and Syria.

In addition, USAID OIG has maintained oversight of Ebola recovery and preparedness activities. Although the section 8L coordination and reporting requirements associated with Operation United Assistance—the overseas contingency operation established in response to the West Africa Ebola outbreak—concluded at the end of fiscal year 2015, USAID OIG and the Department of Health and Human Services (HHS) OIG continued to provide quarterly reporting to promote transparency and public awareness about U.S. Government Ebola-related activities. This joint reporting ended on June 30, 2016, with the publication of the final Ebola quarterly report, but USAID OIG continued to provide needed oversight of Ebola-related U.S. Government activities through ongoing investigative activities. USAID OIG has also continued to conduct audits on the effectiveness of Ebola response activities and USAID's preparedness to respond to future international public health emergencies.

Syria Investigations Working Group

In October 2015, USAID OIG founded the Syria Investigations Working Group. The group consists of representatives within the investigative oversight bodies of the USAID OIG, the Department of State OIG, public international organizations, and bilateral donors. The group shares investigative leads, coordinates oversight activities, and identifies trends in the region. OIG hosted the group's two teleconferences and, in February 2016, hosted an in-person meeting at the U.S. Mission to the United Nations in Geneva. Attendees included representatives of the oversight or investigative elements of USAID OIG and the Department of State OIG as well as several public international organizations and bilateral donors. In August 2016, USAID OIG organized another meeting of the Syria Investigations Working Group, cohosted by the United Nations Population Fund and the United Nations Development Programme in New York City. The meeting was attended

by representatives from the oversight bodies of other bilateral donors and public international organizations. The working group was greeted by remarks from the USAID OIG deputy inspector general, and the meeting included case briefings from two USAID OIG special agents.

Joint Terrorism Task Force

OIG participates in the Joint Terrorism Task Force, which consists of USAID, the Department of State, the Federal Bureau of Investigation, and the Special Inspector General for Afghanistan Reconstruction.

Joint Interagency Task Force

The Joint Interagency Task Force is made up of the Global Fund to Fight AID's OIG, USAID OIG, and the United Nations Development Programme's Office of Audits and Investigations. The task force works with local law enforcement authorities throughout Africa to track the theft, diversion, and counterfeiting of Global Fund and USAID-funded medicines.

Coordinated Audit Plan for HIV/AIDS, Tuberculosis, and Malaria

OIG collaborates with its counterparts at DOS and HHS to develop an annual consolidated audit plan. The three OIGs work together to determine the audits each office will conduct to make the best use of U.S. Government resources.

Working With Bilateral Donors

OIG participates in a group of bilateral donors from 12 countries, including the United States, that work to improve transparency and accountability of multilateral organizations and take on other issues of mutual interest.

Office of Government Ethics Curriculum Development Team

OIG participates in the Office of Government Ethics curriculum development team, which involves multiple Government agencies working together to develop ethics guidance and training for law enforcement officers.

OIG ORGANIZATIONAL PERFORMANCE MEASURES

OIG established performance measures in its strategic plan for fiscal years 2015–2019, several of which were updated with the publication of the fiscal year 2016 annual plan. The data below reflect our yearend accomplishments for fiscal year 2016. Information marked “NA” indicates that the measure was not in place during the reporting period.

Strategic Goal I. Strengthen the ability of the organizations for which OIG provides oversight to manage and deliver foreign assistance efficiently and effectively through audit products and activities.			
Measure	2015 Results	2016 Yearend Target	2016 Yearend Results
Percentage of audits covering high-priority programs and operations, addressing management challenges, or identifying systemic weaknesses	96%	92%	100%
Percentage of audit peer review recommendations with which OIG agrees that have been implemented within 1 year	NA	100%	57% ¹
Percentage of management decisions ² on which OIG and the agency agree that have final action within 1 year of the decision	79%	72%	74%

¹OIG received the peer review report in June 2016 and expects to have all recommendations addressed within 1 year.

²A management decision is considered to be made when agency management establishes corrective action to be taken in response to an audit recommendation. A management decision must determine the allowability of questioned costs (if applicable), establish a corrective action plan, and identify a target date for final action.

Strategic Goal 2. Deter and detect fraud, corruption, criminal activity, and misconduct in the programs, operations, and workforce of the organizations for which OIG provides oversight.

Measure	2015 Results	2016 Yearend Target	2016 Yearend Results
Percentage of OIG investigations resulting in a positive outcome (e.g., indictments, recoveries, systemic changes)	NA	50%	65%
Number of individuals reached through outreach events	8,592	5,000	10,350
Dollar value of investigative savings and recoveries	Exceeded total cost of investigative operations	Meets or exceeds total cost of investigative operations	Exceeded total cost of investigative operations
Number of briefings and meetings with senior U.S. Government or foreign government officials that provide law enforcement liaison and support to anticorruption efforts	21	25	25

Strategic Goal 3. Provide useful, timely, and relevant information to enable stakeholders to make informed decisions about foreign assistance programs and operations.

Measure	2015 Results	2016 Yearend Target	2016 Yearend Results
Number of congressional engagements (e.g., testimony, briefings, and other formal contacts)	60	60	55
Number of page views on the OIG Web site	176,778	176,778	197,877

Strategic Goal 4. Continually improve the efficiency, effectiveness, and quality of OIG operations.

Measure	2015 Results	2016 Yearend Target	2016 Yearend Results
Percentage of employees indicating satisfaction with OIG customer service, operations, and initiatives	66%	67%	65%
Percentage of major management milestones met relating to strategic planning, continuity of operations, policy development, human capital management, information technology management, financial resource management, operations planning, and external reporting requirements	80%	80%	83%
Percentage of OIG operating units executing within 5 percent of budget plans	39%	50%	50%

Strategic Goal 5. Recruit, develop, and retain a highly qualified, motivated, and diverse workforce with the necessary tools and training to fulfill OIG's mission.

Measure	2015 Results	2016 Yearend Target	2016 Yearend Results
Percentage of incoming employees hired within established time frames ³	38%	65%	16%
Percentage of employees retained who are performing at or above fully successful or proficient levels	85%	90%	94%
Percent of employees engaged in their work ⁴	65%	67%	68%

³ The established time frame for civil service vacancies is 80 calendar days and 140 calendar days for Foreign Service positions. The time frame starts when the Request for Personnel Action (SF-52) is completed and ends the day the employee enters on duty.

⁴ Employee engagement is measured using the relevant questions from the Office of Personnel Management's Federal Employee Viewpoint Survey.

PROGRESS IN MEETING STRATEGIC GOALS AND OBJECTIVES

The Office of Inspector General's five strategic goals convey our commitment to providing quality oversight to the agencies we oversee and to informing the public and our stakeholders of OIG effectiveness at safeguarding taxpayer resources. These goals also emphasize our obligation to continually find ways to improve our own operations and ensure that our workforce is highly motivated and well trained to carry out its responsibilities.

This fiscal year (FY), we identified approximately \$140 million in questioned costs and funds recommended to be put to better use, and our investigative work led to more than \$80 million in investigative recoveries and savings. We implemented numerous activities to promote the effectiveness and integrity of foreign assistance programs, provide quality information for our stakeholders, and enhance OIG's internal processes and workforce.

The results of OIG's yearend performance are discussed below.

Strategic Goal I: Strengthen the ability of the organizations for which OIG provides oversight to manage and deliver foreign assistance efficiently and effectively through audit products and activities.

OIG exceeded its goals for two of the three measures it is tracking under this strategic goal: the percentage of audits covering high-priority programs and operations and of management decisions on which OIG and the agency agree that have final action within 1 year of the decision. In FY 2016, OIG issued 36 reports and 100 percent covered high-priority programs and operations, addressed management challenges, or identified systemic weaknesses.

We did not implement 100 percent of the audit peer review recommendations with which OIG agrees as anticipated because our peer review report was received in late June. In just 3 months' time, however, we have completed 57 percent of this goal, and we expect to address all recommendations by June 2017.

OIG continues to meet its significant obligations related to oversight of one recently ended contingency operation and one that is ongoing. The overseas contingency operations integrate the efforts of USAID, the Departments of Defense and State, and other partners to respond to conflicts and emergencies. Operation Inherent Resolve (OIR) is the ongoing contingency operation in Iraq and Syria, and OIG plans to perform audit engagements to provide oversight of USAID's OIR activities. USAID OIG continued to provide oversight of USAID Ebola activities related to Operation United Assistance—which involved the U.S. military response to the Ebola outbreak in West Africa—when the response concluded and the U.S. Government shifted from combating the disease to mitigating its effects on food security and health systems.

OIG worked on several other activities that contribute to Goal 1. OIG's audit of the implementation of activities under the Enhanced Partnership with Pakistan Act (EPPA) of 2009 identified numerous difficulties USAID had in carrying out its development mission because of inconsistencies between USAID's long-term development goals and Department of State's (DOS's) short-term goals. The audit found that, in this role, USAID did not implement its standard operating procedures, which weakened its performance. Overall, despite the best efforts of the USAID mission to align long-term development goals with the DOS's focus on other priorities, DOS's leadership and direction conflicted with USAID's ability to implement Agency policies and directives. USAID will need to make new efforts to resolve the conflicting priorities of the DOS as identified in the 2010 Quadrennial Diplomacy and Development Review and its internal policies.

OIG's audit of a project to improve both the health status of Haitians and the overall management and delivery of health care found that despite some positive outcomes, weaknesses remained. USAID/Haiti's project carried out by a U.S. company, under a 3-year, \$36.5 million contract, was to increase the use of health-care services provided by the Haitian Ministry of Health. Poor communication kept USAID from approving contractor implementation plans, leading OIG to conclude that the project was not adequately overseen. Long-term sustainability was not assured since OIG found that there was no plan to obtain a new source of funding for staff salaries after the project concluded. USAID's follow-up award will address OIG's recommendations regarding sustainability.

Strategic Goal 2: Deter and detect fraud, corruption, criminal activity, and misconduct in the programs, operations, and workforce of the organizations for which OIG provides oversight.

OIG has met or exceeded all four of its targets under Goal 2. Of all our investigations during this year, 65 percent resulted in positive outcomes. We reached more than 10,000 participants at fraud awareness briefings (see the map that follows, which reflects the geographic distribution of briefings conducted worldwide this fiscal year), and our investigative savings and recoveries exceeded the cost of our investigative operations. We achieved 100 percent of this fiscal year's goal for holding briefings or meetings with senior U.S. Government or foreign government officials. These education and relationship-building efforts help deter fraud, waste, and abuse by increasing awareness of reporting procedures for criminal, civil, and administrative violations; educating stakeholders on the consequences of committing these violations; and establishing cooperation with other law enforcement authorities.

This report contains numerous examples of the investigations OIG has led or participated in to detect and stop fraud, waste, and abuse. These investigations have led to important outcomes for the agencies we oversee. For example OIG, along with the Malawi Anti-Corruption Bureau and the Malawi Police Service, recently took joint action to secure evidence of theft, diversion, and resale of U.S. Government-funded antimalarial commodities. This action resulted in the arrest and conviction of six people involved in the scheme. The investigation was initiated from information provided through OIG's "Make a Difference" Malaria campaign and the Global Fund to Fight AIDS, Tuberculosis, and Malaria OIG's "I Speak Out Now!" campaign.

Fraud Awareness Briefings Conducted Worldwide

October 1, 2015–September 30, 2016



During FY 2016, OIG conducted 341 fraud awareness briefings, with more than 10,000 participants worldwide. The circles on the map indicate the locations of the briefings; the size of the circles represents the number of participants. (Map provided by OIG.)

OIG's Office of Investigations also continues to take a prominent role in oversight of USAID activities under the overseas contingency operation to combat ISIL, as well as to expand outreach to implementers working to assist displaced persons suffering in and around Syria. In July 2016, USAID OIG organized an in-person meeting of the Syria Investigations Working Group, cohosted by the United Nations Population Fund and the United Nations Development Programme in New York City. Representatives from the oversight bodies of seven bilateral donors and seven public international organizations attended the meeting. The USAID OIG deputy inspector general spoke at the meeting and two USAID OIG special agents provided case briefings.

Strategic Goal 3: Provide useful, timely, and relevant information to enable stakeholders to make informed decisions about foreign assistance programs and operations.

OIG continues to respond to stakeholders' needs for information on the management and delivery of U.S. foreign assistance and OIG operations. For FY 2016, OIG exceeded one of its two targets under Goal 3. We garnered 197,877 page views on our Web site, 20,000 above our target. We engaged with Congress 55 times, 92 percent of our goal. We continue to work with Congress on OIG's high-profile programs and to provide information on our Web site. OIG continually works to promote transparency and improve its ability to inform policy and decision making about assistance programs. OIG continues to use its public Web site, electronic notifications, and presence on Twitter to promote awareness of the results of our work.

OIG has also contributed to periodic reporting with other OIGs on two overseas contingency operations. Working with the OIGs for the Departments of Defense and State, we gathered and reported on program and oversight activities in Iraq and Syria, with a particular focus on humanitarian assistance. Also, although OIG is no longer required to report quarterly on Government-wide programs in response to the Ebola outbreak in West Africa, we continued to do so during this reporting period to keep Congress and the public informed of work undertaken by both USAID OIG as well as the OIG for the Department of Health and Human Services. We issued our final quarterly report on the response to the Ebola crisis this reporting period.

OIG briefed congressional staff on audit and investigative work, and responded to congressional and press inquiries and requests for information. In July, the Inspector General testified before the House Committee on Foreign Affairs, Subcommittee on the Middle East and North Africa concerning identified fraud affecting humanitarian aid programs in Syria. OIG also joined our counterparts in the Departments of Defense and State to continue to brief congressional staff on OIR and related oversight efforts in Iraq and Syria.

The Inspector General also traveled to El Salvador and South Africa to visit two OIG regional offices. As part of these visits, the Inspector General met with stakeholders to discuss OIG's role in providing oversight of U.S. foreign assistance programs and to solicit their views on challenges and significant concerns that OIG might address in future oversight work. These meetings included individuals coordinating major U.S. Government initiatives such as the President's Emergency Plan for AIDS Relief and Power Africa.

Strategic Goal 4: Continually improve the efficiency, effectiveness, and quality of OIG operations.

For Strategic Goal 4, OIG met or exceeded two of its performance goals and came within 2 percent of meeting the third. For this goal, employees' satisfaction with OIG customer service, operations, and initiatives, 65 percent reported satisfaction, slightly below the 67 percent goal. OIG will be assessing the survey results, then taking steps to address concerns and enact positive change in the organization.

One vehicle for encouraging employee input into the continual improvement process is the Employee Advisory Council. The council collects employee feedback on ways to improve OIG operations and meets monthly with the Inspector General to provide related advice. Information from the council is used to shape senior-level decision making.

In addition, OIG recruited for two new positions this period to focus on quality assurance and process improvements. These positions will enable OIG to ensure it is using the most efficient and effective procedures organizationwide.

Strategic Goal 5: Recruit, develop, and retain a highly qualified, motivated, and diverse workforce with the necessary tools and training to fulfill OIG's mission.

OIG met or exceeded its performance goals for two of three measures for Goal 5. We did not meet our goal of hiring 65 percent of employees in established time frames. This shortfall was primarily due to three factors: an increased workload, organizational transition, and the loss of several human capital staff members. To provide needed support and expertise, OIG employed two contractors to conduct a top-down review of human capital operations and employee skill levels. In the coming year, OIG will continue to strengthen its leadership, operational skills, and interaction with hiring managers and employees to improve its human capital functions.

As part of these efforts, we are promoting more proactive relationships between human capital staff and hiring managers. We recognize hiring managers' challenges to balance day-to-day program management demands with the need to invest time in the recruiting and hiring process. In addition, USAID OIG requires new employees to have either an interim or a full Secret or Top Secret clearance prior to being hired, which can delay the process. In the coming year, human capital staff will work more closely with managers to develop hiring plans that better meet their needs.

Over the past year, OIG launched and revitalized several initiatives to invest in the development and capabilities of OIG managers, supervisors, and employees. To support these initiatives, we are hiring a training officer and a professional development manager. We are also making sure that OIG has the appropriate internal policies, processes, and systems to provide reliable and meaningful oversight and, more importantly, to be a good institutional steward of taxpayer dollars. OIG is elevating performance expectations across the board and holding OIG executives, managers, and supervisors accountable for workplace inclusivity and improved performance.

OIG continues to promote working groups and committees to address morale and productivity. OIG has successfully launched a Morale Committee, and the aforementioned Employee Advisory Council.

SUMMARY TABLES

Audits and Other Audit Products Conducted USAID, MCC, USADF, IAF, and OPIC April 1–September 30, 2016			
Type of Report	Number of Reports	Amount of Recommendations	Audited Amount
Conducted by OIG			
Economy and Efficiency — USAID	11	\$366,212	0
Economy and Efficiency — MCC/USADF/IAF/OPIC	0	0	0
Programs and Operations (financial statement audits) — USAID	0	0	0
Other Audit Products (Nonaudits)			
Reviews/Surveys — USAID	1	0	0
Reviews/Surveys — USADF/IAF/OPIC	0	0	0
Reviews/Surveys — MCC	1	0	0
Quality Control Reviews — USAID	9	0	0
Quality Control Reviews — MCC	4	0	0
Risk Assessments — USAID	1	0	\$37,002,757
Risk Assessments — USADF/IAF/OPIC	3	0	5,419,510
Conducted by External Audit Organizations/Independent Public Accountants or other U.S.-Government Agencies (DCAA, etc.)¹			
Economy and Efficiency (FISMA) ² — USAID	0	0	0
Economy and Efficiency (FISMA) — MCC/USADF/IAF/OPIC	0	0	0
Economy and Efficiency — USAID	0	0	0
Programs and Operations (financial statement audits) — MCC/USADF/IAF/OPIC	0	0	0
Programs and Operations (IPERA) ³ — MCC	1	0	0
Risk Assessments — MCC	1	0	0
Agency-Contracted Audits (ACA) — USAID			
U.S.-Based Contractors	3	\$85,357	\$128,848,961
U.S.-Based Grantees	3	1,573,431	46,471,409
Foreign-Based Organizations	9	1,167,879	171,845,853
Foreign Governments	2	52,026	50,671,004

**Audits and Other Audit Products Conducted
USAID, MCC, USADF, IAF, and OPIC
April 1–September 30, 2016**

Type of Report	Number of Reports	Amount of Recommendations	Audited Amount
Contract Audit Agency/Defense Contract Audit Agency (DCAA) — USAID			
U.S.-Based Contractors	7	\$873,161	\$99,903,289
U.S.-Based Grantees	1	10,987	16,240,829
Foreign-Based Organizations	0	0	0
Incurred Costs — USAID			
U.S.-Based Contractors	0	0	0
U.S.-Based Grantees	0	0	0
Incurred Costs — Independent Public Accounting Firms (IPA) — USAID			
U.S.-Based Contractors	13	\$2,897,657	\$158,102,966
A-133⁴ — USAID			
U.S.-Based Grantees	66	\$1,591,772	\$3,854,093,314
Other Financial Reports (Agreed Upon Procedures) — USAID			
U.S.-Based Grantees	0	0	0
Enterprise Funds — USAID			
U.S.-Based Grantees	1	0	\$65,316,783
Local Currency Trust Fund — USAID			
Foreign-Based Organizations	1	0	\$1,293,303
Recipient-Contracted Audits — USAID			
U.S.-Based Contractors	2	\$1,009,611	\$18,030,579
U.S.-Based Grantees	4	0	41,823,510
Foreign-Based Organizations	133	8,266,013	272,283,601
Foreign Governments (Supreme Audit Institutions) ⁵	4	1,290,889	20,012,314
Millennium Challenge Account (MCA) Compacts — IPA — MCC			
Foreign-Based MCA Compacts	9	0	\$518,454,463
Other Audit Products (Nonaudits, Attestation Engagements, Examinations) — USAID			
U.S.-Based Contractors	0	0	0
Foreign-Based Organizations	8	0	0
Total	298	\$19,184,995	\$5,505,814,445

¹In some instances, USAID contracts with DCAA and independent public accounting firms to perform audits.

²Federal Information Security Modernization Act of 2002 (FISMA)

³Compliance with the Improper Payments Elimination and Recovery Act of 2010

⁴A-133 – Single Audit, performed by an independent public accountant

⁵Supreme audit institutions are the principal government audit agencies in the recipient countries and are often the only organizations with a legal mandate to audit the accounts and operations of their governments.

**Open and Unimplemented Recommendations
USAID, IAF, USAIDF, OPIC, and MCC
As of September 30, 2016**

Agency	Open and Unimplemented Recommendations			Monetary Recommendations With Management Decisions			Monetary Recommendations Without Management Decisions	Adjusted Potential Cost of Savings ¹	
	Total	With Potential Cost Savings		Total	Original Questioned Costs	Amount Sustained			
USAID	992	349	\$269,875,156	258	\$242,374,371	\$53,719,686	91	\$22,500,785	\$76,220,471
USAIDF	3	0	0	0	0	0	0	0	0
IAF	5	0	0	0	0	0	0	0	0
OPIC	1	0	0	0	0	0	0	0	0
MCC	22	0	0	0	0	0	0	0	0
Total	1,023	349	\$269,875,156	258	\$242,374,371	\$53,719,686	91	\$22,500,785	\$76,220,471

¹The figures in this column reflect an adjusted amount based on agency management decisions for monetary recommendations as of the end of the reporting period. Monetary recommendations are those that identify either questioned (i.e., unsupported or ineligible) costs or funds recommended to be put to better use. An agency management decision to sustain all or a portion of the total amount signals the agency's intent to recoup or reprogram the funds.

Once agency managers make such a decision, OIG acknowledges the dollar amount the agency has agreed to sustain as the most accurate representation of dollars to be saved, since this is the amount the agency will attempt to recoup. When they are available, we use these sustained costs, adding them to those monetary recommendations that have yet to receive a management decision, to arrive at an adjusted figure that most accurately reflects potential savings.

Investigative Activities Including Matters Referred to Prosecutive Authorities April 1–September 30, 2016

Workload		Civil Actions	
Investigations opened	59	Civil referrals	1
Investigations closed	147	Civil declinations	0
		Judgments	0
		Settlements	1
		Total	2
Criminal Actions		Administrative Actions	
Prosecutive referrals	20	Reprimands/demotions	2
Prosecutive declinations	9	Personnel suspensions	3
Arrests	7	Resignations/terminations	22
Indictments	6	Recoveries	3
Convictions	6	Suspensions/debarments	12
Sentencing	6	Contract terminations	3
Fines/assessments	0	Award suspensions	2
Restitutions	0	Other	10
Total	54	Total	57
Recoveries and Savings			
Judicial recoveries (criminal and civil)			\$1,075,000
Administrative recoveries			117,317
Savings			517,493
Total			\$1,709,810

Fraud Awareness Briefings Conducted Worldwide April 1–September 30, 2016

Month	Location	Sessions	Participants
April	Dublin, Ireland	1	68
	Kabul, Afghanistan	2	25
	Kathmandu, Nepal	1	46
	Port-au-Prince, Haiti	2	134
	Washington, DC	1	20
May	Bangkok, Thailand	1	25
	Cairo, Egypt	1	31
	Dakar, Senegal	1	13
	Frankfurt, Germany	3	38
	Kabul, Afghanistan	3	14
	Kampala, Uganda	3	117
	Manila, Philippines	2	91
	Santo Domingo, Dominican Republic	2	108
	Washington, DC	7	277
June	Adana, Turkey	1	21
	Cairo, Egypt	11	182
	Copenhagen, Denmark	1	36
	Dakar, Senegal	8	166
	Frankfurt, Germany	1	13
	Kabul, Afghanistan	1	5
	Kalolack, Senegal	1	34

**Fraud Awareness Briefings Conducted Worldwide
April 1–September 30, 2016**

Month	Location	Sessions	Participants
June (continued)	Luanda, Angola	8	140
	Nairobi, Kenya	3	43
	San Salvador, El Salvador	1	62
	Washington, DC	4	103
July	Abuja, Nigeria	15	511
	Bishkek, Kyrgyzstan	1	14
	Cairo, Egypt	5	60
	Kabul, Afghanistan	5	169
	Kampala, Uganda	1	65
	Karachi, Pakistan	2	186
	Kigali, Rwanda	3	68
	Islamabad, Pakistan	2	90
	Washington, DC	4	77
August	Arua, Uganda	1	16
	Cairo, Egypt	1	13
	Conakry, Guinea	4	131
	Dar es Salaam, Tanzania	4	142
	Gainesville, Virginia	1	7
	Gulu, Uganda	2	57
	Islamabad, Pakistan	4	66
	Kabul, Afghanistan	4	36

**Fraud Awareness Briefings Conducted Worldwide
April 1–September 30, 2016**

Month	Location	Sessions	Participants
August (continued)	Lima, Peru	3	70
	Lira, Uganda	1	24
	New York, NY	1	7
	Silver Spring, MD	1	17
	Tysons Corner, VA	1	19
	Washington, DC	5	107
	Windhoek, Namibia	5	94
September	Islamabad, Pakistan	8	143
	Jinja, Uganda	1	144
	Kabul, Afghanistan	3	14
	Kampala, Uganda	3	203
	Kathmandu, Nepal	1	24
	Kinshasa, Democratic Republic of the Congo	4	217
	Lima, Peru	1	18
	Manila, Philippines	1	38
	Port-au-Prince, Haiti	1	9
	Washington, DC	7	344
Total		176	5,012

SIGNIFICANT FINDINGS AND ACTIVITIES: U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT



Two women demonstrate how to set up a bed net, part of a project supported by USAID and the President's Malaria Initiative in Battambang Province, Cambodia. Photo: USAID/Richard Nyberg (March 15, 2016)

ACCOUNTABILITY

Contractor and Grantee Accountability—Audits

Overall Audit Activity

USAID is required by the Federal Acquisition Regulation, the Single Audit Act, and Office of Management and Budget (OMB) guidance to obtain appropriate and timely audits of its contractors, grantees, and enterprise funds. In addition, USAID has its own internal policies and procedures governing these audits. OIG provides oversight of these audit activities, ensuring they are conducted in accordance with appropriate quality standards.

Audits of U.S.-Based Contractors

U.S.-based companies carry out many USAID-funded activities. DCAA conducts audits, reviews, and preaward surveys of U.S.-based contractors on USAID's behalf. OIG then reviews DCAA's reports and transmits them to USAID management.

During this reporting period, OIG reviewed and transmitted seven DCAA reports pertaining to U.S.-based companies. These audits covered almost \$100 million in costs and questioned \$873,161. In addition, OIG reviewed and transmitted 13 incurred-cost audit reports covering approximately \$158 million in costs and questioned about \$2.9 million. OIG also reviewed and issued three Agency-contracted audits covering approximately \$129 million in costs and questioned \$85,357. Lastly, OIG issued two recipient-contracted audit reports covering approximately \$18 million in costs and questioned \$1 million. Altogether, these audits covered more than \$407 million in USAID funds spent by U.S.-based contractors.

Audits of U.S.-Based Grantees and Enterprise Funds

U.S.-based nonprofit organizations also receive significant USAID funds to implement development programs overseas. As required by OMB guidance, non-Federal auditors perform annual financial audits of USAID grantees that spend more than \$750,000 in Federal funds annually. The auditors are required to identify the following:

- Significant deficiencies involving major programs.
- Material noncompliance with laws and regulations.
- Known fraud affecting Federal awards.
- The status of prior audit findings.

In some instances, USAID contracts with DCAA to perform special financial audits and with independent public accounting firms to perform Agency-contracted financial audits of U.S.-based grantees. OIG provides oversight for the non-Federal auditors performing these audits to determine whether they have prepared audit reports in accordance with OMB reporting requirements and generally accepted government auditing standards (GAGAS).

During the reporting period, OIG reviewed 66 A-133 Single Audit Act reports covering approximately \$3.9 billion, and identified about \$1.6 million in questioned costs.¹ In addition, OIG reviewed and issued three Agency-contracted audits related to U.S.-based grantees, covering approximately \$46 million in costs and questioning more than \$1.6 million; one DCAA report covering \$16 million in costs and questioning \$10,987; four recipient-contracted audits, covering \$42 million in costs with no questioned costs; and one enterprise fund review covering \$65 million with no questioned costs. Altogether, these audits covered more than \$4 billion in USAID funds spent by U.S.-based grantees.

OIG also conducts quality control reviews to (1) determine whether the underlying audits were conducted in accordance with GAGAS and meet OMB requirements, (2) identify follow-up work needed to support the opinions in the audit report, and (3) identify issues that may require management attention by Federal officials. During this reporting period, we did not conduct any quality control reviews of audits of U.S.-based grantees.

Audits of Foreign-Based Organizations, Foreign Governments, and Local Currency Trust Funds

OMB's "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" (the super circular that combines eight previously separate sets of OMB guidance) does not apply to foreign-based contractors and grantees. Given the high-risk environment in which USAID operates, however, USAID has extended similar audit requirements to its foreign-based contractors and grantees through standard provisions included in grants, cooperative agreements, and contracts. Financial audits of foreign-based contractors and grantees are normally conducted by independent audit firms approved by OIG's overseas regional offices.

USAID's financial audit requirements concerning its contracts, grants, and cooperative agreements with foreign entities are normally satisfied under the recipient-contracted audit program. However, Agency-contracted audits may be initiated by either USAID or OIG to provide additional audit coverage or address specific concerns.

Under the recipient-contracted audit program, audits are required for all foreign entities that spend \$300,000 or more in USAID funds during the fiscal year. USAID may also request financial audits of nonprofit organizations that fall below the \$300,000 threshold.

¹OMB's A-133 Single Audit is a rigorous, organizationwide audit or examination of an entity that expends \$750,000 or more of Federal assistance (Federal funds, grants, or awards) received for its operations. Usually performed annually, the Single Audit's objective is to provide assurance to the Federal Government about the management and use of such funds by recipients such as states, cities, universities, and nonprofit organizations. The audit is typically performed by an independent certified public accountant and encompasses both financial and compliance components.

OIG reviews all audit reports and, if they comply with government auditing standards, transmits the reports to the appropriate USAID mission for corrective actions. Audit firms also are notified of any problems identified in the audit reports.

This reporting period, OIG reviewed 151 audits of foreign-based organizations, covering more than \$444 million in expenditures, resulting in about \$9.4 million in questioned costs. Of those, OIG issued 9 Agency-contracted audit reports, covering \$172 million and questioning \$1.2 million; 133 recipient-contracted audit reports covering \$272 million and questioning about \$8.3 million; and 8 attestation reports with no questioned costs. OIG also reviewed six audits of funds granted to foreign governments, of which two were Agency-contracted audits covering approximately \$51 million and questioning \$52,026; and four recipient-contracted audits covering about \$20 million and questioning \$1.3 million; altogether, those six reports covered more than \$70 million in expenditures and questioned about \$1.3 million. OIG also reviewed one local currency trust fund audit, covering almost \$1.3 million in expenditures with no questioned costs. In addition, OIG completed nine quality control reviews of audits of foreign-based organizations to ensure the audits were completed in compliance with appropriate audit standards.

Contractor and Grantee Accountability—Investigations

USAID Debars Grantee, Its President, and a Partner Employee in Pakistan for Engaging in Kickbacks and Falsifying Documents

OIG investigated allegations of fraud by Sangam Development Organization, a grantee in Pakistan under the Small Grants and Ambassador’s Fund Program implemented by the National Rural Support Program. OIG’s investigation found that the grantee, along with implementer employees, conspired to misrepresent the total number of biogas plants built under the grant, claiming payment for 100 when only 80 were constructed. OIG substantiated that, under the scheme, the grantee’s president paid kickbacks to implementer employees overseeing the project. In April 2016, USAID debarred the grantee and its president. In August 2016, USAID also debarred one of the implementer’s former employees involved in the scheme.

Investigation in Pakistan Uncovers Bribe Resulting in Warning Letter to USAID Subawardee

OIG advised on an investigation that revealed an official at ZHRSSS Productions, a USAID subawardee under Development Alternatives, Inc., paid a bribe to a local Pakistani police station in exchange for a no-objection certificate (i.e., permit) for a USAID-funded program. The investigation revealed that the official believed the bribe would ensure that Pakistani authorities would not interfere with the program. The investigation also found the official used personal funds for the bribe. OIG referred the matter to USAID’s Office of Transition Initiatives and, in June 2016, Development Alternatives issued a warning letter to the ZHRSSS Productions official at the request of USAID. The investigation is ongoing.

USAID/Kenya Implementer Employee Terminated for Conspiring With Subgrantee to Direct Award

OIG received an allegation of fraud related to a USAID program implemented by Plan International USA (Plan) in Nairobi, Kenya. OIG corroborated the allegation that an implementer employee assisted in drafting a subimplementer's subgrant application for an award worth approximately \$823,810 in exchange for a \$4,000 kickback. The subgrantee that received the assistance ultimately won the award. Once the allegation was corroborated by OIG, Plan took immediate action to terminate the subject's employment in September 2016.

USAID Contractor Employee Debarred for Falsifying Educational Credentials

An OIG investigation found that a Development Alternatives, Inc., employee hired to work on a USAID-funded project falsified his academic credentials to obtain employment, claiming he had earned a master's and a bachelor's degree from American educational institutions. Following an OIG referral, USAID debarred the contractor's former employee in September 2016.

Two Afghan National Subcontracted Employees Debarred for Hotel Receipt Fraud

In Afghanistan, a USAID contractor on the Assistance in Building Afghanistan by Developing Enterprises program reported allegations that two of its Afghan national employees submitted fraudulent hotel receipts. OIG investigated the allegations and obtained a confession that led to both employees' termination in 2015. In April and May 2016, USAID debarred the two Afghan nationals as a result of the OIG investigation. The fraudulent hotel receipts, amounting to approximately \$1,437, were not charged to USAID because International Executive Service Corps never approved them.

An Implementer Employee and Five Afghan Nationals Terminated for Mismanagement of Procurement Staff, Contract Steering, and Conflict of Interest

Following a fraud allegation forwarded by the International Rescue Committee (IRC) concerning its Afghanistan offices, OIG initiated an investigation. OIG special agents and IRC headquarters staff interviewed numerous IRC staff regarding the allegations. IRC terminated a manager in Afghanistan in May 2016, after it found he failed to comply with IRC's policy on reporting fraud. In addition, IRC terminated three supply chain employees in June 2016 for inflating prices on procurement files, purchasing items from family-owned suppliers without disclosing any conflict of interest, neglecting to segregate duties, and signing official documents for other procurement staff. Finally, the OIG investigation substantiated that two additional IRC employees attempted to steer a contract to a subgrantee by engaging in prohibited communications during the award selection process. IRC terminated the two employees involved in August 2016.

Implementer Employee Resigns After Submitting False Invoices for Unincurred Housing Expenses

OIG conducted an investigation into an allegation that a Management Sciences for Health (MSH) project director working on a USAID-funded program in South Sudan submitted false vouchers for

housing expenses. OIG's investigation revealed evidence to support the allegation and, after the subject interview, the project director resigned from MSH in April 2016.

Employee Misconduct

USAID Personal Services Contractor Debarred for 3 Years

In June 2014, OIG responded to allegations that a personal services contractor was distributing child pornography. In conjunction with the U.S. Immigration and Customs Enforcement's Homeland Security Investigations, OIG conducted an investigation that led to the personal services contractor's guilty plea for one count of distribution of child pornography and a 36-month prison sentence that started May 7, 2015. In light of the guilty plea, the USAID Suspension and Debarment Office debarred the former personal services contractor in August 2016 for 3 years.

USAID's Human Capital and Talent Management Office Office Institutes Procedural Changes After OIG Identifies 846 Hours of Unearned Leave Granted to Retiring USAID Employee

An OIG investigation determined that USAID's Human Capital and Talent Management Office erroneously gave a former USAID employee 846 hours of restored annual leave. The investigation revealed that the hours were credited as a result of an incorrect application of a service computation date adjustment by human capital staff. The employee correctly received a service date adjustment of 20 years from a buy-back of military time but incorrectly received a retroactive adjustment of his earned leave balance. The employee was required to pay back leave he had already taken, and he forfeited the remaining leave balance. The employee would have also been paid more than \$50,000 as a retirement benefit for unused leave had the error not been identified. From March to June 2016, as a result of the investigation, the Human Capital and Talent Management Office instituted two procedural changes to address system weaknesses that allowed for the error.

OIG Investigation in Southeast Asia Results in Written Reprimand to USAID Employee

OIG received allegations that a subgrantee with a USAID-funded health program in Southeast Asia made false claims and double-billed multiple donors, including USAID, for travel expenses. It was further alleged that the subgrantee's employees reported the fraud to the implementer and were retaliated against by management. OIG's investigation revealed that the USAID activity manager within the implementer was informed of the allegations and subsequently failed to notify USAID mission management or OIG. In addition, the activity manager failed to protect the original complainant's identity. As a result, in May 2016 USAID issued the activity manager a written reprimand for his actions. The investigation is ongoing.

Senior Foreign Service National Overseeing a USAID-Funded Agribusiness Project in Pakistan Resigns After OIG Investigation Reveals Conflict of Interest and False Statements

OIG received allegations of a conflict of interest and misuse of position by a USAID/Pakistan foreign service national's representative overseeing a USAID-funded agribusiness project. OIG's investigation concluded that the employee provided his friends' résumés to the project's implementer. During the investigation, the employee also made false statements to OIG investigators. In August 2016, the Agency informed OIG the employee had resigned in lieu of termination, and OIG sent a referral to the USAID Office of Acquisition and Assistance for consideration of suspension and debarment.

Personal Services Contractor Removed From USAID-Funded Program in Ghana for Misuse of Unaccompanied Air Baggage Privileges

In December 2015, OIG responded to an allegation that a personal services contractor at a USAID mission in West Africa was misusing unaccompanied air baggage privileges by shipping commercial items for a business in the United States. OIG found that, on three occasions, the personal services contractor used a portion of his baggage shipment privileges to transport his wife's commercial items to the United States. U.S. Customs and Border Protection detained one of the improper shipments and ultimately accepted the personal service contractor's offer to pay approximately \$15,000, which was the appraised domestic value of the detained shipment. This payment was in lieu of penalties and fines for violating U.S. smuggling and customs statutes. OIG presented the investigative findings to USAID, and the individual was removed from his position after his security clearance was revoked.

Expanding Accountability

Corruption and lack of accountability are major impediments to international development. They threaten to negate years of economic growth, especially in areas of the world subject to political instability and violence. OIG audits and investigations provide two methods of safeguarding USAID funds. OIG takes other steps to promote accountability and transparency, as described below.

Expanding Supreme Audit Institutions' Capabilities

OIG continues to work closely with selected supreme audit institutions (SAIs) in countries where USAID is present. SAIs are the principal government audit agencies in the recipient countries and are often the only organizations that have a legal mandate to audit their respective government's accounts and operations. SAIs may be called upon to audit funds provided to host governments by USAID or other donors. Before SAIs may conduct audits for USAID, they must demonstrate sufficient professional capacity and independence. OIG often provides training in processes for conducting financial audits of USAID funds in accordance with U.S. Government auditing standards. OIG provides quality control for all audits of USAID funds performed by SAIs.

During this reporting period, SAIs issued four audit reports covering about \$20 million in USAID funds. They reported approximately \$1.3 million in questioned costs, 15 internal control weaknesses, and 10 material instances of noncompliance.

OIG did not sign any new memorandums of understanding with SAIs during this reporting period.

Cost Principles Training

USAID's contracts and grants incorporate cost principles that define the types of costs that can be charged legitimately to USAID programs.

To increase awareness of and compliance with these cost principles and to promote the highest standards, OIG conducts overseas training. This training provides a general overview of U.S. Government cost principles and actual examples of instances that demonstrate concepts such as reasonableness, allocability, allowability, and various specific cost principles (e.g., principles relating to travel expenses or entertainment costs). The training also includes discussions of financial audit requirements and accountability issues.

During this reporting period, OIG provided training in cost principles and related subjects in 8 countries—Albania, Armenia, Dominican Republic, El Salvador, Pakistan, Peru, Philippines, and Ukraine—to more than 266 people, including employees of USAID, SAIs, local accounting firms, and implementing partners.

Fraud Awareness

During the current reporting period, OIG placed an emphasis on fraud prevention by providing 176 fraud awareness briefings to 5,012 people.

Investigations resulting in criminal or civil prosecution are publicized on USAID's Web site and in other settings, calling attention to prosecutorial actions taken against individuals or organizations whose illegal activities have targeted foreign assistance activities and programs.

In addition, OIG has developed publications and educational materials, such as OIG hotline posters, fliers, and cards that have been distributed worldwide. To expand OIG's outreach efforts, these materials are produced in six languages.

CRISES AND CONFLICT

USAID responds to crises and conflict by providing humanitarian aid to meet emerging needs of populations affected by fighting, political or civil instability, and natural disasters. Over the longer term, USAID plays a role in mitigating the impact of disasters through reconstruction and economic assistance programs, and providing regional assistance to affected countries.

The Agency also strives to promote peaceful political transitions by strengthening civil society and respect for human rights, facilitating reconciliation, supporting effective democratic governance, and fostering the resumption of basic economic activity.

Operation Inherent Resolve Oversight

The complex crises in Iraq and Syria, including the ongoing fight against ISIL, have resulted in the displacement of millions of people and driven the needs of millions more for food and other humanitarian assistance. In Syria, 13.5 million people were considered in need of assistance during the reporting period.¹ Access to those most in need, however, remained an ongoing challenge in Syria and, as of September 2016, nearly 5.5 million people were living in areas identified by the United Nations as hard to reach. In Iraq, many who had been displaced by conflict returned to their homes during the reporting period but often came back to damaged homes and infrastructure. Others were hampered from returning because of unexploded ordnance and damaged public services. As of September 2016, approximately 10 million people in Iraq, including 3.3 million internally displaced persons, were considered in need of assistance.²

USAID OIG continued to partner with DoD and DOS OIGs on audit and investigative efforts and to provide quarterly reporting on OIR, the overseas contingency operation to combat ISIL, describing USAID efforts to address the needs of populations affected by the conflict as well as work to promote

SIGNIFICANT FINDINGS AND ACTIVITIES

An investigation in Southeast Turkey resulted in **terminations, suspensions, resignations, and a debarment**, as well as the suspension of **\$239 million in program funds**. The investigation uncovered evidence of Turkish vendor rings who colluded with corrupt procurement staff at several USAID implementers providing humanitarian assistance to Syrian internally displaced persons.

An investigation of a USAID/Afghanistan implementer, **Cecchi and Company Consulting, Inc.**, found **fraudulent charges** by a subcontractor that amounted to **more than \$89,000**. The implementer agreed to credit the amount back to USAID.

¹ United Nations, "Syria: UN Says Aid Convoys Unable to Reach Besieged Areas Despite US-Russia Deal on Ceasefire," September 13, 2016, un.org/apps/news/story.asp?NewsID=54927#.V_Pua_krJhE

² DOS, "Humanitarian Assistance for Iraq Totals Over \$1 Billion," September 15, 2016, state.gov/r/pa/prs/ps/2016/09/261865.htm

effective governance and stabilization in Iraq. USAID has worked through implementing partners to provide humanitarian support to internally displaced persons in Iraq and Syria in the form of health services, water and sanitation programs, and emergency humanitarian and winter assistance, among other forms of support, and provided food assistance to conflict-affected populations throughout the region. USAID obligated \$345 million to Syria and Iraq activities in FYs 2015 and 2016.

During this reporting period, USAID OIG received 33 complaints associated with activities in Iraq, Syria, and the surrounding areas, for a total of 133 since January 2015. OIG used the data from these cases to inform fraud prevention efforts; to raise fraud awareness, OIG performed extensive outreach to implementing partners engaged in the cross-border program, conducted site visits, and provided 7 fraud awareness briefings to 120 participants during this reporting period.

[Subcontractor Employee Arrested in Afghanistan on Suspicion of Terrorism Leads to OIG Investigation Resulting in Termination of Subcontract and a Savings of More Than \\$400,000](#)

In May 2016, an Afghan national was arrested by Afghan authorities for suspected involvement with a terrorist organization. OIG discovered that the subject was a senior manager for a USAID subcontractor in Afghanistan involved in the implementation of a USAID project. OIG also learned that additional USAID funding of more than \$400,000 was scheduled to be disbursed to the subcontractor. As a result of the OIG investigation, the mission in Afghanistan terminated the subaward, resulting in a savings of more than \$400,000. As the investigation continued, OIG found that a separate subcontractor, also involved in the implementation of the project, had engaged in sharing bidding information. OIG brought this to the attention of the Afghanistan mission, which terminated the agreement with that subcontractor.

[Ongoing OIG Investigation Results in 14 New Personnel Actions, Including Terminations, Suspensions, Resignations, and Debarments, at a USAID Program in Southeast Turkey](#)

An ongoing OIG investigation into bid rigging, collusion, bribery, and kickbacks between Turkish vendors and procurement staff from four NGOs in southeast Turkey has resulted in seven employee terminations, one employee suspension, four employee resignations, and two individual debarments. The investigation has thus far uncovered evidence of rings of Turkish vendors who colluded with corrupt procurement staff among USAID's implementers conducting cross-border programs to provide humanitarian assistance to Syrian internally displaced persons. In addition to the suspension of program funds for two NGOs that OIG investigated in December 2015, USAID also suspended a third NGO's funding for Syria programs in April 2016 as a result of OIG's investigative findings. In addition, the USAID Office of Foreign Disaster Assistance and Office of Food for Peace enacted 13 systemic changes affecting award management, program oversight, internal processes, and fraud prevention efforts. In total, \$239 million in program funds involving the NGOs under investigation remain suspended.

USAID/Afghanistan Warehouse Employees Retrained After OIG Investigation Revealed Ineffective Shipment Receipt Procedures

OIG investigated allegations that USAID warehouse workers in Kabul, Afghanistan, were accepting shipments from trucks and drivers that did not match the expected shipments. USAID staff received many shipping containers transported from Kandahar to Kabul and, as standard procedure, staff in Kandahar took pictures of the containers, the trucks, and the truck drivers to ensure that the same shipments were received in Kabul. However, OIG's investigation substantiated that USAID warehouse employees in Kabul were accepting shipments from different trucks and drivers. Also, the contents of some of the shipments were different from what had been logged. As a result of the investigation, USAID/Afghanistan retrained the warehouse staff on proper procedures to accept shipments. The retraining took place in October and November 2015. In July 2016, USAID/Afghanistan told OIG that the mission had verified that the discrepancies in drivers and trucks had not been a problem over the previous 6 months.

Subcontractor Providing Monitoring and Evaluation Services for a USAID-Funded Project in Afghanistan Reimburses USAID \$89,000 for Inflating Invoices and Falsifying Documents

OIG initiated an investigation after a self-disclosure from a USAID implementer, Checchi and Company Consulting, Inc., alleging that its subcontractor, Social Development and Legal Rights, submitted inflated invoices and falsified supporting documentation for travel and labor costs causing overbilling to USAID. OIG supported Checchi's internal investigation, in which it interviewed a sample of the subcontracted monitoring and evaluation staff and compared their pay sheets to the corresponding invoices submitted by the subcontractor. The investigation found that the subcontractor paid monitoring and evaluation staff \$40 to \$50 per day. In their agreed-upon contract, they should have been paid \$85 per day—the amount billed to Checchi and, subsequently, USAID. The implementer agreed to credit USAID more than \$89,000 for the fraudulent charges in September 2016.

Three Afghan Nationals Terminated After Admitting to Mishandling Funds and Falsifying Documents

OIG investigated an allegation from Development Alternatives, Inc., that one of its employees and two subcontractor employees on a USAID-funded project in Afghanistan, International City/County Managers Association, may have submitted inflated invoices. OIG interviewed the employees from both organizations, who admitted to either knowing about or improperly providing advanced funds and falsifying documentation associated with the funds. They claimed they intended to retain the money as discretionary funds to cover unexpected expenses. OIG learned in April that the implementer and the subcontractor had terminated the three employees.

USAID Foreign Service National in Afghanistan Suspended for 30 Days for Violating USAID Hiring Practices

OIG received an allegation that a USAID/Afghanistan foreign service national supervisory financial analyst helped two friends obtain financial analyst positions that reported to him. OIG's investigation revealed that the supervisor led the technical evaluation committee for the financial analyst position solicitation and shortlisted the two applicants as best qualified. OIG interviews with the supervisor and the two applicants revealed that they became close friends while studying at the American University of Afghanistan prior to joining USAID. In April 2016, from OIG's findings, the supervisor was suspended for 30 working days for violating ethics codes by not recusing himself from the interview process.

ECONOMIC GROWTH AND TRADE

USAID works to promote international economic growth by supporting trade and investment, improving critical infrastructure, mobilizing entrepreneurs' access to credit and markets, and building skills through accessible education. Programs are designed to build capacity, develop an enabling regulatory environment, and encourage market links.

USAID/Mexico Could Do More to Measure the Mexico Economic Policy Program's Progress

Report No. I-523-16-007-P

In April 2013, USAID/Mexico awarded a 3-year, \$15.6 million contract to Abt Associates, Inc., to implement the Economic Policy Program aimed at improving Mexico's economic governance by strengthening policies and enhancing the capacity of key Mexican institutions. In the past 2 decades, the Mexican Government has lowered tariffs, privatized state-owned enterprises, and shifted from agriculture toward manufacturing and services to boost its overall economy. However, it still needs to improve commercial laws, competition, government transparency, and private sector development.

OIG found that the program had some achievements: It had provided technical assistance to the Mexican Government that led to the endorsement or adoption of a dozen new policies. For example, the program helped the National Council for Science and Technology

SIGNIFICANT FINDINGS AND ACTIVITIES

An OIG audit of **USAID/Mexico's Economic Policy Program** found that poor performance monitoring plans hindered the mission's ability to evaluate whether the program was achieving its goals. USAID did not establish a fixed-fee payment contract, giving the contractor no incentive to make progress. In addition, OIG found that monitoring of subcontractors was insufficient, putting at risk \$1.7 million in potential unsupported questioned costs and \$366,000 in costs that may be unallowable or ineligible.

OIG's audit of **cost-sharing practices in Azerbaijan, Belarus, and Ukraine** found that cost-sharing mechanisms benefited the majority of awards reviewed. However, OIG found that USAID lacks sufficient guidance and training to ensure cost-sharing requirements are designed to achieve activity goals, and missions did not conduct analyses to determine appropriate amounts of cost sharing to require nor did they monitor cost sharing.

USAID suspended **\$1.2 million of an agribusiness grant agreement in Bosnia and Herzegovina** for noncompliance with the agreement and violation of its terms. OIG found that the implementer charged 667 farmers and beneficiaries for products that were supposed to be provided for free and received profits of approximately \$800,000.

change its criteria for selecting grant applicants for its innovation program. The program supports applied research that addresses national needs in health, the environment, and agriculture. In addition, more than 2,000 individuals in the government and private sector received training on legislative reforms in order to boost market competition.

However, OIG found deficiencies in the program's performance monitoring plans, which hindered the evaluation of the program's progress. The program's monitoring and evaluation plan did not document the data collection methodology, nor did the program's work plan include budget projections as required by the contract or align with the plan. The plans' deficiencies led to poor data on the number of policies adopted and the number of people trained, impacting two of the program's three indicators.

OIG also noted that the mission did not establish a fixed-fee payment schedule for the contract and did not review subcontractor expenses to ensure allowability and reasonableness. In addition, OIG noted that the contractor did not follow all procurement regulations and did not follow branding and marking requirements.

OIG made 10 recommendations. Of these, OIG acknowledged USAID's management decisions on nine and acknowledged the mission took final action on eight. The recommendations addressed more than \$366,000 in ineligible questioned costs and \$1.7 million in potential unsupported questioned costs, both related to noncompliance with the Federal Acquisition Regulation.

USAID/Azerbaijan, Belarus, Ukraine, and Other Offices Would Benefit From Additional Guidance and Training on Using Cost Sharing

Report No. 8-000-16-002-P

When awarding grants or cooperative agreements, USAID may include conditions that require awardees to contribute resources to the overall costs of a development activity, a practice known as "cost sharing." This practice not only saves U.S. funds, but can also help (1) improve activity outcomes, (2) build awardees' organizational capacity, (3) encourage awardees to find other sources of funding, and (4) cultivate an added sense of commitment to the activity.

OIG conducted a performance audit of 13 active awards in Azerbaijan, Belarus, and Ukraine to determine whether cost-sharing mechanisms were achieving their intended results and whether the selected USAID offices were adhering to cost-sharing guidelines. The awards were worth approximately \$77.5 million, and awardees were required to match about \$6 million, bringing the total to about \$83.5 million.

OIG determined that cost-sharing mechanisms benefited the majority of the awards that were audited. One of the main benefits was encouraging local NGOs to search for new donors, thus becoming less reliant on U.S. funding. Because international donors often have cost-sharing requirements, making cost sharing part of USAID awards exposed awardees to the practice, several said, and prepared them to work with other donors. Moreover, some organizations found that sharing costs also brought legitimacy to their projects. During one interview, a chief of party explained that in post-Soviet

Ukraine, beneficiaries of a community development project were skeptical of foreign assistance that had no strings attached. This skepticism subsided only after they were asked to contribute to the project. In another interview, the executive director of a civil society organization said that having the support of other non-U.S. donors brought more legitimacy to her organization. In addition, those interviewed said that cost sharing got more people involved, particularly when they contributed land, equipment, or labor. Beneficiaries then felt more committed to the project and its sustainability.

Despite these benefits, OIG found several areas that needed improvement. USAID lacks sufficient guidance and training to ensure that cost-sharing requirements are designed to achieve activity goals. USAID also did not conduct thorough analyses to determine the amount of cost sharing to require, and USAID agreement officer's representatives did not monitor cost sharing, even though they are responsible for doing so. Lack of monitoring impedes USAID's ability to identify and mitigate risks before they become problems that could undermine an activity's success. These findings were common to all three offices reviewed.

OIG made 16 recommendations to help improve the implementation and oversight of cost-sharing procedures. USAID made management decisions on all of them, and took final action on 14 of them.

OIG disagreed with one management decision that USAID made regarding not modifying its training on cost sharing for agreement officer's representatives. The reasoning behind the disagreement was that, although there was training available on cost sharing, a disconnect remained between training and the adoption of the concepts.

USAID Suspends \$1.2 Million of an Agribusiness Grant Agreement for Noncompliance and Violation of Grant Agreement Terms

An OIG investigation substantiated allegations of fraud against Brams and Agrona, its subgrantee, under the USAID Alliance for Agribusiness Development project in Bosnia and Herzegovina. The investigation confirmed that Brams and Agrona charged 667 farmers and beneficiaries for cornichon (small cucumber) packages that were supposed to be provided for free under the terms of the agreement, and received profits of approximately \$800,000. The OIG investigation further revealed that Brams did not get prior approval from the USAID agreement officer to change the scope or objective of the program, which was to give farmers free cornichon packages, create jobs, and help integrate small-scale farmers into a business network. In August 2016, subsequent to an OIG referral, USAID/Bosnia and Herzegovina terminated the grant after concluding that Brams violated its agreement terms. The mission also ordered Brams to submit a reimbursement plan for the 667 farmers and beneficiaries. The required reimbursement of \$270,135 represents the total USAID contribution for the program's first season.

OIG Investigation Leads to Debarment of Former Financial Manager Working on Economic Sustainability Project in South Africa

OIG investigated fraud allegations related to the South African Enterprise Development Fund, set up to encourage the creation and expansion of indigenous small and medium enterprises. A former financial manager was suspected of making payments from the fund to his personal bank account. As reported previously, the OIG investigation led to the subject's arrest by the South African Police Service. As a result of the investigation, USAID debarred the financial manager in April 2016.

GLOBAL HEALTH

USAID's global health programs work to combat and prevent HIV/AIDS, tuberculosis, malaria, neglected tropical diseases, pandemic influenza, and other emerging threats, such as Ebola. They also focus on health delivery systems, maternal and child health, and nutrition in vulnerable populations.

Ebola Response

According to the World Health Organization (WHO), the Ebola virus disease outbreak that began in West Africa in 2014 resulted in more than 28,600 confirmed cases and 11,300 deaths.

In March 2016, WHO lifted the public health emergency in West Africa as widespread transmission of Ebola had ended in the three most affected countries (Guinea, Liberia, and Sierra Leone). By June 2016, WHO had declared the end of Ebola transmission in these countries.

Although lead inspector general reporting requirements under the Inspector General Act, as amended, concluded with respect to Ebola at the end of fiscal year 2015, USAID and HHS OIGs continued to provide quarterly reporting on the progress of the U.S. Government response to the Ebola outbreak in West Africa to promote transparency about these efforts. While this joint quarterly reporting ended in June 2016, USAID OIG continued to provide needed oversight of Ebola-related U.S. Government activities through ongoing audit work and investigative activities.

The final USAID OIG and HHS quarterly report noted that USAID and the Centers for Disease Control and Prevention (CDC) continued to work to strengthen surveillance, preparedness, and response capabilities in Guinea, Liberia, and Sierra Leone. USAID reported transitioning efforts from response to recovery, including transferring Ebola commodities to partner organizations. USAID and

SIGNIFICANT FINDINGS AND ACTIVITIES

An audit of the **Services de Santé de Qualité pour Haïti Central and South Project** found that USAID needs to improve oversight of services. Although the program met or exceeded its targets in some areas, such as helping people get tested for HIV, supporting HIV treatment centers, and increasing newborn breastfeeding, OIG found that reported results were not valid or reliable. Further, the mission did not assure that oversight plans were completed and approved, making it difficult to achieve goals or overcome obstacles to progress.

OIG found that USAID's **antimalarial program in Madagascar** was generally effective, though USAID did not ensure the contractor monitored the insecticide supply chain effectively. In addition, USAID provided inadequate oversight of contract expenses, and the contractor insufficiently monitored a new technology, which could potentially cause environmental damage or make people sick—defeating the program's purpose.

CDC continued efforts to strengthen health systems and restore health services through activities to improve infection and prevention control in health facilities, assist immunization programs, train health-care workers, and promote the use of health services. USAID and CDC also worked to strengthen global health security by helping countries improve public health infrastructure, respond to other disease outbreaks, and conduct Ebola surveillance in host animals.

Our oversight of Ebola-related activities continues with three Ebola response-related audits underway and two ongoing related public health and health systems audits with a scope that extends beyond the Ebola response. The final quarterly report on the Ebola response also described U.S. Government activities to respond to the Zika virus outbreak, a new disease threat. USAID Zika-related activities included supporting behavior change communication to reduce the risk of Zika infections, and service delivery activities for affected individuals and families.

USAID/Haiti Needs to Improve Oversight of the Quality Health Services for Haiti Central and South Project to Better Ensure Sustainability

Report No. I-521-16-006-P

USAID/Haiti developed the Services de Santé de Qualité pour Haïti Central and South Project to help Haiti improve its citizens' health. The mission awarded the 3-year, \$36.5 million cost-plus-award-fee contract to Pathfinder International to increase the use of health services, improve health referral networks, improve the management of services, and train health authorities to manage and monitor service delivery.

OIG found that the project had met or surpassed several of its first-year targets. For example, nearly 148,000 individuals were able to receive results from HIV testing and counseling services. The project also exceeded its target for increasing the prevalence of exclusive breastfeeding of children under 6 months old.

Despite the project's successes, OIG found that USAID/Haiti did not work with Pathfinder or the Haitian Government to develop and implement a detailed plan to transfer responsibilities for paying staff salaries. The project ran out of funding months ahead of schedule because of the unexpected costs associated with ongoing payments to health-care workers, which put the program's sustainability at risk. Health facilities that are already underfunded may be forced to reduce their services or shut down completely as a result.

OIG also found that Pathfinder failed to submit an adequate performance management plan, final work plan, and quality assurance surveillance plan as required by the contract. Also, some of Pathfinder's reported project results failed to meet USAID's standards. For example, the data used to support reported results were required to be date-stamped and maintained with adequate quality controls. However, when Pathfinder's monitoring and evaluation specialist left the project, other personnel were unable to find the information needed to support some of the reported results.

OIG also noted that Pathfinder did not verify that health workers were classified properly under local labor laws and some health workers were not compensated fairly. For example, private doctors can earn more than \$9,000 a month, NGO doctors can earn between \$2,000 and \$5,000 a month, and those at ministry sites earn only about \$600 a month, according to contract documents. Notwithstanding these compensation norms, the project, which funds both NGO and ministry sites, reportedly pays these doctors between \$588 and \$1,569 a month. If the compensation package received by health workers in Haiti is not competitive, the project may be unable to retain key staff—hindering the ministry’s ability to keep employees and sustain improvements in Haiti’s health-care system.

OIG made seven recommendations to help improve the project. USAID has made management decisions on six recommendations and taken final action on four.

USAID/Madagascar Exceeded Goal for Malaria Protection With Indoor Residual Spraying but Could Better Manage Insecticide Supply

Report No. 4-687-16-001-P

Since 2008, the President’s Malaria Initiative (PMI) has funded projects to reduce deaths from malaria in sub-Saharan Africa. Its largest is the Africa Indoor Residual Spraying Project. Active in 17 countries, the project applies insecticide to surfaces inside homes and other structures to kill the mosquitoes that spread the disease. Madagascar, where malaria is among the top 5 causes of death, is 1 of the 17 project countries.

In August 2011, USAID issued a \$189 million task order under a centralized Washington, DC, contract to Abt Associates, Inc., the U.S. company that implements the project in all locations, to work in Madagascar. When that ended in 2014, it issued Abt a second, 3-year contract. Both contracts were to conduct indoor residual spraying and covered the procurement of commodities, logistics, short-term technical assistance, and the monitoring of malaria zone spraying.

USAID/Madagascar and international and local partners worked with Madagascar’s National Malaria Control Program to select the districts to spray and make decisions on which insecticides to use. Jointly, they required the project to spray at least 85 percent of eligible structures in the highest-prevalence areas of six Central Highlands districts and spray as many eligible structures as possible in three districts in eastern Madagascar in campaigns from September to December 2014 and other activities that ended March 31, 2015. Project officials reported they had sprayed 96 percent of the targeted structures and protected more than 1.3 million people, 2 percent of whom were pregnant women and 13 percent of whom were children under 5.

To verify these results, the audit team assessed various processes associated with the project’s data collection, management, and verification, finding no anomalies in how the contractor recorded spray activities. The audit team also visited 86 eligible structures in 3 of 9 districts reported as sprayed; it concluded that activities had been conducted at 80 of those 86 structures (93 percent) by interviewing beneficiaries who had lived in them at the time of spraying. Because inclement weather made roads

impassable, limiting access to many areas during fieldwork, OIG selected these locations judgmentally. Therefore, the conclusions are limited to the items tested and cannot be projected to all locations the project reported spraying.

Despite these positive results, the audit team found problems with USAID's management of the insecticide supply chain; the Government of Madagascar's lack of reimbursement for value-added taxes (which led to vendors threatening to stop providing goods and services); the contractor's insufficient records on the use of mobile soak pits, which require careful placement and monitoring to prevent pesticide waste from leaching into groundwater; and USAID's inadequate oversight of contract expenses.

OIG made 10 recommendations to help USAID/Madagascar strengthen its indoor residual spraying program. USAID made management decisions on all of the recommendations and took final action on four. Following the report's issuance, USAID provided two revised management decisions with which OIG previously disagreed, and one management decision on the outstanding recommendation. OIG found the mission's responses sufficient to resolve the disagreements.

[Cash for Tips Hotline in Malawi Leads to 15 Search Warrants and 6 Arrests for Theft and Illicit Resale of U.S.-Government Funded Antimalarial Medicines](#)

As previously reported to Congress, USAID OIG launched the "Make a Difference" campaign in 2016 in several African countries, establishing a toll-free hotline that rewards community members who call with information about stolen and/or counterfeit medicines. By the end of the reporting period, the Malawi hotline has received dozens of tips and, in response, OIG supported local police and the Malawi Anti-Corruption Bureau to issue 15 search warrants and make 6 arrests in August and September 2016. A significant volume of stolen U.S. Government-funded antimalarial commodities was seized. The State Department's Diplomatic Security Service and the Global Fund OIG are assisting OIG in this ongoing investigation.

[Ethiopian Citizen Arrested for Engaging in a Kickback Scheme With a USAID Implementer Who Procured and Delivered HIV/AIDS Commodities](#)

OIG investigated allegations of a kickback scheme by an employee of a USAID implementer, Management Sciences for Health, under a supply chain management award for HIV/AIDS supplies in Addis Ababa, Ethiopia. The employee and a local broker provided advanced price and quality information to a bidding vendor—in addition to competitors' quotes—enabling the vendor to change his proposal and win the procurement. OIG discovered that the vendor gave the two individuals approximately \$7,800 for helping him win the procurement. OIG presented the matter to local police and, in June 2016, local law enforcement officers arrested the broker in Addis Ababa with an OIG agent present. The search continues for the implementer's former employee.

DEMOCRACY, HUMAN RIGHTS, AND GOVERNANCE

USAID's efforts to promote democracy, human rights, and good governance are multifaceted. They are designed to support free and fair elections, civil society, and independent media, as well as to protect human rights and counter trafficking in persons. USAID acknowledges that promoting accountability and transparency in the countries it serves is key to these efforts.

Competing Priorities Have Complicated USAID/Pakistan's Efforts to Achieve Long-Term Development Under EPPA

Report No. G-391-16-003P

Between 2001 and 2009, more than two-thirds of the U.S. Government's \$15 billion in aid to Pakistan was provided as security-related assistance and direct payments to the Government of Pakistan. The Enhanced Partnership with Pakistan Act (EPPA) of 2009 provided for a more balanced approach that does not disproportionately focus on security-related assistance, but rather invests in long-term development to enhance security for both partners. Title I of EPPA, enacted on October 15, 2009, authorized \$7.5 billion over 5 years for civilian assistance.

This audit focused on the effectiveness of USAID/Pakistan's programs and activities in meeting the act's intent as it related to development programs and activities.

USAID's programs have not achieved EPPA's development objectives for Pakistan, notwithstanding the mission's self-reported accomplishments. About 30 percent of EPPA-funded awards that we previously audited—which covered roughly 1 in 10 of the mission's awards—did not meet intended goals, and another 55 percent did so only partially. In general, the mission experienced long delays, and reported accomplishments lacked sustainability required for long-term development. Several obstacles hindered USAID's efforts to achieve the act's long-term development goals, including competing priorities between the State Department and USAID; the lack of a country development cooperation strategy; the absence of defined roles for reconciling the State Department's aims with USAID's long-term

SIGNIFICANT FINDINGS AND ACTIVITIES

OIG's audit of **USAID/Pakistan activities under the Enhanced Partnership with Pakistan Act** found that competing priorities hindered development objectives of the Enhanced Partnership with Pakistan Act (EPPA) of 2009. About 30 percent of EPPA-funded awards did not meet their goals, and 55 percent only partially met their goals. OIG observed obstacles in aligning the long-term development priorities of USAID/Pakistan with the short-term priorities of the State Department, such as a failure to define roles to reconcile differences. In addition, the mission did not establish a country development cooperation strategy with the Government of Pakistan nor ensure organizational capacity to manage USAID funds and programs.

objectives; the ineffective implementation of a risk-reduction strategy; staffing shortages; and internal control problems.

We recommended clarifying USAID's role for development in conflict-affected and fragile countries, where it follows the State Department's lead. We also recommended addressing weaknesses in the mission's risk-reduction activities and internal controls.

To conduct our work, we interviewed mission staff and other U.S., international, and Pakistani stakeholders; received self-reported data from mission officials; summarized OIG's prior program and financial audits and investigations; analyzed the mission's strategic planning, staffing, and monitoring and evaluation; and tested a random selection of procurement activities. In addition, we followed up on prior OIG audit recommendations designed to minimize risk.

The audit report contained 18 recommendations to help USAID/Pakistan strengthen its program operations. USAID has reached management decisions on all of them and has taken final action on two.

ENVIRONMENT AND GLOBAL CLIMATE CHANGE

USAID's environmental programs focus on conserving biodiversity and forests, promoting sustainable land development and sustainable tourism, and addressing the challenges of global climate change.

USAID's overall climate strategy has three overarching objectives: adaptation, integration, and mitigation. The strategy is focused on (1) helping countries and communities prepare for and adapt to climate change; (2) factoring climate change knowledge and practice into all USAID programs; (3) helping countries slow or curb carbon emissions while spurring growth and development; (4) investing in renewable energy sources, such as wind and solar, and also energy efficiency; and (5) improving the land management of forests and natural landscapes.

Audit of USAID/Cambodia's Supporting Forests and Biodiversity Project

Report No. 5-442-16-002-P

USAID/Cambodia awarded a \$19.8 million cooperative agreement to Winrock International Institute for Agriculture Development (Winrock), a U.S.-based nonprofit, to implement the Supporting Forests and Biodiversity Project.

The goal of the project was to improve conservation and governance to mitigate climate change and conserve biodiversity. The project focuses on two areas where activities could have the most impact: the Prey Lang Landscape and the Eastern Plains Landscape. The project's three objectives were to (1) enhance the effectiveness of government and other natural resource managers to manage forests sustainably and conserve biodiversity, (2) improve dialogue on forest management and economic development, and (3) increase equitable economic benefits from the sustainable management of forests.

SIGNIFICANT FINDINGS AND ACTIVITIES

OIG's audit of **Cambodia's Supporting Forests and Biodiversity Project** found that USAID lacked host country government commitment to sustain activities that protect forests and biodiversity. OIG also found the project had not generated new buyers for nontimber products nor brokered a revenue-sharing agreement with the government for carbon credits, and it had unreliable data.

OIG determined that the implementer for **USAID/Guatemala's Climate, Nature, and Communities in Guatemala Program** had not created a sustainability plan for involved organizations and businesses to continue to mitigate negative climate change effects once the program ended. OIG also found that the reported results were not accurate in half the indicators tested. In addition, OIG found the contractor reported cost sharing improperly, recorded training improperly, and did not always conduct background checks for participants receiving training outside Guatemala.

OIG found that the project lacked the government's buy-in to protect forests and biodiversity adequately. The Prey Lang Landscape forest lacks protection, making sustainability questionable. For example, a Forestry Administration official told Winrock that his office could not ensure the Cambodian government would approve a measure to protect the forest by 2016 because the exact definition of the Prey Lang Landscape core forest area remained unclear. The project was also supposed to increase economic benefits by helping small enterprises find new buyers for their nontimber forest products. Instead, members of participating communities said they sell their products to the same intermediaries as in previous years, who offered lower-than-market prices for the raw products. OIG also noted data quality problems, incomplete award files, and a lack of a required revenue-sharing agreement.

Nevertheless, the project did have several achievements. It gave Forestry Administration officials the skills to support and legalize community forests. It also helped several indigenous communities protect and sustain their forest boundaries even though formal agreements had not been signed with, and title transfer fees had not been paid to, the Forestry Administration. Moreover, the project trained and provided monitoring tools to government forest rangers and nearby communities that made them more effective in detecting illegal logging and confiscating timber.

The project also facilitated dialogue aimed at preventing land encroachment into the forests by concessionaires. For example, in 2014, the project facilitated the formation of a task force to stop encroachment in the Pu Krouch community forest in Monduliri Province. Dialogue among officials from the Forest Administration, provincial authorities, the land concessionaire, and community forest members halted the land encroachment. The concessionaire agreed to compensate the community forest with earnings from the rubber trees already planted on 18 hectares of the encroached land; however, community forest members did not get a signed compensation agreement.

Finally, the project increased equitable economic benefits. The Ibis Rice Initiative gave communities the tools, training, and marketing support to produce and sell organic rice, which commands a higher market price. In return for training and technical assistance, participating communities signed an agreement not to log their forests or harm wildlife.

OIG made seven recommendations, and USAID took final action on four of them. OIG disagreed with one of the management decisions; however, after the report's issuance, the mission revised its management decision and OIG agreed with it.

Audit of USAID/Guatemala's Climate, Nature, and Communities in Guatemala Program

Report No. I-520-16-005-P

In an effort to address concerns over the control of greenhouse gas emissions and find ways to combat climate change, USAID/Guatemala awarded a 5-year, \$25 million cooperative agreement for the Climate, Nature, and Communities in Guatemala Program to Rainforest Alliance, a nonprofit organization. The program was intended to help the country of Guatemala implement USAID's 2012–2015 Global Climate Change and Development Strategy, which sought to mitigate and adapt

to the “negative effects of climate change through an integrated approach based on competitive local enterprise, sustainable management of natural resources, and conservation of biodiversity.”

OIG’s audit of the program determined that the program made some progress in strengthening 11 local organizations’ ability to help conserve the environment, supported the government’s plans to implement its Low Emissions Development Strategy, and worked with several communities in the Western Highlands to develop plans to mitigate climate change. Nevertheless, some program deficiencies exist, particularly in the accuracy of reported results. In one instance, Rainforest Alliance reported that 162,356 new hectares of land produced timber and nontimber products, such as cacao, honey, and orchids. However, a review of supporting documentation showed that same hectares were counted multiple times and were therefore overstated in the reported results. Also, the program did not develop a plan to remain sustainable after USAID assistance ends in 2018, and Rainforest Alliance did not calculate its new private resources—money, technologies, or expertise brought by the private sector and other nontraditional USAID partners—properly.

OIG also noted a number of other issues. Federal funds were incorrectly included in the reported cost-sharing amount when a subawardee reported cost share for funds received from the Office of U.S. Foreign Disaster Assistance for firefighting, which Rainforest Alliance then included as part of its own cost share. In addition, Rainforest Alliance also underreported the number of training sessions it gave to support the program objectives, and participants who were trained outside Guatemala did not go through the required clearance review process to receive training outside of the country.

OIG made 12 recommendations; USAID made management decisions on all 12 and took final action on 6.

FOOD SECURITY

USAID's agriculture and food security programs work to increase food security through Feed the Future, the U.S. Government's global hunger and food security initiative, as well as other programs. The Agency supports agricultural research and development, expanding and enhancing agricultural markets and trade, capacity development, global nutrition programs, and investment in sustainable agriculture. It also provides food assistance to vulnerable populations and those in crisis.

Results Reported for USAID/Tanzania's Feed the Future Activities Are Unreliable

Report No. 4-621-16-002-P

In Tanzania, agriculture accounts for more than 25 percent of gross domestic product and employs approximately 75 percent of the total workforce. Despite agriculture's prominence and the country's abundant resources and access to international markets, many people cannot feed themselves enough nutrient-rich food. Four out of every 10 children under age 5 suffer from malnutrition, and half of women of childbearing age have anemia. To help Tanzania overcome these challenges, USAID/Tanzania launched programs valued at \$660 million as part of Feed the Future, a \$3.5 billion U.S. Government initiative to reduce hunger, poverty, and malnutrition. OIG audited four Feed the Future programs, which accounted for 46 percent of the mission's Feed the Future portfolio as of September 2014.

Auditors found several positive results among the various programs, such as increased crop yields from the adoption of new technologies and modern farming methods. Another implementer reportedly had trained 14,145 agricultural professionals and community volunteers to teach people how to grow, raise, cook, and eat more nutritious food.

SIGNIFICANT FINDINGS AND ACTIVITIES

OIG found that performance results from **USAID/Tanzania's Feed the Future Activities** were unreliable. The mission did not verify agricultural productivity data in its efforts to alleviate hunger and malnutrition. OIG found that self-reported prices and incomes were inconsistent with industry groups, contained errors, or differed significantly from market values. Other problems included misstating beneficiaries and lack of site visit documentation. In one example, a contractor reported it provided essential nutrition services to 1.2 million children, but the organization only worked with adults. OIG also found planned irrigation projects worth \$10 million were not feasible and had been abandoned.

Following an OIG investigation, **Jacintoport and Seaboard Marine** agreed to pay more than \$1 million to settle the false claims allegations that emanated from inflated shipping charges.

Despite these achievements, OIG found some areas that needed improvement. For example, the mission did not verify agricultural productivity data nor clarify nutrition indicators to ensure valid results. Moreover, performance targets for programs were not ambitious, and agreement and contracting officer's representatives did not regularly document site visits. Of the five representatives interviewed, only one documented two site visits—one in February and the other in April 2013.

OIG noted that the infrastructure project was delayed and no irrigation projects had been completed. The Irrigation and Rural Roads Infrastructure Project set out to construct and rehabilitate several irrigation schemes to bring water to some 47,000 hectares (approximately 116,000 acres) of farmland. However, as of March 31, 2015, no irrigation projects had been rehabilitated or constructed.

OIG made three recommendations for program improvements. USAID made management decisions on all three and took final action on two.

Termination of a \$40 Million Contract Involving a USAID/Afghanistan Agricultural Development Program

OIG received allegations that a USAID implementing partner charged USAID excessive security costs associated with a USAID-funded rural agricultural development program. The investigation revealed that the implementer expended more than 60 percent of the contract's security budget in the first 18 months of the 5-year project, and failed to disclose this fact to USAID. As a result of OIG's investigation, USAID/Afghanistan terminated the \$40 million project in June 2016.

USAID Contractor, Subcontractor Agree to Pay More Than \$1 Million to Settle False Claims Allegations Related to Delivery of Humanitarian Food Aid

OIG received notice of a civil lawsuit involving Jacintoport International, LLC, a cargo handling firm, and the U.S. Government. In the lawsuit, the United States stated that Jacintoport signed a warehousing and logistics contract with USAID in 2007, for the storage and redelivery of emergency humanitarian food aid with explicit caps on the rates Jacintoport could charge to load humanitarian food aid onto ships bound for crisis areas around the world. The complaint alleged that Jacintoport, under the supervision and control of Seaboard Marine, Ltd., charged ocean carriers more than permitted to load over 50,000 tons of humanitarian food aid. These inflated charges were subsequently added to other costs for delivering humanitarian food aid and passed on to the United States. In August 2016, Jacintoport and Seaboard Marine agreed to pay more than \$1 million to settle the false claims allegations.

BUILDING INSTITUTIONAL CAPACITY

To support its mission, USAID must ensure that it maintains the proper institutional capacity to implement and oversee its programs and activities. OIG provides oversight of USAID's management initiatives and operations.

USAID's Implementation of Executive Order 13526, Classified National Security Information, Needs Significant Improvement

Report No. 9-000-16-001-P

In 2010, the Reducing Over-Classification Act, Public Law 111-258, was enacted to prevent overclassification of information and to promote information sharing among Federal, state, local, and tribal entities and with the private sector. The act followed President Barack Obama's Executive Order (E.O.) 13526, "Classified National Security Information," in December 2009, which established a uniform system for classifying, safeguarding, and declassifying national security information.

The act requires inspectors general to conduct two evaluations and report on their agencies' compliance with classification policies, procedures, rules, and regulations. This audit was the second of the two required reports by USAID OIG; the first was issued in July 2014.

In this audit, OIG evaluated USAID's classification policies, procedures, and practices to determine whether they complied with E.O. 13526, to identify policies and practices contributing to misclassification, and to determine whether USAID addressed recommendations OIG made in the July 2014 report.

SIGNIFICANT FINDINGS AND ACTIVITIES

OIG's audit of USAID's implementation of Executive Order 13526 found that USAID's classification policy does not meet E.O. 13526 requirements, and the Office of Security has not effectively administered USAID's classified national security information program. OIG found persistent and systemic noncompliance related to program management, security education and training, self-inspections, the issuance of an Agency classification guide, reporting of program activities and results to the National Archives and Records Administration's Information Security Oversight Office and classification markings.

OIG's review of **involuntary separate maintenance allowances in Afghanistan** found that, following a 2012 OIG audit, USAID had implemented stronger controls to prevent improper payments to employees for dependents prohibited from accompanying them to hardship posts. However, OIG found several weaknesses in the guidance and controls, including the mission making improper payments to an ineligible personal services contractor, not verifying all spouses' signatures, and approving incomplete application packages.

The audit found that, from October 1, 2014, to June 15, 2016, USAID's one originally classified document was properly classified and contained the required classification markings. Further, the audit did not find evidence of persistent misclassification of derivatively classified information at USAID.

However, OIG found that USAID's classification policy does not meet E.O. 13526 requirements, and the Office of Security has not effectively administered USAID's classified national security information program. OIG found persistent and systemic noncompliance related to program management, security education and training, self-inspections, the issuance of an Agency classification guide, reporting of program activities and results to the National Archives and Records Administration's Information Security Oversight Office (ISOO), and classification markings. For example, OIG found the Agency lacks policies and procedures required by E.O. 13526 and regulations and did not fully comply with others, including the proper marking of classified information, and did not accurately report results to ISOO. Of the document sample reviewed (34 documents and 110 emails), 86 percent did not contain proper portion markings; 83 percent had overall classification marking errors. In addition, OIG found other deficiencies, such as identifying one safe containing classified information in an unrestricted area that was not on the Office of Security's safe inventory; being unable to account for another safe; and determining that supervisors did not have the appropriate security clearance level to oversee the declassification expert's work.

Furthermore, OIG found that USAID's implementation of the II recommendations in our 2014 report was incomplete. OIG found that two corrective actions were not implemented, and seven were not implemented effectively to remedy the deficient condition. Given the depth, sensitivity, and persistence of the weaknesses OIG found in operations, reporting, and compliance, OIG considers them a significant internal control deficiency.

OIG recommended that the Office of the Administrator implement a corrective action plan, described in the Agency's Automated Directives System, chapter 596, to bring USAID's classified national security information program into full compliance with E.O. 13526 and ISOO regulations and directives.

USAID management agreed with OIG's recommendation and instructed its Office of Security director to develop a corrective action plan. OIG acknowledged the decision and expects final action by March 29, 2017.

Working in Politically Sensitive Countries With Limited Resources Stymied Monitoring and Evaluation Efforts of Selected Middle East Missions

Report No. 8-000-16-003-P

USAID monitors and evaluates its programs to get useful feedback about its accomplishments and shortcomings. OIG has reported Agency-wide problems with unreliable data and program monitoring in prior years. OIG found similar problems in Middle East missions. From FY 2011 to FY 2013, we conducted 21 performance audits of activities managed by USAID/Egypt, USAID/Jordan, and USAID/West Bank and Gaza. Seventy-one percent of the audits found unreliable data.

OIG conducted a performance audit of 71 activities—19 in Egypt, 24 in Jordan, and 28 in West Bank and Gaza—to determine whether the missions’ internal controls over data quality, monitoring, and evaluation have helped them manage USAID programs. At the time of the audit, obligations for the three missions were more than \$1.5 billion, and disbursements were nearly \$965 million.

OIG determined that the Agency and missions did not adequately design and apply internal controls—policies, procedures, tools, and systems—for data quality, monitoring, and evaluation. When these controls were in place, employees either did not use them consistently or the controls did not always help officials manage and oversee USAID programs.

OIG found that missions did not assess the quality of all their FY 2013 data or document known problems, resulting in inaccurate data reported to USAID/Washington. Missions did not meet planning requirements to monitor program results or disaggregate data by gender and did not allocate enough resources for monitoring and evaluation. Some employees did not make site visits, citing political unrest, instability, and heavy workloads. Missions also did not make sure evaluations were performed according to USAID standards.

These control weaknesses all stemmed from the same causes. Missions either did not have enough employees or did not balance workloads properly. Employees did not get the training they needed to do their jobs, and managers did not enforce rules and policies. Because the missions were in politically sensitive areas, budgets and priorities were constantly in flux. Shifts in U.S. Government political priorities resulted in frequent changes in programming, making it difficult for missions to implement Agency requirements.

OIG made 55 recommendations to help the selected Middle East missions improve the design and effectiveness of internal controls over data quality, monitoring, and evaluations. USAID has reached management decisions on all except 2, which require target dates, and has taken final action on 46.

Audit of USAID’s Fiscal Year 2015 Compliance With the Improper Payments Elimination and Recovery Act of 2010

Report No. 0-000-16-001-P

The U.S. Government is committed to reducing improper payments—payments by Federal agencies “to the wrong entity, in the wrong amount, or for the wrong reason” (OMB Memorandum M-15-02, October 20, 2014). To that end, Congress passed the Improper Payments Information Act of 2002, the Improper Payments Elimination and Recovery Act of 2010 (IPERA), and the Improper Payments Elimination and Recovery Improvement Act of 2012. Collectively, these statutes (1) expand programs and activities for which agencies have to determine the risk of erroneous payments, (2) redefine improper payments and strengthen agency reporting requirements, and (3) require reviews of prepayment and preaward procedures, including a thorough review of available databases before releasing Federal funds.

OIG conducted this audit to determine whether USAID complied with the requirements of the Improper Payments Elimination and Recovery Act of 2010 as amended by the Improper Payments Elimination and Recovery Improvement Act of 2012 for the fiscal year ended September 30, 2015. We determined that USAID met the criteria for compliance for all applicable areas. Our report contained no recommendations.

However, the chief financial officer informed OIG that between November 2012 and March 2016, USAID made erroneous cost-of-living payments to an employee, totaling \$39,876. The chief financial officer issued a bill of collection, and the employee paid the amount due in full. OIG will ensure that USAID implements appropriate controls to avoid a recurrence.

Assessment of the U.S. Agency for International Development's Fiscal Year 2015 Government Charge Card Programs

Report No. 0-000-16-005-S

Under the Government Charge Card Abuse Prevention Act of 2012 (the Charge Card Act), Public Law 112-194, OIG is required to conduct periodic risk assessments of the agencies for which it provides oversight of purchase card, travel card, centrally billed account, and convenience check programs to analyze the risks of illegal, improper, or erroneous purchases and payments. Based on the results of the risk assessment, the OIG must then determine the scope, frequency, and number of periodic audits or reviews of government charge card programs. In addition, according to the Charge Card Act, inspectors general are required to conduct periodic audits or reviews of travel programs of their respective agencies with more than \$10 million in travel card spending.

The objective of this risk assessment was to determine the level of risk of illegal, improper, or erroneous purchases and payments in USAID's government charge card programs. We assessed the level of risk as low for the following reasons.

Based on our understanding of the policies and procedures management has implemented to issue charge cards, monitor spending, and comply with the reporting requirements of the Charge Card Act in effect during FY 2015, we found the required controls to be in place and effective.

Our review of the Agency's charge card management plan for FY 2015 found that they were submitted in accordance with OMB requirements. No open recommendations or any recommendations closed in FY 2015 were related to government charge card programs.

We determined that USAID exceeded the \$10 million threshold for travel cards. Therefore, OIG will review the travel card program.

Additional Controls Have Improved USAID's Administration of Involuntary Separate Maintenance Allowance in Afghanistan

Report No. F-306-16-001-S

USAID employees assigned to Afghanistan and other especially dangerous foreign posts may not bring their dependents, whom they have to maintain at home or in other locations. These employees are therefore eligible to receive involuntary separate maintenance allowance (ISMA). Although married USAID employees are permitted to bring spouses to Afghanistan, they are still eligible to receive ISMA if they choose not to.

During a 2012 audit of ISMA, OIG made 10 recommendations to improve the appropriate controls needed to prevent the improper use of ISMA. Four recommendations were related to internal controls, including strengthening internal controls for properly authorizing ISMA to personal services contractors, adopting procedures to verify the signatures of spouses and domestic partners on ISMA applications, strengthening internal controls for preventing improper ISMA payments, and adopting internal controls to prevent the payment of incompatible benefits.

OIG conducted this review to determine whether USAID's corrective actions in response to the four recommendations related to internal controls from the previous audit have prevented improper use of ISMA. OIG found that, for the most part, it has. However, during the review, OIG noted one exception and a few additional weaknesses.

OIG found that the mission made improper payments of \$6,500 to a personal services contractor who was on a 6-month contract. ISMA is prohibited for short-term assignments of less than 1 year. In addition, the mission did not verify some spouses' signatures. Officials approving applications without verifying signatures for one-fourth of applicants are not using a prudent control to help deter fraud. Finally, the mission did not check application packages for all required forms. Six of 28 ISMA application packages OIG reviewed did not contain the Foreign Service Residence and Dependency Report, which records the employee's residence of record and dependent eligibility.

OIG made three new recommendations to help USAID/Afghanistan further improve its internal controls in administering involuntary separate maintenance allowance benefits, and USAID has taken final action on all of them.

TABLES: U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

Incidents in Which OIG Was Refused Assistance or Information USAID April 1–September 30, 2016

Section 6(b)(2) of the Inspector General Act of 1978, as amended, requires an inspector general to report to the head of the agency whenever requested information or assistance is unreasonably refused or not provided.

During this reporting period, there were no reports of instances in which OIG was unreasonably refused assistance or information. OIG did not encounter resistance or objections to oversight activities, nor did it face restricted or significantly delayed access to information.

Interference With OIG Independence USAID April 1–September 30, 2016

During this reporting period, OIG did not encounter any attempts to interfere with its independence, to include restrictions of OIG's congressional communications or budgetary constraints designed to limit OIG's capabilities.

**Performance Audits
(Including Audits Conducted by Independent Public Accountants)
Associated Questioned Costs, Unsupported Costs, and Value of
Recommendations That Funds Be Put to Better Use
USAID**

April 1–September 30, 2016

Report Number	Report Date	Report Title	Amt. of Findings (\$000)	Type of Findings
Economy and Efficiency				
0-000-16-001-P	5/13/16	Audit of USAID’s Fiscal Year 2015 Compliance With the Improper Payments Elimination and Recovery Act of 2010		
I-520-16-005-P	4/15/16	Audit of USAID/Guatemala’s Climate, Nature, and Communities in Guatemala Program		
I-521-16-006-P	7/6/16	USAID/Haiti Needs to Improve Oversight of the Quality Health Services for Haiti Central and South Project to Better Ensure Sustainability		
I-523-16-007-P	9/13/16	USAID/Mexico Could Do More to Measure the Mexico Economic Policy Program’s Progress	366	QC
4-687-16-001-P	8/10/16	USAID/Madagascar Exceeded Goal for Malaria Protection With Indoor Residual Spraying but Could Better Manage Insecticide Supply—Revised		
4-621-16-002-P	9/21/16	Results Reported for USAID/Tanzania’s Feed the Future Activities Are Unreliable		
5-442-16-002-P	4/15/16	Audit of USAID/Cambodia’s Supporting Forests and Biodiversity Project		
8-000-16-002-P	7/5/16	USAID/Azerbaijan, Belarus, Ukraine, and Other Offices Would Benefit From Additional Guidance and Training on Using Cost Sharing		

**Performance Audits
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Report Number	Report Date	Report Title	Amt. of Findings (\$000)	Type of Findings
8-000-16-003-P	9/30/16	Working in Politically Sensitive Countries With Limited Resources Stymied Monitoring and Evaluation Efforts in Selected Middle East Missions		
9-000-16-001-P	9/30/16	USAID's Implementation of Executive Order 13526, Classified National Security Information, Needs Significant Improvement		
G-391-16-003-P	9/8/16	Competing Priorities Have Complicated USAID/Pakistan's Efforts To Achieve Long-Term Development Under EPPA		

Financial Audits
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Associated Questioned Costs, Unsupported Costs, and Value of
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Report Number	Report Date	Report Title	Amt. of Findings (\$000)	Type of Findings
Foreign Government				
I-514-16-047-R	9/26/16	Audit of the Cooperative Agreement No. AID-514-A-00-08-00302-00 for the “Afro-Colombian Leadership and Scholarship Program,” Managed by Fulbright Colombia, for the Period From October 1, 2014, to September 30, 2015		
I-522-16-048-R	9/28/16	Audit of the Fund Accountability Statement of USAID Resources Managed by FOPRIDEH Under the Decentralization Enabling Environment Project (DEE), Cooperative Agreement AID-522-A-11-00001 for the Period from January 1, 2015, to December 31, 2015	8 2	QC UN
4-623-16-081-R	7/11/16	Audit of USAID Resources Managed by Common Market for Eastern and Southern Africa (COMESA) Under the Integrated Partnership Assistance Agreement No. 623-AA-09-001-00-EA and Implementation Letter Nos. 7, 8, and 9 for the Year Ended December 31, 2013	592 590	QC UN
5-367-16-005-N	9/22/16	Financial Audit of USAID Resources Managed by the Department of Health Services (DOHS), Government of Nepal, Under USAID Assistance Agreement No. 367-012, Implementation Letter No. 3.15, for the Period From July 17, 2014, to July 16, 2015	52	QC
8-294-16-009-N	5/25/16	Audit of Statement of Deposits and Releases of Resources Provided to the Palestinian Authority Through the Ministry of Finance, Under Cash Transfer Grant Agreement 294-CT-00-11-00002-00, Dated September 9, 2011, for the Period From September 9, 2011, to September 26, 2011		

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Report Number	Report Date	Report Title	Amt. of Findings (\$000)	Type of Findings
G-391-16-020-R	6/20/16	Financial Audit of the USAID/Pakistan Activity Agreement 391-014 and Implementation Letter No. MLK-05, Program Titled: “Malakand Reconstruction and Recovery Program”; Program Agreement 391-MLK-FARA-001-00, Project Titled: “Reconstruction of Eight-Room Schools in the Malakand Division”; and Program Agreement 391-MLK-FARA-002-00, Project Titled: “Reconstruction of Four and Six-Room Module Schools in the Malakand Division,” Managed by the Provincial Reconstruction Rehabilitation and Settlement Authority, for the Year Ended June 30, 2012	691 687	QC UN
Foreign-Based Organizations				
I-522-16-002-N	9/22/16	Audit of the Cooperative Agreement No. AID-552-13-00002 for the “Strengthening Educational and Enrichment Opportunity at At-Risk Communities in Honduras,” (CREOH) Project, Managed by the Crisalida Foundation–San Salvador (CRISALIDA/SS), for the Period from August 1, 2013, to December 31, 2014	3 1	QC UN
I-538-16-030-R	4/11/16	Closeout Audit of USAID Resources Managed by the University of the West Indies, Cave Hill Campus USAID-CERMES Under Cooperative Agreement No AID-538-A-11-00002, “Climate Change Capacity Building Program” From the Period From July 18, 2011, to December 31, 2013	18	QC

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Associated Questioned Costs, Unsupported Costs, and Value of
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Report Number	Report Date	Report Title	Amt. of Findings (\$000)	Type of Findings
I-517-16-031-R	4/21/16	Audit of the Fund Accountability Statement of the grant agreements: No. AID-517-A-13-00001 “Climate Resiliency and Index Insurance for Small Farmers in the Dominican Republic” and No. AID-517-A-13-00001 “Sustainable Cacao Farming in the Dominican Republic,” for the period July 1, 2014, to June 30, 2015 and the Closeout Audit for the Cooperative Agreements No. AID-517-A-13-00002 “Integrated Water, Sanitation & Hygiene (WASH) and Feed the Future in the Northwest Region” and No. AID-517-A-13-00003 “Integrated Water, Sanitation & Hygiene and Feed the Future in the El Valle (Southwest) Region” Managed by Fundación REDDOM Rural Economic Development Dominicana (Fundación REDDOM), for the Period From July 1, 2014, to August 31, 2015		
I-514-16-032-R	4/27/16	Audit of USAID Resources for the Grant Agreement No. AID-514-G-14-00002, “Advocates for Peace, Democracy, and Civility,” Managed by Corporación Misión de Observación Electoral (MOE), for the Period From February 3, 2014, to December 31, 2014	11	QC
I-527-16-033-R	7/18/16	Audit of the Fund Accountability Statement of Cooperative Agreement No. AID-527-A-12-00005 for the Active Schools in Ucayali and San Martin: Methodology to Improve the Educational Quality in Alternative Development Communities, Program Managed by CEPCO, for the Period From January 1, 2014, to December 31, 2014		
I-526-16-034-R	8/18/16	Closeout Audit of the Fund Accountability Statement of Cooperative Agreement No: AID-526-A-12-00002 “Restoring the Monday River Forest Landscape,” Managed by Asociación a Todo Pulmón Paraguay Respira (ATP), for the Period From January 1, 2014, to September 30, 2015	8	QC

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Report Number	Report Date	Report Title	Amt. of Findings (\$000)	Type of Findings
I-522-16-035-R	8/18/16	Audit of the Fund Accountability Statement of the Project, “Strengthening Local Capacity to Build a Culture of Peace (FORPAZ),” Cooperative Agreement No. AID-522-A-13-00003, Managed by Save the Children Honduras, for the Period From September 25, 2013, to September 25, 2015		
I-523-16-036-R	8/22/16	Closeout Audit of the Fund Accountability Statement Under Cooperative Agreement No. AID-523-A-12-00001 for the “Scout Experience: Ready for Life” Program, Managed by Asociación de Scouts de Mexico, A.C. (ASMAC), for the Period From January 1, 2015, to August 16, 2015	251	QC
I-527-16-037-R	8/23/16	Audit of USAID Resources Managed by Information and Education Center for the Prevention of Drug Abuse (CEDRO) Under Grant Agreement No. 527-A-12-00002 “Digital Inclusion Program,” for the Period from May 4 to December 31, 2015		
I-517-16-038-R	8/29/16	Closeout Audit of Cooperative Agreement No. AID-517-A-12-00007 and Audit of Cooperative Agreement No. AID-517-A-15-00006 for the “Sustainability and Expansion of Community Justice Houses” Managed by Participación Ciudadana (PC) for the Period From October 1, 2014, to September 30, 2015		
I-520-16-039-R	8/29/16	Audit of USAID Resources Managed by Asociación Guatemalteca de Exportadores (AGEXPORT) Under Grant Agreement No. AID-520-A-12-00003 “Rural Value Chain Program” for the Period From January 1, 2015, to December 31, 2015		
I-526-16-040-R	8/30/16	Audit of USAID Resources Managed by Fundación Saraki Under Grant Agreement No. 526-A-13-00001 “Effective Labor Inclusion of People with Disabilities’ Program” for the Period From January 1, 2015, to December 31, 2015		

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Report Number	Report Date	Report Title	Amt. of Findings (\$000)	Type of Findings
I-527-16-041-R	8/30/16	Audit of USAID Resources Managed by Asociación Para la Investigación y Desarrollo Integral (AIDER) Under Cooperative Agreement No. AID-527-I-14-00003 “Strengthening Social Capital and its Joint for Sustainable Forest Management in the Alternative Development Process of the Aguaytia Basin, Ucayali Region Program” for the Period From June 11, 2014, to December 31, 2015		
I-520-16-042-R	9/8/16	Audit of the Fund Accountability Statement of the “Rural Value Chains Project,” Under Cooperative Agreement No. AID-520-A-12-00004, Managed by the Asociación Nacional del Café (ANACAFE) for the Period From January 1, 2015, to December 31, 2015		
I-526-16-043-R	9/14/16	Audit of the Cooperative Agreement No. AID-526-A-13-00003 for the “Democracy and Governance Program,” Managed by Centro de Estudios Ambientales y Sociales (CEAMSO), for the Period From January 1, 2015, to December 31, 2015	57 1	QC UN
I-523-16-044-R	9/14/16	Audit of USAID-Funded Programs Managed by PRONATURA SUR, A.C., for the Period from January 1, 2015, to October 15, 2015. The programs covered by the audit were: (1) Closeout: Including the Forest of Mangrove Under the Strategy REDD+ in Mexico: An Integrated Treatment of Collaboration Between the Social and Private Sectors No. AID-523-A-13-00001, (2) Initiatives of Early Action to Reduce Emissions of Cattle in the Basin of River Cuxtepec, La Concordia, Chiapas No. END-MREDD-14-03/06, (3) Proposal for the Strengthening of Local and Regional Participants Related to REDD+ Projects No. Subnomex-121913, and (4) Program to Reduce Greenhouse Gas Emissions (AIME) No. AID-OAA-A-13-00079	49	QC

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Report Number	Report Date	Report Title	Amt. of Findings (\$000)	Type of Findings
I-514-16-045-R	9/22/16	Audit of the Fund Accountability Statement, Cooperative Agreement No. AID-514-A-14-00002 for the “Sport Power 2” Project, Managed by Arcangeles Fundación para la Rehabilitación Integral (AFRI), for the Period From April 7, 2014, to December 31, 2015		
I-521-16-046-R	9/26/16	Closeout Audit of the Cooperative Agreement No. AID-521-A-14-00002 for the “Construction of the Multi-Drug Resistant Tuberculosis (MDRTB) Hospital Project,” Managed by GHESKIO Centers, for the Period From January 17, 2014, to March 16, 2015	3	QC
I-514-16-049-R	9/28/16	Audit of the Cooperative Agreement No. AID-514-A-14-00007 for the “Program to Prevent Child Recruitment in Colombian Armed Conflict” Managed by Fundación Proyectos Educativos Sociales (FUNPES), for the Period From August 4, 2014, to December 31, 2015	4 4	QC UN
I-530-16-050-R	9/28/16	Audit of the Cooperative Agreement No. AID-530-A-13-00004 for the “Conservation and Governance in the Amazon Piedmont of Colombia Project,” Managed by Patrimonio Natural–Fondo Para la Biodiversidad y Áreas Protegidas, for the Period From January 1, 2015, to December 31, 2015		
3-000-16-021-R	4/27/16	Closeout Audit of CESVI Under USAID Multiple Agreements for Fiscal Year (FY) Ended December 31, 2014		
3-000-16-025-R	5/9/16	Audit of Water and Sanitation for the Urban Poor (WSUP) Under Multiple USAID Grant Agreements for the Fiscal Year (FY) Ended March 31, 2015	3 1	QC UN
3-000-16-026-R	5/23/16	Audit of Cooperazione Internazionale (COOPI) Under USAID Agreement Nos. 623-A-00-03-00079-00 and DFD-G-04-00116-00 for Fiscal Year (FY) Ended December 31, 2004		
3-000-16-027-R	5/27/16	Audit of HelpAge International (HAI) Under USAID Multiple Agreements for Fiscal Year (FY) Ended March 31, 2014	15 14	QC UN

Financial Audits
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Report Number	Report Date	Report Title	Amt. of Findings (\$000)	Type of Findings
3-000-16-028-R	6/9/16	Audit of Cooperazione Intemazionale (COOPI) Under Multiple USAID Agreements for Fiscal Year (FY) Ended December 31, 2005		
3-000-16-029-R	6/16/16	Audit of Cooperazione Internazionale (COOPI) Under Multiple USAID Agreements for Fiscal Year (FY) Ended December 31, 2006		
3-000-16-030-R	6/20/16	Audit of Premiere Urgence–Aide Medicale Internationale (PU) Under USAID Multiple Agreements for Fiscal Year (FY) Ended December 31, 2014		
3-000-16-031-R	6/23/16	Audit of Cooperazione Internazionale (COOPI) Under Multiple USAID Agreements for Fiscal Year (FY) Ended December 31, 2007		
3-000-16-032-R	7/6/16	Audit of Cooperazione Internazionale (COOPI) Under Multiple USAID Agreements for Fiscal Year (FY) Ended December 31, 2010		
3-000-16-033-R	7/8/16	Closeout Audit of Small Media Foundation (SMF) Under USAID Multiple Agreements for the Fiscal Year (FY) Ended March 31, 2015	5	QC
3-000-16-034-R	7/14/16	Audit of Fondation Terre des Hommes (Tdh) Under USAID Agreement No. AID-OFDA-G-10-00044 for the Fiscal Year (FY) Ended December 31, 2011		
3-000-16-035-R	7/13/16	Audit of Fondation Terre des Hommes (Tdh) Under USAID Agreement AID-OFDA-G-10-00044 for the Fiscal Year (FY) Ended December 31, 2010		
3-000-16-036-R	7/19/16	Audit of Cooperazione Intemazionale (COOPI) Under USAID Agreement Nos. 623-A-00-09-0009-00 and AID-OFDA-G-11-00255 for the Fiscal Year (FY) Ended December 31, 2012		
3-000-16-037-R	7/19/16	Audit of Cooperazione Internazionale (COOPI) Under USAID Multiple Agreements for the Fiscal Year (FY) Ended December 31, 2011		
3-000-16-038-R	8/3/16	Audit of Cooperazione Internazionale (COOPI) Under USAID Multiple Agreements for the Fiscal Year (FY) Ended December 31, 2013		

Financial Audits
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Associated Questioned Costs, Unsupported Costs, and Value of
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Report Number	Report Date	Report Title	Amt. of Findings (\$000)	Type of Findings
3-000-16-039-R	8/11/16	Audit of Cooperazione Internazionale (COOPI) Under USAID Multiple Agreements for the Fiscal Year (FY) Ended December 31, 2014		
3-000-16-040-R	9/6/16	Audit of Cooperazione Internazionale (COOPI) Under USAID Agreement AID-OFDA-A-14-00016 for the Period September 12, 2014, to April 30, 2016		
3-000-16-041-R	9/8/16	Audit of Cooperazione Internazionale (COOPI) Under USAID Agreement Nos. AID-OFDA-A-14-00016 and AID-OFDA-A-14-00023 for Fiscal Year (FY) Ended December 31, 2015		
3-000-16-042-R	9/14/16	Audit of International NGO Safety Organisation (INSO) Under USAID Agreement Nos. AID-OFOA-G-15-00065 and AID-OFDA-G-14-00109 for Fiscal Year (FY) Ended June 30, 2015		
3-000-16-043-R	9/22/16	Audit of Federation Handicap International (HI) Under Multiple U.S. Agency for International Development Agreements for the Fiscal Year (FY) Ended December 31, 2011	22 22	QC UN
4-612-16-009-N	4/1/16	Closeout Agency Contracted Audit of USAID Resources Managed by Lilongwe Medical Relief Fund Trust Under Cooperative Agreement No. 612-A-00-11-00005-00 for the Period July 1, 2013, Through February 28, 2014	175 163	QC UN
4-623-16-010-N	4/5/16	Agency Contracted Audit of USAID Resources Managed by East African Community (EAC) Under Assistance Agreement No. 623-AA-09-002-00-EAC for the Year Ended June 30, 2014	52 15	QC UN
4-623-16-011-N	5/24/16	Agency Contracted Audit of USAID Resources Managed by the Intergovernmental Authority on Development (IGAD) Under Limited Scope Grant Agreement No. LSGA6230009.02-3-60082 Through Implementation Letters 3-12, 4-12, 6-13, 5-13, and 8-13 for the Year Ended December 31, 2014	9	QC

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4-612-16-012-N	5/24/16	Agency Contracted Closeout Audit of USAID Resources Managed by Nkhoma Synod Relief and Development Under Cooperative Agreement Number 674-A-00-11-00029-00, Safe Water, Sanitation, and Hygiene Project, for the Period July 1, 2012, Through February 21, 2014	548 500	QC UN
4-962-16-015-N	6/20/16	Agency Contracted Audit of USAID Resources Managed by Relief Society of Tigray (REST) Under Cooperative Agreement No. AID-FFP-A-11-00011 for the Year Ended December 31, 2014		
4-621-16-016-N	7/29/16	Agency Contracted Audit of USAID Resources Managed by Kilimanjaro International Corporation (KIC) for Education Indefinite Quantity Contract (IQC) Under Contract No. 621-I-00-09-00001-00 (Closeout); State Attorney IQC Under Contract No. 621-C-00-09-00006-00 (Closeout); PEPFAR IQC Under Contract No. 621-I-00-08-00007-00 (Closeout); and Call Orders for Blanket Purchase Agreement IQC Under Contract No. 621-B-00-11-0004-00 for the Period January 1, 2010, Through December 31, 2012	372 77	QC UN
4-621-16-059-R	4/1/16	Audit of USAID Resources Managed by Pastoral Activities and Services for People with AIDS in Dar es Salaam Archdiocese (PASADA) Under Cooperative Agreement No. AID-621-A-11-00002 for the Year Ended December 31, 2014		
4-674-16-060-R	4/1/16	Audit of USAID Resources Managed by Childline Mpumalanga Under Cooperative Agreement No. AID-674-A-13-00010 for the Year Ended March 31, 2015	4	QC
4-673-16-061-R	4/1/16	Audit of USAID Resources Managed by KAYEC Trust Under Cooperative Agreement No. 674-A-00-11-00034-00-00, Self-development and Skills for Vulnerable Youth, for the Year Ended December 31, 2013	209	QC

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4-673-16-062-R	4/1/16	Audit of USAID Resources Managed by KAYEC Trust Under Cooperative Agreement No. 674-A-00-11-00034-00-00, Self-development and Skills for Vulnerable Youth, for the Year Ended December 31, 2014	425	QC
4-621-16-063-R	4/4/16	Audit of USAID Resources Managed by Selian Lutheran Hospital Under Cooperative Agreement No. AID-621-A-11-00004 for the Year Ended December 31, 2014		
4-612-16-064-R	4/5/16	Audit of USAID Resources Managed by Partners in Hope, Extending Quality Improvement for HIV/AIDS in Malawi (EQUIP Malawi), Under Cooperative Agreement No. 674-A-00-10-00035-00 for the Year Ended March 31, 2015		
4-611-16-065-R	4/5/16	Audit of USAID Resources Managed by the Expanded Church Response Trust (ECR) Under Cooperative Agreement No. AID-611-A-13-00006-00, Data Rising Project, and Grant Agreement No. AID-611-G-14-00003, Zamfara Proposal, and Subagreements Nos. 611-A-10-00001-005, Sustainability Through Economic Strengthening Prevention and Support (STEPS), and AID-611-A-12-10-00004, Gender Based Violence Survivor Support (GBVSS), for the Period October 1, 2013, Through December 31, 2014		
4-613-16-066-R	4/5/16	Audit of USAID Resources Managed by Crisis in Zimbabwe Coalition Under Cooperative Agreement No. AID-613-A-12-00007 for the Year Ended September 30, 2014	11 3	QC UN
4-674-16-067-R	4/20/16	Audit of USAID Resources Managed by South African Supplier Diversity Council (SASDC) Under Cooperative Agreement No. AID-674-A-12-00012 for the Year Ended September 30, 2014		
4-615-16-068-R	4/20/16	Audit of USAID Resources Managed by Moi Teaching and Referral Hospital Under Cooperative Agreement No. AID-615-A-12-00001 for the Period October 1, 2014, Through June 30, 2015	83	QC

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4-621-16-069-R	4/20/16	Audit of USAID Resources Managed by Tanzania Community Civic Initiatives (TACCI) Under Cooperative Agreement No. AID-621-A-00-12-00005-00 for the Year Ended December 31, 2014		
4-673-16-070-R	4/22/16	Audit of USAID Resources Managed by Nawalife Trust Under Cooperative Agreement No. 673-A-12-00001, Strengthening HIV Prevention for the General Population of Namibia, for the Year Ended February 28, 2015	5 5	QC UN
4-674-16-071-R	5/3/16	Closeout Audit of USAID Resources Managed by the Church Alliance for Orphans Under Cooperative Agreement No. 674-A-00-11-00013-00 for the Year Ended February 28, 2014	20 14	QC UN
4-668-16-072-R	5/18/16	Audit of USAID Resources Managed by Alliance for a Green Revolution in Africa (AGRA) Under Cooperative Agreement No. AID-668-A-11-00003 for the Period October 17, 2011, Through September 30, 2012	4	QC
4-668-16-073-R	5/18/16	Audit of USAID Resources Managed by Alliance for a Green Revolution in Africa (AGRA) Under Cooperative Agreement No. AID-668-A-11-00003 for the Period October 1, 2012, Through December 31, 2013	4	QC
4-969-16-074-R	5/18/16	Audit of USAID Resources Managed by The Alliance for Green Revolution in Africa (AGRA) Under Cooperative Agreement No. AID-668-A-11-00003 for the Period January 1, 2014, Through June 17, 2014 (Closeout), Cooperative Agreement No. AID-OAAA-A-12-00061 for the Period September 30, 2012, Through December 31, 2014, and Cooperative Agreement No. AID-AA-A-13-00040 for the Period July 2, 2013, Through December 31, 2014	1,705 1,682	QC UN
4-674-16-075-R	5/31/16	Audit of USAID Resources Managed by Networking HIV/AIDS Community of South Africa (NACOSA) Under Cooperative Agreement No. AID-674-A-13-00005 for the Year Ended March 31, 2015	17 13	QC UN

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4-623-16-076-R	6/15/16	Audit of USAID Resources Managed by Kenya Community Development Foundation (KCDF) Under Cooperative Agreement No. AID-623-A-11-00013 for the Year Ended September 30, 2015	2	QC
4-617-16-077-R	6/20/16	Closeout Audit of USAID Resources Managed by Marie Stopes Uganda Under Cooperative Agreement No. AID-617-A-10-00004, Long Term Methods (LTM) Program and Sub Agreement No. 19101-002 Strengthening Health Outcomes Through the Private Sector (SHOPS) Project for the Period January 1, 2014, Through March 31, 2015	42 4	QC UN
4-612-16-078-R	7/7/16	Audit of USAID Resources Managed by the Malawi Institute of Education Strengthening Early Grade Reading in Malawi Under Cooperative Agreement No. AID-612-A-14-00005 for the Period October 9, 2014, Through September 30, 2015	5	QC
4-617-16-079-R	7/8/16	Audit of USAID Resources Managed by RECO Industries Ltd. Under Cooperative Agreement No. AID-617-A-12-00004, Production for Improved Nutrition Project for the Year Ended June 30, 2015		
4-613-16-080-R	7/8/16	Audit of USAID Resources Managed by Heal Zimbabwe Trust Under Cooperative Agreement No. AID-613-A-14-00003 for the Period July 24, 2014 to December 31, 2015	18	QC
4-674-16-082-R	7/11/16	Audit of USAID Resources Managed by Stellenbosch University Under Agreement Nos. AID-674-A-12-00031, HIV-innovations for Improved Patient Outcomes in South Africa and AID-OFDA-G-11-00215, Regional Disaster and Vulnerability Reduction Capacity Development Program and Subagreement Nos. GHN-A-00-08-00004-00, Drug Resistant Tuberculosis in Children Project (Closeout), Operational Research Assistance Project, Line Probe Assay Project and FY2013-G87-4740 Kid Care Project (Closeout), for the Year Ended December 31, 2014	497	QC

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4-621-16-083-R	7/11/16	Audit of USAID Resources Managed by the Women in Law and Development in Africa Under Cooperative Agreement No. 621-A-00-10-00004-00 for the Period January 1, 2014, Through December 31, 2014	2	QC
4-663-16-084-R	7/11/16	Audit of USAID Resources Managed by Tigray Youth Association (TYA) Under Cooperative Agreement No. AID-663-A-13-00001 for the Period July 8, 2014, Through July 7, 2015	2	QC
4-696-16-085-R	7/12/16	Audit of USAID Resources Managed by Francois-Xavier Bagnoud (FXB) Rwanda Under Cooperative Agreement No. AID-696-A-12-00004 for the Year Ended December 31, 2015		
4-611-16-086-R	7/12/16	Audit of USAID Resources Managed by Luapula Foundation, Community Rising Project Under Cooperative Agreement No. AID-611-A-13-00005 for the Year Ended September 30, 2015		
4-654-16-087-R	7/12/16	Audit of USAID Resources Managed by Development Workshop Angola (DWA) Under Cooperative Agreement Nos. 674-A-00-10-00119-00, Integrated Program of Community Water (Closeout) and AID-654-A-14-0001, Angola Community-Managed Water and Sanitation Program and Subagreement No's. EPP-A-00-05-00007-00, Water and Development Alliance Program (Closeout) and S014-AID-654-A-11-00003, World Learning Program, for the Period January 1, 2013, Through December 31, 2014	492 200	QC UN
4-969-16-088-R	7/13/16	Audit of USAID Resources Managed by KPMG East Africa Limited, Global Resilience Partnership Under Cooperative Agreement No. AID-OAA-A-14-00022 for the Year Ended September 30, 2015		
4-613-16-089-R	7/22/16	Audit of USAID Resources Managed by Hospice and Palliative Care Association of Zimbabwe (HOSPAZ) Under Cooperative Agreement No. AID-613-A-15-000001 for the Period February 18, 2015, Through September 30, 2015	16 2	QC UN

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4-613-16-090-R	7/28/16	Audit of USAID Resources Managed by Zimbabwe Lawyers for Human Rights Under Cooperative Agreement No. 613-A-12-00010 for the Year Ended December 31, 2015	139 139	QC UN
4-663-16-091-R	8/29/16	Audit of USAID Resources Managed by Tigray Development Association Under Cooperative Agreement No. AID-663-A-13-00005 for the Period September 18, 2013, Through December 31, 2015		
4-617-16-092-R	8/29/16	Audit of USAID Resources Managed by Joint Clinical Research Center Under Cooperative Agreement No. AID-617-A-10-00006-00 for the Period July 1, 2013, Through June 30, 2014	14 3	QC UN
4-617-16-093-R	8/29/16	Closeout Audit of USAID Resources Managed by Inter-Religious Council of Uganda (IRCU) Under Cooperative Agreement No. AID-617-A-10-00002 and Management Science for Health (MSU) Subagreement No. 617-A-00-00006-00-IRCU for the Period January 1, 2013, Through October 31, 2014	2	QC
4-613-16-094-R	8/30/16	Closeout Audit of USAID Resources Managed by Centre for the Study of Violence and Reconciliation NPC (CSVN) Under Cooperative Agreement No. 674-A-00-10-00015-00, for the Period October 1, 2011, Through September 30, 2013	261 250	QC UN
5-486-16-028-R	4/20/16	Financial Audit of USAID Resources Managed by the Regional Community Forestry Training Center for Asia and the Pacific (RECOFTC), for the Period From October 1, 2012, to September 30, 2014	61 61	QC UN
5-442-16-029-R	4/22/16	Closeout Audit of Maternal and Child Health Program, USAID Cooperative Agreement No. 442-A-00-08-00008-00, Managed by the Reproductive and Child Health Alliance (RACHA), for the Period From January 1, 2013, to September 30, 2013	140 140	QC UN

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5-492-16-030-R	4/26/16	Financial Audit of the Project “Education Governance Effectiveness (EdGE) Program,” USAID/Philippines’ Cooperative Agreement No. AID-492-A-13-00008, Managed by Synergeia Foundation, Inc., for the Period From January 1, 2014, to December 31, 2014		
5-116-16-031-R	4/27/16	Financial Audit of the Program “AUCA Moving Forward,” USAID/Kyrgyz Republic’s Grant Agreement No. AID-176-G-10-00003, Managed by the American University of Central Asia (AUCA) for the Period From August 1, 2014, to July 31, 2015	140 64	QC UN
5-492-16-032-R	4/27/16	Financial Audit of USAID Funds Managed by the Philippine Business for Social Progress, Inc., (PBSP) for Periods Ended April 30, 2014, and September 30, 2014	63 59	QC UN
5-493-16-033-R	5/17/16	Financial Audit of USAID Funds Managed by the Asian Disaster Preparedness Center (ADPC), for the Year Ended December 31, 2014		
5-383-16-034-R	5/18/16	Financial Audit of the Project “Optimize Micro-Enterprise Development and Agricultural Productivity,” USAID/Sri Lanka’s Grant Agreement No. AID-383-G-13-00004, Managed by Nucleus Foundation, for the Period From April 1, 2014, to March 31, 2015	40 22	QC UN
5-492-16-035-R	6/15/16	Financial Audit of the “Philippine-American Fund Project,” USAID/Philippines’ Contract No. AID-492-C-13-00016, Managed by Gerry Roxas Foundation, Inc., for the Period From August 5, 2013, to December 31, 2014	9 7	QC UN
5-497-16-036-R	6/15/16	Financial Audit of USAID Funds Managed by the Indonesian International Education Foundation (IIEF), for the Year Ended December 31, 2014	34	QC
5-388-16-037-R	6/23/16	Financial Audit of the Project “Bengal Tiger Conservation Activity,” USAID/Bangladesh’s Cooperative Agreement No. AID-388-A-14-00001, Managed by WildTeam Limited, for the Period From January 15, 2014, to December 31, 2014	264 119	QC UN

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5-386-16-038-R	6/30/16	Financial Audit of “The Reproductive Maternal Newborn and Child Health (RMNCH) Alliance Program,” USAID/India’s Cooperative Agreement No. 386-A-13-00002, Managed by the Impact Foundation (India) for the Period From April 1, 2014, to March 31, 2015		
5-386-16-039-R	6/30/16	Financial Audit of the “South Asia Regional Initiative for Energy Integration (SARI/EI) Program,” USAID/India’s Cooperative Agreement No. AID-386-A-12-00006, Managed by the Integrated Research & Action For Development (IRADe), for the Period From April 1, 2014, to March 31, 2015	2 1	QC UN
5-386-16-040-R	7/14/16	Closeout Audit of the “South to South HIV/AIDS Resource Exchange (SHARE) Project,” USAID/ India’s Cooperative Agreement No. 386-A-12-00004, Managed by the Voluntary Health Services, for the Period From April 1, 2014, to July 11, 2015		
5-492-16-041-R	7/21/16	Financial Audit of the “Health Leadership and Governance Program,” USAID/Philippines’ Cooperative Agreement No. AID-492-A-13-00014, Managed by the Zuellig Family Foundation, Inc., for the Period From October 1, 2013, to December 31, 2014		
5-386-16-042-R	7/26/16	Financial Audit of the Health of the Urban Poor Program, USAID/India Cooperative Agreement No. 386-A-00-09-00305-00, Managed by the Population Foundation of India, for the Period From April 1, 2014, to March 31, 2015		
5-386-16-043-R	7/29/16	Financial Audit of the “Partnership on Women’s Entrepreneurship in Clean Energy (wPOWER) Program,” USAID/India’s Cooperative Agreement No. AID-386-A-12-00008, Managed by the Swayam Shikshan Prayog Ltd. (SSP), for the Period From April 1, 2014, to March 31, 2015	20	QC

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5-386-16-044-R	8/10/16	Financial Audit of the “Reproductive Maternal Newborn Child and Adolescent Health (RMNCH+A) Program,” USAID/India’s Cooperative Agreement No. AID-386-A-14-00001, Managed by the IPE Global Pvt Ltd, for the Period From May 26, 2014, to March 31, 2015	505 317	QC UN
5-367-16-045-R	8/19/16	Financial Audit of the Health for Life (H4L) Logistics Program, USAID/Nepal Contract No. AID-367-C-13-00005, Managed by Lifeline Nepal, for the Period From July 17, 2014, to July 16, 2015	8	QC
5-386-16-046-R	9/6/16	Financial Audit of USAID Resources Managed by the Public Health Foundation of India (PHFI), for the Period From April 1, 2014, to March 31, 2015	33 1	QC UN
5-492-16-047-R	9/22/16	Closeout Audit of the Project “Strengthening the Capacity of Civil Society Organizations (CSOs) in the Philippines,” USAID/Philippines’ Contract No. AID-492-C-11-00004, Administered by the Ayala Foundation, Inc., for the Period From January 1, 2014, to February 28, 2015		
5-492-16-048-R	9/29/16	Financial Audit of the “The Arangkada Philippines Project,” USAID/Philippines’ Cooperative Agreement No. AID-492-A-12-00007, Managed by the American Chamber of Commerce of the Philippines, Inc., for the Period From September 5, 2012, to September 30, 2014	56 53	QC UN
5-367-16-049-R	9/30/16	Financial Audit of “Ghar Ghar Maa Swasthya (GGMS) Project,” USAID/Nepal Cooperative Agreement No. AID-367-A-10-00002, Managed by Nepal CRS Company Pvt. Ltd. (CRS), for the Period from August 1, 2014, to July 31, 2015		
7-620-16-012-R	5/18/16	Closeout Audit of USAID Resources Managed by the International Centre for Energy, Environment and Development (ICEED), Under the Energy Efficient Woodstoves Project in Nigeria, Cooperative Agreement No. AID-620-A-12-00001 for the Period From January 1, 2015, to April 9, 2015		

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7-688-16-013-R	6/23/16	Audit of USAID Resources Managed by Care International in Mali, Under the Wash Nutrition and Hygiene Project, Grant No AID-688-A-13-00003 for the Period From January 1, 2014, to December 31, 2014		
7-675-16-014-R	6/22/16	Recipient-Contracted Audit of USAID Resources Managed by Opportunities and Industrialization Centers (OIC) Guinea Under Cooperative Agreement No. AID-675-A-12-00001, for the Period From January 1, 2014, to December 31, 2014	5	QC
7-688-16-015-R	6/30/16	Audit of USAID Resources Managed by Care International Mali, Under Wash Plus Project, Grant No. 01/FHIXML0001/FY13 for the Period From January 1, 2014, to December 31, 2014		
7-675-16-016-R	7/21/16	Closeout Audit of USAID Resources Managed by Opportunities and Industrialization Centers (OIC) Guinea Under Cooperative Agreement No. AID-675-A-12-00001, for the Period From December 1, 2011, to November 30, 2015	402	QC
8-294-16-008-N	5/25/16	Audit of Statement of Deposits and Releases of Resources Provided to the Palestinian Authority Through the Ministry of Finance, Under Cash Transfer Grant Agreement 294-CT-00-11-00001-00, Dated October 25, 2010, for the Period From October 25, 2010, to January 24, 2011		
8-278-16-010-N	8/1/16	Closeout Audit of the Fund Accountability Statement of Costs Incurred by Injaz for the Creation of Economic Opportunities for Jordanian Youth (Injaz), Cooperative Agreement No. 278-A-00-09-00309-00, Youth Education Program for Jordan (INJAZ III), for the Period From July 1, 2013, to June 30, 2014	9 4	QC UN

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8-294-16-025-R	5/25/16	Closeout Audit of the Fund Accountability Statement of USAID Resources Managed by Israel/Palestine Center for Research and Information (IPCRI), Cooperative Agreement No. AID-294-A-12-00001, Jewish and Palestinian-Israeli Youth Defining Shared Citizenship Through Collaborative Community Projects, for the Period From October 1, 2012, to December 31, 2013		
8-294-16-026-R	5/25/16	Closeout Audit of the Cost Representation Statement of USAID Resources Managed by Palestine Polytechnic University, Subaward No. 1255PAL12.37, Under Prime, International Youth Foundation, Cooperative Agreement No. 294-A-00-10-00209-00, Youth Entrepreneurship Development Program, for the Period From December 1, 2012, to December 31, 2013		
8-294-16-027-R	5/25/16	Closeout Audit of the Cost Representation Statement of USAID Resources Managed by Palestine Polytechnic University, Subaward No. 1198PAL12.34 Under Prime, International Youth Foundation, Cooperative Agreement No. 294-A-00-10-00209-00, Youth Entrepreneurship Development Program, for the Period From February 15, 2012, to December 31, 2013		
8-121-16-028-R	5/25/16	Audit of the Fund Accountability Statement of All-Ukrainian Public Organization, Institute for Budgetary and Socio-Economic Research (IBSER), Municipal Finance Strengthening Initiative Roll-out Program (MFSI-II), USAID Cooperative Agreement No. 121-A-11-00006, for the Period From January 1, 2014, to December 31, 2014		

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8-294-16-029-R	6/15/16	Audit of the Cost Representation Statement of USAID Resources Managed by Massar Consulting and Technical Services Ltd., Subcontract No. EEM-I-13-07-00008-00-01-Massar, Under Prime, Chemonics International, Inc., Contract No. EEM-I-00-07-00008-00, Investment Climate Improvement Project, From October 1, 2012, to September 30, 2013		
8-114-16-030-R	6/15/16	Audit of the Fund Accountability Statement of National Association of Local Authorities of Georgia (NALAG), Cooperative Agreement No. AID-114-A-12-00001, Institutionalization of Climate Change Adaptation and Mitigation in Georgia Region Project, for the Period From April 2, 2012, to December 31, 2012		
8-121-16-031-R	6/20/16	Audit of the Fund Accountability Statement of USAID/Ukraine Resources Managed by Commercial Law Center, Cooperation Agreement No. AID-121-A-11-00004, Commercial Law Project for Ukraine Follow-on (CLPU II), for the Period From January 1, 2014, to December 31, 2014		
8-278-16-032-R	7/10/16	Audit of the Fund Accountability Statement of Costs Incurred by Queen Rania Teacher Academy, Grant Agreement No. AID-278-G-14-00001, Cultivating Inclusive and Supportive Learning Environments in Jordan's Schools Program, for the Period From November 5, 2013, to December 31, 2014		
8-263-16-033-R	7/11/16	Closeout Financial Audit of USAID Resources Managed and Expenditures Incurred by The Coptic Evangelical Organization For Social Services, USAID/Egypt Grant Award No. AID-263-G-11-00003, Promote Intercultural Dialogue, Openness, and Pluralism Project, for the Period From May 20, 2011, to November 20, 2015		

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8-294-16-034-R	7/12/16	Audit of USAID Resources Managed by Arava Institute For Environmental Studies, Cooperative Agreement Number AID-294-A-12-00005, Mitigating Transboundary Wastewater Conflicts Project, for the Period From May 1, 2012, to September 30, 2013		
8-294-16-035-R	8/1/16	Audit of the Cost Representation Statement of USAID Resources Managed by Trigon Associates, LLC Under Delivery Order Number I, Under Prime, Black and Veatch Special Projects Corporation, Indefinite Quantity Contract Number 294-I-00-10-00205-00 and Task Order Number I, Infrastructure Needs Program Phase II, for the Period From October 25, 2010, to October 24, 2011	1,611 1,493	QC UN
8-165-16-036-R	8/1/16	Audit of the Fund Accountability Statement of DETRA Centar Skopje, Awards Number AID-165-A-13-00003 and AID-165-A-14-00003, Organizational Performance Improvement Programs (OPIP and OPIP II), for the Period From January 1, 2014, to December 31, 2014		
8-165-16-037-R	8/4/16	Audit of the Fund Accountability Statement of USAID Resources Managed by Macedonian Center for International Cooperation, Cooperative Agreement Number AID-165-A-13-00004, USAID Macedonia Anti-Corruption Program, for the Period From January 1, 2014, to December 31, 2014		
8-165-16-039-R	8/4/16	Audit of the Fund Accountability Statement of USAID Resources Managed by Milieukontakt Macedonia Skopje, USAID Municipal Climate Change Strategies Project, Cooperative Agreement Number AID-165-A-12-00008 for the Period From January 1, 2014, to December 31, 2014		

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8-294-16-041-R	8/4/16	Closeout Audit of the Fund Accountability Statement of USAID Resources Managed by Students Forum Institute Under Subawards Number SFI-CP-029, SFI-CAN-037, and SFI-WIN-060, Under Prime, Catholic Relief Services, Cooperative Agreement Number 294-A-00-10-00208-00, Civic Participation Program, for the Period From October 24, 2011, to May 9, 2013		
8-294-16-043-O	7/11/16	Examination of Centre for Cultural Heritage Preservation, Bethlehem 2000 Project Authority's Compliance With the Terms and Conditions of Subcontract Number COMPETE-OPS-1021 Under Prime, Development Alternatives, Inc., Contract Number AID-294-C-12-00001, The Competitiveness Project, for the Period From December 1, 2013, to August 31, 2015		
8-114-16-043-R	8/16/16	Audit of the Fund Accountability Statement of the United Nations Association of Georgia (UNAG), Cooperative Agreement Number AID-114-A-11-0002, Advancing National Integration Project, and Subaward Number 480-010 Under Prime, Counterpart International, Inc., Cooperative Agreement Number AID-OAA-A-10-00029, Strengthening Human and Institutional Networks Project, for the Period From January 1, 2014, to December 31, 2014		
8-294-16-044-O	8/18/16	Closeout Examination of Al Amjad Al Arabia for Contracting and General Constructions Compliance With Terms and Conditions of Subcontract Number APCO-0004 Under Prime, APCO/ArCon Construction and Services, LLC, Task Order Number AID-294-TO-13-00011, Indefinite Quantity Contract Number AID-294-I-00-12-00005, Infrastructure Needs Program II, for the Period From December 9, 2013, to August 26, 2015		

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8-268-16-044-R	8/18/16	Audit of USAID Resources Managed by Rene Moawad Foundation Under Cooperative Agreement No. AID-268-A-12-00004, Building Alliance for Local Advancement, Development, and Investment Project, for the Period From October 1, 2013, to September 30, 2014		
8-294-16-045-O	8/18/16	Closeout Examination of Al Fakher Company for Constructions Compliance With Terms and Conditions of Subcontract No. APCO-0019 Under Prime, APCO/ArCon Construction and Services, LLC, Task Order No. AID-294-TO-13-00012, Indefinite Quantity Contract No. AID-294-I-00-12-00005, Infrastructure Needs Program II, for the Period From January 30, 2014, to September 28, 2014		
8-121-16-045-R	8/18/16	Audit of the Fund Accountability Statement of Ukrainian Association of Local Governments “Association of Ukrainian Cities”, Cooperative Agreement No. AID-121-A-10-00703-00, Development Initiative for Advocating Local Governance in Ukraine (Dialogue) Project, for the Period From January 1, 2014, to December 31, 2014		
8-294-16-046-O	8/18/16	Closeout Examination of Brothers Company for Contracting Compliance With Terms and Conditions of Subcontract Nos. APCO-0005 and APCO-0006 Under Prime, APCO/ArCon Construction and Services, LLC, Task Order Nos. AID-294-TO-13-00013 and AID-294-TO-13-00014, Indefinite Quantity Contract No. AID-294-I-00-12-00005, Infrastructure Needs Program II, for the Period From December 17, 2013, to May 31, 2015		

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8-111-16-046-R	9/8/16	Audit of the Fund Accountability Statement of USAID Resources Managed by the Centre for Agribusiness and Rural Development Foundation, Cooperative Agreement No. AID-111-A-14-00001, Development of Private Extension Service System in Armenia Program, Subgrant Agreement No. N-01-13D, Partnership for Rural Prosperity Program, and Cooperative Agreement No. AID-111-A-14-00007, Expanding Economic Ties With Turkey Program, for the Year Ended December 31, 2014		
8-294-16-047-O	8/18/16	Closeout Examination of Al Nammoura Modern Investment General Contracting Company Compliance With Terms and Conditions of Subcontracts Project Nos. 6 and 7, Under Prime, APCO/ArCon Construction and Services, LLC, Task Order No. AID-294-TO-13-00004, Indefinite Quantity Contract No. AID-294-I-00-12-00005, Infrastructure Needs Program II, for the Period From August 22, 2013, to March 30, 2014		
8-294-16-048-O	8/18/16	Closeout Examination of Technical Group for General Contracting Compliance With Terms and Conditions of Subcontract Nos. Project 1, 2, and 4, Under Prime, APCO/ArCon Construction and Services, LLC, Task Order Nos. AID-294-TO-13-00004 and AID-294-TO-13-00012, Indefinite Quantity Contract No. AID-294-I-00-12-00005, Infrastructure Needs Program II, for the Period From May 15, 2013, to March 19, 2015		
8-294-16-048-R	9/22/16	Audit of USAID Resources Managed by Education and Society Enterprises–Mifalot, Under Cooperative Agreement No. AID-294-A-12-00004, United Soccer for Peace Program, for the Period From October 1, 2012, to September 30, 2013		

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8-294-16-049-O	8/18/16	Closeout Examination of USAID Resources Managed by Saqqa Skills and Quality Construction Company, Task Order No. AID-294-TO-14-00001, Under Indefinite Quantity Contract Number AID-294-I-13-00005, Local Construction Program, for the Period From May 27, 2014, to February 3, 2015		
8-294-16-050-O	8/18/16	Examination of Dimensions Company for Administrative and Financial Consulting Compliance With Terms and Conditions of Subcontract No. 294-C-00-08-00225-00-07 Under Prime, Chemonics International, Inc., Contract No. 294-C-00-08-00225-00, Palestinian Health Sector Reform and Development Project, for the Period From January 1, 2013, to December 31, 2013		
8-294-16-050-R	9/22/16	Closeout Audit of the Fund Accountability Statement of USAID Resources Managed by Sadaka Reut – Arab Jewish Youth Partnership, Under Prime, Catholic Relief Services, Cooperative Agreement No. AID-294-A-11-00017, Gemini Project, for the Period From October 1, 2012, to June 30, 2014		
8-278-16-051-R	9/22/16	Audit of the Fund Accountability Statement of USAID Resources Managed by the Royal Society for the Conservation of Nature Under Cooperative Agreement No. 278-A-00-08-00320-00, Nature-Driven Rural Development In Southern Jordan Program, for the Period From January 1, 2014, to December 31, 2014		
8-165-16-052-R	9/29/16	Audit of the Fund Accountability Statement of Rural Development Network of the Republic of Macedonia, Adaption to Climate Change in Agriculture Project, Cooperative Agreement No. AID-165-A-12-00003, and Municipal Climate Change Strategies Project, Subgrant Agreement No. 068-I/03 Under Prime, Milieukontakt Macedonia, Award No. AID-165-A-12-00008, for the Period From January 1, 2014, Through December 31, 2014		

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G-391-16-018-R	5/4/16	Financial Audit of USAID Funds Managed by Rural Support Programmes Network (RSPN), for the Year Ended June 30, 2014	24	QC
G-391-16-019-R	6/16/16	Financial Audit of Agreement No. AID-391-A-11-000003, Program Titles “Construction of 360-Bed Women Hostel at FCC Lahore,” Managed by Forman Christian College (FCC), for the Period Ended June 30, 2015	311	QC
G-391-16-021-R	7/25/16	Financial Audit of the Program Titled, “FATA Institutional Strengthening Project,” USAID/Pakistan Contract No. AID-391-C-11-00003, Managed by Abacus Consulting Technology (Private) Limited, For the Year Ended June 30, 2015	2	QC
G-391-16-022-R	8/17/16	Closeout Audit of USAID Resources Under Contract No. AID-391-C-12-00001, Project Titled: “Public Communications Project,” Managed by Interflow Communications (Pvt.) Limited (Interflow) for the Period From July 8, 2014, to June 30, 2015	37	QC
G-391-16-023-R	8/17/16	Audit of USAID Resources Under Contract No. AID-391-I-11-00003 Task Order 391-TO-12-00007, Project Titled: “Municipal Service Program (MSP) Architect and Engineering Services for Jacobabad Water, Waste Water and Solid Waste Infrastructure,” Managed by A.A. Associates for the Period From July 1, 2014, to June 30, 2015		
G-391-16-024-R	8/17/16	Closeout Financial Audit of USAID Resources Under Agreement No. 391-A-00-11-01202-00, Program Titled: “Center of Governance and Public Management Program,” and Subrecipient Agreement Under Agreement No. 391-G-00-04-01023-00, Program Titled: “Merit and Need Based Scholarship Program,” Managed by Lahore University of Management Sciences (LUMS), for the Period From July 1, 2014, to January 11, 2016	46	QC

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G-391-16-025-R	8/19/16	Financial Audit of Agreement No. 391-A-00-11-01206-00, “USAID funds Managed by Dairy and Rural Development Foundation (DRDF),” for the Period from July 1, 2014, to June 30, 2015	11	QC
G-391-16-026-R	8/29/16	Financial Audit Under Contract No. AID-391-I-12-00002; Task Order No. 391-TO-13-00008, “Construction at Jinnah Post Graduate Medical Centre, Karachi,” and Task Order No. 391-TO-14-00006, “Construction at National University of Science & Technology” Managed by Izhar Construction (Pvt.) Limited (Izhar), From the Period From July 1, 2014, to June 30, 2015	2	QC
G-391-16-027-R	8/30/16	Financial Audit of the Cost Representation Statement of USAID Resources for the Comprehensive Program Management (CPM); Contract No. AID-391-I-12-00004 Managed by EA Consulting (Private) Limited, for the Year Ended June 30, 2015	13	QC
Local Currency Trust Fund				
5-497-16-004-N	5/13/16	Financial Audit of USAID/Indonesia’s Rupiah Trust Fund for the Years Ended September 30, 2014, and 2015		
U.S.-Based Contractors				
3-000-16-009-I	4/11/16	Rivera Consulting Group, Inc., (RCGI) Report on Audit of Incurred Costs for the Fiscal Year (FY) Ended December 31, 2012		
3-000-16-010-I	5/27/16	Ceres, Inc., Report on Audit of Incurred Costs for the Fiscal Years (FY) Ended August 31, 2009, and 2010		
3-000-16-011-I	5/27/16	LTL Strategies (LTLs) Report on Audit of Incurred Costs for the Fiscal Years (FY) Ended December 31, 2010, Through 2012	8 8	QC UN
3-000-16-012-D	5/18/16	Audit Report on CH2M Hill International Services, Inc., Proposed Amounts on Unsettled Flexibly Priced Contracts for Fiscal Years (FY) 2009 and 2010	411	QC

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3-000-16-012-I	5/27/16	International Business and Technical Consultants, Inc., (IBTCI) Report on Audit of Incurred Costs for Fiscal Years (FY) Ended December 31, 2007, Through 2009		
3-000-16-013-I	8/19/16	International Business and Technical Consultants, Inc., (IBTCI) Audit of Incurred Costs for the Fiscal Years (FY) Ended December 31, 2010, Through 2012	244 2	QC UN
3-000-16-014-I	6/29/16	ICF Macro (ICFM) Audit of Incurred Costs for the Fiscal Year (FY) Ended December 31, 2013	508 508	QC UN
3-000-16-015-I	6/30/16	CAMRIS International (CI) Report on Audit of Incurred Costs for Fiscal Years (FY) Ended December 31, 2010, through 2012	1,748 1,748	QC UN
3-000-16-016-I	6/7/16	Shorebank International Ltd. (SIL) (now Enclude Ltd.) Report on Audit of Incurred Costs for the Fiscal Years (FY) Ended December 31, 2006, Through 2008		
3-000-16-017-I	6/14/16	Shorebank International Ltd. (now Enclude, Ltd.) Report on Audit of Incurred Costs for Fiscal Year (FY) Ended December 31, 2009	19 3	QC UN
3-000-16-018-I	6/17/16	Development and Training Services, Inc., (DTS) Audit of Incurred Costs for the Fiscal Year (FY) Ended December 31, 2012	11	QC
3-000-16-020-I	6/14/16	IBI International (IBI) Report on Audit of Incurred Costs for the Fiscal Year (FY) Ended December 31, 2012	9	QC
3-000-16-021-I	6/16/16	Associates for Global Change Report on Audit of Incurred Costs for the Fiscal Year (FY) Ended December 31, 2012	6 6	QC UN
3-000-16-022-I	6/8/16	Synergy International Systems, Inc., (S15I) Report on Audit of Incurred Costs for the Fiscal Year (FY) Ended December 31, 2011	345 5	QC UN
4-663-16-014-N	6/17/16	Agency Contracted Agreed Upon Procedure of USAID Resources Managed by Tetra Tech EM, Inc., Under Contract No. EDH-I-00-08-00027, Task Order No. AID-663-TO-11-0001 for the Period December 6, 2010, Through May 31, 2014	85 2	QC UN

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8-267-16-006-D	5/25/16	Independent Audit Report on the Louis Berger Group, Inc.'s Costs Incurred and Billed to DPK Consulting (dba Tetra Tech DPK) on Subcontract No. 267-C-00-10-00006-00 Under USAID Prime Contract Number 267-C-00-10-00006-00, for the Period From October 1, 2011, to March 31, 2013		
8-267-16-008-D	7/11/16	Independent Audit of Costs Incurred and Billed by Chemonics International, Inc., Contract No. AID-267-11-00006, for the Period From October 1, 2012, to December 31, 2013	14 14	QC UN
8-267-16-009-D	8/4/16	Independent Audit of Costs Incurred and Billed by Management Systems International, Inc., Contract No. AID-267-C-11-00005, for the Period From April 1, 2013, to March 31, 2014		
8-267-16-010-D	8/4/16	Independent Audit of Costs Incurred and Billed by University Research Corporation, LLC, Contract No. AID-267-C-11-00004, for the Period From April 1, 2013, to September 30, 2014		
8-267-16-011-D	8/4/16	Independent Audit of Costs Incurred and Billed by QED Group, LLC, Contract No. 267-O-00-08-00507, for the Period From October 1, 2012, to December 31, 2013		
8-267-16-012-D	9/27/16	Independent Audit of Costs Incurred and Billed by Louis Berger Group, Inc., USAID Contract No. 267-C-00-08-00500, for the Period January 23, 2008, Through January 31, 2009	448 361	QC UN
8-165-16-038-R	8/4/16	Audit of the Cost Representation Statement of USAID Resources Managed by CARANA Corporation, USAID Macedonia Small Business Expansion Project, Contract No. AID-165-C-12-00101, for the Period From September 1, 2014, to December 31, 2014		

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8-294-16-040-R	8/4/16	Audit of the Cost Representation Statement of Black & Veatch Special Projects Corporation, Indefinite Quantity Contract Number 294-I-00-10-00205-00, Task Order No. I, Infrastructure Needs Program (INP II), for the Period From October 1, 2012, to September 30, 2013	1,010 88	QC UN
F-306-16-015-N	5/3/16	Closeout and Financial Audit of Costs Incurred by Chemonics International, Inc., Under Trade and Accession Facilitation for Afghanistan, Task Order No. AID-306-TO-12-00010, for the Period From October 16, 2012, to August 31, 2013, and Financial Access for Investing in the Development of Afghanistan, Task Order No. 306-C-00-11-00531, for the Period From February 7, 2011, to March 31, 2014		
F-306-16-017-N	9/15/16	Closeout Audit of Costs Incurred by Palladium International, LLC, Under Health Policy Project (HPP), Cooperative Agreement No. 306-OAA-A-10-00067, for the Period From April 10, 2012, to August 31, 2015		
U.S.-Based Grantees				
3-000-16-003-E	5/2/16	Albanian-American Enterprise Fund Desk Review of Independent Audit Report for the Year Ended September 30, 2015		
3-000-16-019-T	4/12/16	Mercy Corps and Affiliates, OMB Circular A-133 Audit Report for the Fiscal Year (FY) Ended June 30, 2015		
3-000-16-022-T	5/2/16	Internews Network (IN) OMB Circular A-133 Audit Report for the Fiscal Year (FY) Ended December 31, 2014		
3-000-16-023-T	4/11/16	Rainforest Alliance, Inc., Desk Review of OMB Circular A-133 Audit Report for the Fiscal Year Ended June 30, 2013		
3-000-16-024-T	4/11/16	Viet-Nam Assistance for the Handicapped, OMB Circular A-133 Audit Report for the Fiscal Year (FY) Ended June 30, 2015	6	QC

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3-000-16-025-T	4/11/16	OMB Circular A-133 Audit of World Learning, Inc., (WLI) for the Fiscal Year (FY) Ended June 30, 2015		
3-000-16-026-T	4/11/16	Pathfinder International, OMB Circular A-133 Audit Report for Fiscal Year (FY) Ended June 30, 2013		
3-000-16-027-T	4/11/16	World Help, OMB Circular A-133 Audit Report for Fiscal Year (FY) Ended December 31, 2014		
3-000-16-028-T	4/11/16	Pathfinder International and Subsidiaries, OMB Circular A-133 Audit Report for Fiscal Year (FY) Ended June 30, 2014		
3-000-16-029-T	4/13/16	PACT, Inc., OMB Circular A-133 Audit Report for the Fiscal Year Ended September 30, 2013		
3-000-16-030-T	4/15/16	IntraHealth International, Inc., (III) OMB Circular A133 Audit Report for Fiscal Year (FY) Ended June 30, 2015		
3-000-16-031-T	4/15/16	Rainforest Alliance, Inc. OMB Circular A-133 Audit Report for Fiscal Year (FY) Ended June 30, 2014		
3-000-16-032-T	4/18/16	ACDINOCA and Affiliates OMB Circular A-133 Audit Report for Fiscal Year (FY) Ended December 31, 2014		
3-000-16-033-T	4/19/16	Partners In Health OMB Circular A-133 Audit Report for the Fiscal Year (FY) Ended June 30, 2015		
3-000-16-034-T	4/21/16	Catholic Relief Services — United States Conference of Catholic Bishops OMB Circular A-133 Audit Report for the Fiscal Year (FY) Ended September 30, 2015	69 69	QC UN
3-000-16-035-T	5/2/16	OMB Circular A-133 Audit of United States Pharmacopeial Convention and Subsidiaries for Fiscal Year (FY) Ended June 30, 2015		
3-000-16-036-T	4/26/16	CARE USA and Subsidiaries (CARE) OMB Circular A-133 Audit Report for the Fiscal Year (FY) Ended June 30, 2015		
3-000-16-037-T	5/4/16	Lebanese American University, OMB Circular A-133 Audit Report for Fiscal Year (FY) Ended September 30, 2012		

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3-000-16-038-T	5/5/16	American Research Center in Egypt, Inc., OMB Circular A-133 Audit Report for Fiscal Year (FY) Ended June 30, 2015		
3-000-16-039-T	5/5/16	OMB Circular A-133 Audit of St. Boniface Haiti Foundation, Inc., for Fiscal Year (FY) Ended June 30, 2015		
3-000-16-040-T	5/17/16	NetHope, Inc., OMB Circular A-133 Audit Report for Fiscal Year (FY) Ended June 30, 2015		
3-000-16-041-T	5/11/16	OMB Circular A-133 Audit of Heifer Project International for Fiscal Year (FY) Ended June 30, 2015		
3-000-16-042-T	5/13/16	Population Reference Bureau OMB A-133 Audit Report for FY Ending September 30, 2015		
3-000-16-043-T	5/19/16	Forest Trends Association, OMB Circular A-133 Audit Report for Fiscal Year (FY) Ended December 31, 2014		
3-000-16-044-T	5/27/16	Desk Review of Freedom House, Inc.'s OMB Circular A-133 Audit Report for Fiscal Year Ended June 30, 2015		
3-000-16-045-T	6/21/16	Global Communities and Related Entities, OMB Circular A-133 Audit Report for Fiscal Year (FY) Ended September 30, 2015		
3-000-16-046-T	6/21/16	PATH OMB Circular A-133 Audit Report for the Fiscal Year (FY) Ended December 31, 2014		
3-000-16-047-T	6/22/16	Sesame Workshop and Subsidiaries OMB Circular A-133 Audit Report for Fiscal Year (FY) Ended June 30, 2015		
3-000-16-048-T	7/7/16	Partnership for Supply Chain Management OMB Circular A-133 Audit Report for Fiscal Year (FY) Ended September 30, 2015		
3-000-16-049-T	6/30/16	JSI Research and Training Institute, Inc., and Affiliate OMB Circular A-133 Audit Report for Fiscal Year (FY) Ended September 30, 2014		
3-000-16-050-T	7/1/16	Population Services International, OMB Circular A-133 Audit Report for Fiscal Year (FY) Ended December 31, 2014		

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3-000-16-051-T	7/1/16	JSJ Research and Training Institute, Inc., and Affiliate OMB Circular A-133 Audit Report for Fiscal Year (FY) Ended September 30, 2015		
3-000-16-052-T	7/7/16	Africare, OMB Circular A-133 Audit Report for Fiscal Year (FY) Ended June 30, 2015	1,262 1,262	QC UN
3-000-16-053-T	7/8/16	Action Against Hunger–USA, OMB Circular A-133 Audit Report for Fiscal Year (FY) Ended December 31, 2014		
3-000-16-054-T	7/12/16	PACT, Inc., OMB Circular A-133 Audit Report for the Fiscal Year (FY) Ended September 30, 2014		
3-000-16-055-T	8/1/16	PACT, Inc., OMB Circular A-133 Audit Report for the Fiscal Year (FY) Ended September 30, 2015		
3-000-16-056-T	7/18/16	World Learning, Inc., OMB Circular A-133 Audit Report for Fiscal Year (FY) Ended June 30, 2014		
3-000-16-057-T	8/1/16	Lebanese American University (LAU), OMB Circular A-133 Audit Report for Fiscal Year (FY) Ended September 30, 2013		
3-000-16-058-T	7/26/16	Plan International, Inc., (PI) OMB Circular A-133 Audit Report for the Fiscal Year (FY) Ended June 30, 2012		
3-000-16-059-T	7/28/16	Mercy-USA for AID & Development, Inc., (MADI) OMB Circular A-133 Audit Report for the Fiscal Year (FY) Ended December 31, 2013		
3-000-16-060-T	8/3/16	Plan International, Inc., (PI) OMB Circular A-133 Audit Report for the Fiscal Year (FY) Ended June 30, 2013		
3-000-16-061-T	8/4/16	Helen Keller International, Incorporated, (HKI) OMB Circular A-133 Audit Report for the Fiscal Year (FY) Ended June 30, 2013		
3-000-16-062-T	8/8/16	Development Gateway, Inc., (DGI) OMB Circular A-133 Audit Report for the Fiscal Year (FY) Ended June 30, 2013		
3-000-16-063-T	8/10/16	Helen Keller International, Inc., (HKI) OMB Circular A-133 Audit Report for the Fiscal Year (FY) Ended June 30, 2014		

Financial Audits
(Including Recipient-Contracted Audits and Audits Conducted by
Independent Public Accountants or DCAA)
Associated Questioned Costs, Unsupported Costs, and Value of
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Report Number	Report Date	Report Title	Amt. of Findings (\$000)	Type of Findings
3-000-16-064-T	8/10/16	Engenderhealth, Inc., OMB Circular A-133 Audit Report for Fiscal Year (FY) Ended June 30, 2014		
3-000-16-065-T	8/16/16	Engenderhealth, Inc., OMB Circular A-133 Audit Report for Fiscal Year (FY) Ended June 30, 2013	36	QC
3-000-16-066-T	8/26/16	Relief International, Inc., OMB Circular A-133 Audit Report for Fiscal Year (FY) Ended December 31, 2013	135	QC
3-000-16-067-T	8/15/16	Development Gateway, Inc., (DGI) OMB Circular A-133 Audit Report for the Fiscal Year (FY) Ended June 30, 2014		
3-000-16-068-T	8/17/16	Family Health International 360 (FHI), OMB Circular A-133 Audit Report for the Fiscal Year (FY) Ended September 30, 2015		
3-000-16-069-T	8/18/16	ACDI/VOCA and Affiliates OMB Circular A-133 Audit Report for Fiscal Year (FY) Ended December 31, 2015		
3-000-16-070-T	8/19/16	PeacePlayers International and Affiliates (PPI), OMB Circular A-133 Audit Report for Fiscal Year (FY) Ended June 30, 2015		
3-000-16-071-T	9/8/16	The Jane Goodall Institute for Wildlife Research, Education and Conservation (JGI) OMB Circular A-133 Audit Report for Fiscal Year (FY) Ended December 31, 2014		
3-000-16-072-T	8/23/16	The Eurasia Foundation (EF) OMB Circular A-133 Audit Report for the Fiscal Year (FY) Ended September 30, 2014		
3-000-16-073-T	8/26/16	World Education, Inc., (WEI) OMB Circular A-133 Audit Report for the Fiscal Year (FY) Ended June 30, 2014		
3-000-16-074-T	8/30/16	World Education, Inc., (WEI) OMB Circular A-133 Audit Report for the Fiscal Year (FY) Ended June 30, 2015		
3-000-16-075-T	8/30/16	Eurasia Foundation (EF) OMB Circular A-133 Audit Report for the Fiscal Year (FY) Ended September 30, 2015		

Financial Audits
(Including Recipient-Contracted Audits and Audits Conducted by
Independent Public Accountants or DCAA)
Associated Questioned Costs, Unsupported Costs, and Value of
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Report Number	Report Date	Report Title	Amt. of Findings (\$000)	Type of Findings
3-000-16-076-T	9/1/16	World Help OMB Circular A-133 Audit Report for the Fiscal Year (FY) Ended December 31, 2013	68	QC
3-000-16-077-T	9/13/16	Food for the Hungry, Inc., (FH) OMB Circular A-133 Audit Report for Fiscal Year (FY) Ended September 30, 2014		
3-000-16-078-T	9/13/16	Food for the Hungry, Inc., (FH) OMB Circular A-133 Audit Report for Fiscal Year (FY) Ended September 30, 2015		
3-000-16-079-T	9/7/16	American Refugee Committee and Subsidiaries OMB Circular A-133 Audit Report for Fiscal Year (FY) Ended March 31, 2014		
3-000-16-080-T	9/9/16	Consortium for Elections and Political Process Strengthening OMB Circular A-133 Audit Report for Fiscal Year (FY) Ended September 30, 2015		
3-000-16-081-T	9/13/16	International Foundation for Electoral Systems (IFES) OMB Circular A-33 Audit Report for the Fiscal Year (FY) Ended September 30, 2015		
3-000-16-082-T	9/20/16	Plan International USA, Inc., (PIUSA) OMB Circular A-133 Audit Report for the Fiscal Year (FY) Ended June 30, 2015	15 13	QC UN
3-000-16-083-T	9/20/16	Project Concern International OMB Circular A-133 Audit Report for Fiscal Year (FY) Ended September 30, 2015		
3-000-16-084-T	9/26/16	American University in Cairo (AUC) OMB Circular A-133 Audit Report for the Fiscal Year (FY) Ended June 30, 2015		
3-000-16-085-T	9/26/16	PATH OMB Circular A-133 Audit Report for the Fiscal Year (FY) Ended December 31, 2015		
3-000-16-086-T	9/27/16	Rainforest Alliance, Inc., and Subsidiaries (RA), OMB Circular A-133 Audit Report for Fiscal Year (FY) Ended June 30, 2015		

Financial Audits
(Including Recipient-Contracted Audits and Audits Conducted by
Independent Public Accountants or DCAA)
Associated Questioned Costs, Unsupported Costs, and Value of
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Report Number	Report Date	Report Title	Amt. of Findings (\$000)	Type of Findings
4-623-16-013-N	5/31/16	Agency Contracted Closeout Audit of Locally Incurred Costs of USAID Resources Managed by Institute for Environmental Innovation (I4EI) Under Cooperative Agreement No. AID-623-A-00-09-00026, International Small Group and Tree Planting (TIST) Program in Kenya for the Period March 5, 2009, Through March 5, 2014	595	QC
8-267-16-007-D	6/15/16	Independent Audit Report on Family Health International Direct Costs Incurred and Reported Under USAID Cooperative Agreement No. AID-267-LA-13-00001, From February 9, 2013, to June 30, 2014	11	QC
8-294-16-011-N	8/4/16	Audit of the Fund Accountability Statement of Locally Incurred Costs by World Vision International, Subgrant Nos. ARDWBG 466, ARDWBG 349, and ARDWBG 454, Under Prime, Associates for Rural Development, Contract No. DFD-I-04-05-00218-00, Civic Engagement Program (CEP II), for the Period From February 17, 2009, to June 30, 2010	31	QC
8-294-16-024-R	5/10/16	Audit of the Fund Accountability Statement of USAID Resources Managed by America-Mideast Educational and Training Services, Inc., (AMIDEAST) Under Cooperative Agreement No. 294-A-12-00006, Leadership and Teacher Development Program, for the Period From September 1, 2013, to June 30, 2015		
8-294-16-042-R	8/8/16	Audit of Locally Incurred Costs by Global Communities, Cooperative Agreement No. 294-A-00-10-00211-00, Local Government and Infrastructure Program, for the Period From October 1, 2013, to March 31, 2015		
8-294-16-047-R	9/15/16	Closeout Audit of the Fund Accountability Statement of USAID Resources Managed by Catholic Relief Services, Cooperative Agreement No. AID-294-A-11-00017, Gemini Project, for the Period From October 1, 2012, to June 25, 2014		

Financial Audits
(Including Recipient-Contracted Audits and Audits Conducted by
Independent Public Accountants or DCAA)
Associated Questioned Costs, Unsupported Costs, and Value of
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USAID
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Report Number	Report Date	Report Title	Amt. of Findings (\$000)	Type of Findings
8-294-16-049-R	9/22/16	Closeout Audit of the Fund Accountability Statement of the USAID Resources Managed by Mercy Corps under Cooperative Agreement No. AID-294-A-00-11-00016, Technology for Peace Program, for the Period From October 1, 2012, to June 30, 2013		
F-306-16-016-N	6/23/16	Closeout and Financial Audit of Costs Incurred by The Asia Foundation Under (1) Survey of the Afghan People, Agreement No. 306-A-00-09-00514, for the Period From October 1, 2011, to April 30, 2012; (2) Fairness and Credibility of 2009 Presidential and Provincial Council Elections, Grant Agreement No. 306-G-00-09-00521, for the Period From July 22, 2009, to December 31, 2009; (3) Ministry of Women Affairs Restructuring and Empowerment, Agreement No. 306-AID-A-13-00001, for the Period From December 20, 2012, to June 30, 2014; (4) Strengthening Education in Afghanistan (SEA), Agreement No. 306-A-00-10-00530, for the Period From October 1, 2012, to June 30, 2014; and (5) Financial Management Services for the American University of Afghanistan, Grant Agreement No. 306-G-00-05-00525, for the Period From March 24, 2005, to March 31, 2010	948 795	QC UN

**Nonaudits
(Quality Control Reviews) Conducted by OIG
Associated Questioned Costs, Unsupported Costs, and Value of
Recommendations That Funds Be Put to Better Use
USAID
April 1–September 30, 2016**

Report Number	Report Date	Report Title	Amt. of Findings (\$000)	Type of Findings
1-517-16-001-Q	7/26/16	Quality Control Review of Guzman Tapia & Co. of Dominican Republic, Regarding the Audit of the Cooperative Agreement No. 517-A-12-00007 for the “Sustainability and Expansion of Community Justice Houses,” Managed by Participación Ciudadana (PC), for the Period From October 1, 2013, to September 30, 2014		
1-527-16-002-Q	8/31/16	Quality Control Review of Cordero Collazos y Asociados of Peru, Regarding the Audit of the Fund Accountability Statement of Cooperative Agreement No. AID-527-A-12-00005 for the “Active Schools in Ucayali and San Martin: Methodology to Improve the Educational Quality in Alternative Development Communities,” Program Managed by CEPSCO, for the Period From January 1, 2014, to December 31, 2014		
5-493-16-002-Q	5/17/16	Quality Control Review of the Financial Audit of USAID Funds Managed by the Asian Disaster Preparedness Center (ADPC), for the Year Ended December 31, 2014		
8-121-16-005-Q	5/25/16	Quality Control Review on AC Compass, Audit of the Fund Accountability Statement of the Agrarian Markets Development Institute, Cooperative Agreement Nos. AID-121-A-12-00002 and AID-121-A-12-00005, for the Period From January 1, 2014, to December 31, 2014		
8-168-16-006-Q	6/20/16	Quality Control Review on Deloitte d.o.o., Closeout Audit of the Fund Accountability Statement of Partner Mikrokreditna Fondacija Tuzla, Rural Employment Generation Activity Program, Cooperative Agreement No. 168-A-00-08-00108-00, and Solar Energy as the Future of Sustainable Development Program, Cooperative Agreement No. AID-168-A-11-00005, for the Period From January 1, 2013, to December 31, 2013		

**Nonaudits
(Quality Control Reviews) Conducted by OIG
Associated Questioned Costs, Unsupported Costs, and Value of
Recommendations That Funds Be Put to Better Use
USAID
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Report Number	Report Date	Report Title	Amt. of Findings (\$000)	Type of Findings
8-182-16-007-Q	8/1/16	Quality Control Review on Baker Tilly, Albania, Audit of the Fund Accountability Statement of USAID Resources Managed by Assist Impact Albania, Cooperative Agreement No. AID-182-A-12-00001, Building Human and Institutional Capacity Project in Albania, for the Period From January 1, 2014, to December 31, 2014		
8-111-16-008-Q	8/8/16	Quality Control Review on “BDO Armenia” CJSC, Audit of the Fund Accountability Statement of USAID Resources Managed by the Centre for Agribusiness and Rural Development Foundation, Cooperative Agreement No. AID-111-A-14-00001, Development of Private Extension Service System in Armenia Program, Subgrant Agreement No. N-01-13D, Partnership for Rural Prosperity Program, and Cooperative Agreement Number AID-111-A-14-00007, Expanding Economic Ties With Turkey Program, for the Year Ended December 31, 2014		
8-121-16-009-Q	9/27/16	Quality Control Review on Deloitte & Touche USC, Audit of the Fund Accountability Statement of USAID Resources Managed by East Europe Foundation, Grant Nos. AID-121-A-10-00709-00, AID-121-A-10-00708, W13-0005, AID-121-A-14-00001, and AID-121-A-15-00001, for the Period From January 1, 2014, to December 31, 2014		
G-391-16-004-Q	8/12/16	Quality Control Review of the Audit Report and Audit Documentation for the Financial Audit Conducted by Rifaqat Mansha Mohsin Dossani Masoom & Co. of Program Titled “Construction Monitoring and Evaluation Program,” USAID/Pakistan Contract No. AID-391-C-12-00003, Managed by AGES Consultants, for the Year Ended June 30, 2015		

**Nonaudits
(Surveys, Risk Assessments, and Reviews) Conducted by OIG
Associated Questioned Costs, Unsupported Costs, and Value of
Recommendations That Funds Be Put to Better Use
USAID
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Report Number	Report Date	Report Title	Amt. of Findings (\$000)	Type of Findings
0-000-16-005-S	8/31/16	Assessment of the U.S. Agency for International Development's Fiscal Year 2015 Government Charge Card Programs		
F-306-16-001-S	6/28/16	Additional Controls Have Improved USAID's Administration of Involuntary Separate Maintenance Allowance in Afghanistan		

**Reports Over 6 Months Old With No Management Decision
USAID
as of September 30, 2016**

Report Number	Auditee	Issue Date	Status
G-391-12-001-P	USAID/Pakistan	11/3/11	<p>Recommendation 5: USAID/Pakistan determine the allowability of \$1,359,337 in questioned costs (unsupported) and recover those costs determined to be unallowable.</p> <p>The Office of Acquisition and Assistance; the Office of Financial Management; and Bureau for Economic Growth, Education, and Environment will investigate the unsupported questioned costs of \$1,359,337 and make a decision on those costs. A management decision on this recommendation will be reached when USAID/Pakistan determines whether the questioned costs are allowed or disallowed; final action will occur when any disallowed amount is collected. USAID was working on its management decision when the implementing partner sent additional information for the mission's review. Target resolution date is November 30, 2016.</p>
G-391-16-005-R	Marie Stopes Society	1/13/16	<p>Recommendations 1 and 3: Management Decision on recommendations 1 and 3 cannot be acknowledged because part of the questioned costs pertain to a Washington-based agreement and the cognizant agreement officer has not made a determination regarding the allowability of those costs. Target resolution date is December 31, 2016.</p>
G-391-16-016-R	Government of Khyber Pakhtunkhwa, Planning and Development Department	3/16/16	<p>Recommendation 2: Management Decision for Recommendation 2 does not meet the criteria of ADS 595.3.1.2 The memorandum does not detail the planned corrective actions and a target date for completion of all those actions. Target resolution date is November 30, 2016.</p>
G-391-16-017-R	Government of Khyber Pakhtunkhwa, Planning and Development Department	3/16/16	<p>Recommendation 2: Management Decision for Recommendation 2 does not meet the criteria of ADS 595.3.1.2 The memorandum does not detail the planned corrective actions and a target date for completion of all those actions. Target resolution date is November 30, 2016.</p>

**Significant Recommendations Described Previously Without Final Action
USAID
as of September 30, 2016**

Report Number	Report Title	Report Date	Rec. No.	Management Decision Date	Final Action Target Date
F-306-11-005-S	Review of USAID/Afghanistan's Afghan Civilian Assistance Program	8/31/11	7	2/14/12	12/31/16
G-391-12-001-P	Audit of USAID/Pakistan's Firm Project	11/3/11	5	-	-
A-000-12-004-P	Audit of USAID's Contracts for Cloud Computing Services	4/12/12	3	4/12/12	10/30/16
6-263-13-002-P	Audit of USAID/Egypt's Transition Support Grants Program	10/22/12	6 ¹	10/22/12	12/31/16
A-000-13-003-P	Audit of USAID's Fiscal Year 2012 Compliance With the Federal Information Security Management Act of 2002	11/14/12	1	11/14/12	6/1/17
0-000-13-001-C	Audit of USAID's Financial Statements for Fiscal Years 2012 and 2011	11/16/12	1	11/16/12	12/31/16
4-962-13-004-P	Audit of USAID's Internal Controls Over Prepositioned Food Assistance for the Horn of Africa	1/7/13	3	2/19/13	3/1/17
4-654-13-006-P	Audit of USAID/Angola's HIV/AIDS Activities	3/5/13	10 ²	9/5/13	12/31/16
A-000-13-005-P	Audit of the Cost and Security Policies and Procedures for USAID's Mobile Devices	9/17/13	3 9 18 20 21	9/17/13 9/17/13 9/17/13 9/17/13 9/17/13	12/31/16 10/30/16 10/30/16 6/1/17 6/1/17
I-521-14-008-P	Audit of USAID/Haiti's Health Infrastructure Program	4/25/14	4 5 6	4/25/14 4/25/14 4/25/14	11/30/16 11/30/16 11/30/16
F-306-14-003-S	Follow-Up on a Department of Defense Audit of Commander's Emergency Response Program Funds Provided to USAID/Afghanistan	9/7/14	4	9/7/14	12/31/16
4-668-14-008-P	Audit of USAID/South Sudan's Management of Nonexpendable Property	9/30/14	2	9/30/14	12/31/16
A-000-15-001-P	Audit of USAID's Implementation of Key Components of a Privacy Program for its Information Technology Systems	10/10/14	21 22 24 33	10/10/14 10/10/14 10/10/14 10/10/14	2/15/17 2/15/17 2/15/17 11/15/16

**Significant Recommendations Described Previously Without Final Action
USAID
as of September 30, 2016**

Report Number	Report Title	Report Date	Rec. No.	Management Decision Date	Final Action Target Date
A-000-15-004-P	Audit of USAID's Federal Information Security Management Act of 2002 Action Plan	11/5/14	2	11/5/14	11/15/16
			3	11/5/14	2/15/17
			4	11/5/14	5/30/17
0-000-15-001-C	Audit of USAID's Financial Statements for Fiscal Years 2014 and 2013	11/17/14	2	11/17/14	12/31/16
			7	11/17/14	12/31/17
A-000-15-005-P	Audit of USAID's Application Controls Over Premium Pay in Its webTA System	2/10/15	1 4	2/10/15 2/10/15	12/31/16 12/31/16
9-000-15-001-P	Audit of USAID Country and Regional Development Cooperation Strategies	2/20/15	1	2/20/15	12/31/16
			2	2/20/15	12/31/16
			4	2/20/15	12/31/16
			5	2/20/15	12/31/16
			6	2/20/15	12/31/16
A-000-15-006-P	Audit of USAID's Progress in Adopting Cloud Computing Technologies	3/12/15	1	3/12/15	6/1/17
			2	3/12/15	6/1/17
			4	3/12/15	6/1/17
			14	3/12/15	8/1/17
			15	3/12/15	6/1/17
			17	3/12/15	10/30/16
5-388-15-006-P	Audit of USAID/Bangladesh's NGO Health Service Delivery Project	8/26/15	1	8/26/15	12/31/16
9-000-15-004-P	Audit of USAID's Evaluation Policy Implementation	9/10/15	3	9/10/15	10/31/16
			4	9/10/15	12/31/16
			5	9/10/15	10/31/16
			7	9/10/15	10/31/16
			8	9/10/15	10/31/16
			9	9/10/15	10/31/16
10	9/10/15	12/31/16			
4-656-15-004-P	Audit of USAID/Mozambique's Agriculture, Trade, and Business Portfolio	9/22/15	4	3/18/16	12/31/16
A-000-15-010-P	Audit of USAID's Fiscal Year 2015 Compliance with the Federal Information Security Management Act of 2002, as Amended	9/25/15	11	9/25/15	11/15/16
I-521-16-001-P	Audit of USAID/Haiti's Feed the Future North Project	10/21/15	12	10/21/15	10/14/16
			23	10/21/15	10/14/16
			27	10/21/15	10/14/16

**Significant Recommendations Described Previously Without Final Action
USAID
as of September 30, 2016**

Report Number	Report Title	Report Date	Rec. No.	Management Decision Date	Final Action Target Date
G-391-16-001-P	Audit of USAID/Pakistan's Political Party Development Program	10/26/15	14	10/26/15	12/31/16
7-669-16-002-P	Audit of Selected Ebola-Response Activities Managed by USAID's Office of U.S. Foreign Disaster Assistance in Liberia	12/4/15	1	12/4/15	10/31/16
			3	12/4/15	12/30/16
			4	12/4/15	10/31/16
			5	12/4/15	12/30/16
			6	12/4/15	12/30/16
			7	12/4/15	12/30/16
			1	12/15/15	12/31/16
			2	12/15/15	12/31/16
			3	12/15/15	12/31/16
			4	12/15/15	12/31/16
9-000-16-001-S	Review of USAID's Cuban Civil Society Support Program	12/22/15	6 16	12/22/15 12/22/15	10/30/16 12/2/16
I-521-16-003-P	Audit of USAID/Haiti's Improving Justice Service Delivery and Sector Reform in Haiti Project (PROJUSTICE)	1/6/16	1	1/6/16	11/30/16
A-000-16-005-P	Audit of USAID's Control Over the Use of Premium Class Travel	2/2/16	3	2/2/16	11/30/16
			14	5/23/16	11/30/16
			16	2/2/16	3/30/17
			18	5/23/16	11/30/16
			19	5/23/16	9/30/17
			21	2/2/16	2/2/17
			22	2/2/16	5/1/17
			23	2/2/16	4/27/17
			24	2/2/16	6/30/17
25	2/2/16	2/28/17			
8-263-16-002-S	Review of USAID/Egypt's Adherence to Policy, Standards, and Best Practices in Designing Economic Growth Projects	2/12/16	1	2/12/16	12/31/16
			2	2/12/16	12/31/16
F-306-16-002-P	Audit of USAID/Afghanistan's Assistance in Building Afghanistan by Developing Enterprises Program	3/14/16	5	3/14/16	10/31/16
			6	3/14/16	10/31/16
			8	3/14/16	11/30/16
7-962-16-003-P	Audit of Select Activities from the USAID/Food for Peace Response to the Ebola Crisis in West Africa	3/16/16	4	3/16/16	4/30/17
			6	3/16/16	12/30/16
			8	3/16/16	12/30/16

¹With Treasury for further collection

²Recipient appealed questioned costs to the procurement executive.

Reports With Questioned and Unsupported Costs¹
USAID
April 1–September 30, 2016

Reports	Number of Audit Reports	Questioned Costs (\$)	Unsupported Costs ¹ (\$)
A. For which no management decision had been made as of April 1, 2016	78	112,726,164 ^{2,3}	105,998,221 ^{2,3}
B. Add: Reports issued April 1–September 30, 2016	98	19,184,995 ⁴	11,616,806 ⁴
Subtotal	176	131,911,159	117,615,027
C. Less: Reports with a management decision made April 1–September 30, 2016	99 ⁵	109,410,374 ⁶	102,899,405 ⁶
Value of costs disallowed by Agency officials		12,567,495	9,007,081
Value of costs allowed by Agency officials		96,842,879	93,892,324
D. For which no management decision had been made as of September 30, 2016	78	22,500,785 ⁷	14,715,622 ⁷

¹Unsupported costs, a subcategory of questioned costs, are reported separately as required by the Inspector General Act.

²The ending balances on March 31, 2016, for questioned costs totaling \$112,729,066, and for unsupported costs totaling \$106,065,596 were decreased by \$2,902 for questioned costs and decreased by \$67,375 for unsupported costs respectively, to reflect adjustments in recommendations from prior periods.

³Amounts include \$79,824,530 in questioned costs and \$79,233,207 in unsupported costs for audits performed for OIG by other Federal audit agencies.

⁴Amounts include \$884,148 in questioned costs and \$375,033 in unsupported costs for audits performed for OIG by other Federal audit agencies.

⁵Unlike the monetary figures of this row, this figure is not being subtracted from the subtotal. Some audit reports counted here may be counted again in the figure below it because some reports have multiple recommendations and fall into both categories.

⁶Amounts include \$79,835,517 in questioned costs and \$79,233,207 in unsupported costs for audits performed for OIG by other Federal audit agencies.

⁷Amounts reflect \$873,161 in questioned costs and \$375,033 in unsupported costs for audits performed for OIG by other Federal audit agencies.

**Reports Issued for Comment but Not Responded to Within 60 Days
USAID
April 1–September 30, 2016**

Report Number	Title	Final Report Issued	Days Elapsed from Request for Comment on Draft	Reason
G-391-16-003-P	Competing Priorities Have Complicated USAID/ Pakistan's Efforts To Achieve Long-Term Development Under EPPA	9/8/16	65	The Agency requested an extension because the response to this complex report required coordination among several stakeholders beyond the mission, including the Office of Afghanistan and Pakistan Affairs, State Department components, and the USAID Administrator. OIG approved the extension. OIG approved this extension.
4-621-16-002-P	Results Reported for USAID/ Tanzania's Feed the Future Activities Are Unreliable	9/21/16	81	The mission requested additional time to draft and clear the management comments because key personnel were unavailable at post during part of the comment period and mission resources were needed to address another key mission priority. The regional inspector general's office was consulted and agreed with extending the due date for management comments.

**Significant Revisions of Management Decisions
USAID
April 1–September 30, 2016**

Section 5(a)(11) of the Inspector General Act of 1978, as amended, requires a description and explanation of the reasons for any significant revised management decisions during the reporting period.

Report Number	Title	Date of Original Management Decision	Date of Revised Management Decision	Reason
A-000-15-004-P	Audit of USAID's Federal Information Security Management Act of 2002 Action Plan	10/20/14	8/9/16	Recommendations 2 and 3: In response to our 2012 Federal Information Security Management Act (FISMA) audit, the Office of the Chief Information Officer (M/CIO) developed a 3-year FISMA Cybersecurity Roadmap and Work Plan that was designed to address root causes for the significant deficiency in the Agency's risk management program that was identified in the audit report than to address specific audit findings. Consequently, the Agency found it was not making significant progress in addressing individual audit report recommendations. Therefore, M/CIO decided to revise its management decision and replace the FISMA Cybersecurity Roadmap and Work Plan with a FISMA Compliance Charter. As part of the FISMA Compliance Charter, M/CIO obtained a dedicated Project Manager who was responsible for ensuring that actions taken to close the audit findings were valid and sufficient, prior to requesting their closure. OIG acknowledged USAID's revised management decisions.

**Significant Findings From Contract Audit Reports
USAID
April 1–September 30, 2016**

The National Defense Authorization Act for Fiscal Year 2008 (Public Law 110-181, section 845) requires inspectors general to submit information on contract audit reports, including grants and cooperative agreements, that contain significant audit findings in semiannual reports to the Congress.

The act defines "significant audit findings" to include unsupported, questioned, or disallowed costs in excess of \$10 million and other findings that the inspector general determines to be significant. During the reporting period, OIG had no significant findings of this kind from contract audit reports for USAID.

**Noncompliance With the Federal Financial Management Improvement Act of 1996
USAID
April 1–September 30, 2016**

Section 5(a)(13) of the Inspector General Act requires semiannual reports to include an update on issues outstanding under a remediation plan required by the Federal Financial Management Improvement Act of 1996 (FFMIA) (Public Law 104-208, Title VIII, codified at 31 U.S.C. 3512 note). FFMIA requires agencies to comply substantially with (1) Federal financial management system requirements, (2) Federal accounting standards, and (3) the U.S. Standard General Ledger at the transaction level. An agency that is not substantially compliant with FFMIA must prepare a remediation plan.

OIG has nothing to report this period.

SIGNIFICANT FINDINGS AND ACTIVITIES: MILLENNIUM CHALLENGE CORPORATION

The Millennium Challenge Corporation forms partnerships with some of the world's poorest countries and provides large-scale grants to them when they demonstrate that they are committed to good governance, economic freedom, and investment in their citizens. These grants fund country-led solutions for reducing poverty through sustainable economic growth.



A man walks along an underground pipe, part of the construction of a new wastewater line in Zarqa, Jordan. MCC had a 5-year, \$275 million compact with Jordan to invest in the country's water sector, including a major expansion to Jordan's largest wastewater treatment facility. Photo: MCC/Jake Lyell (November 26, 2013)

STRENGTHEN REFORM INCENTIVES AND ACCOUNTABILITY

Fund Accountability Statements

OIG reviews and approves fund accountability statement audits of compact funds under recipient government management. These audits are conducted by OIG-approved independent audit firms. Under the terms of MCC compacts, funds expended by a recipient country must be audited at least annually. The recipient country establishes an accountable entity, usually a Millennium Challenge account, that produces financial statements documenting account activity.

The selected audit firm issues an opinion on whether the fund accountability statement for the MCC-funded programs presents fairly, in all material respects, the program revenues and costs incurred and reimbursed, in conformity with the terms of the compact agreement and related supplemental agreements for the period being audited.

In addition, the audit firm is required to employ GAGAS in performing the audits. All Millennium Challenge account audit reports are reviewed, approved, and issued by OIG.

During this reporting period, OIG issued nine fund accountability statement audit reports, which made eight recommendations.

Unauthorized Changes to Materials and Design of MCC-Funded Olive Pressing Plant Leads to Further Inspections and UNOPS Investigation

An OIG investigation substantiated allegations of questionable billing by a Moroccan contractor, which built an olive processing unit funded by Morocco's Accountable Entity, known as the Agency of Partnership for Progress (APP). The investigation established that the contractor inappropriately billed for and was paid approximately \$209,000 for materials and services that it did not render, which represented 32 percent of the total value of the project. These billings did apply to the project; however, they represented technical and material changes that were never submitted to or approved by APP. The investigation also established that the United Nation's Office for the Project Services (UNOPS), which was contracted by APP to oversee the construction of the unit, approved the contractor's invoices knowing they were inaccurate. This information was provided to UNOPS and, in July 2016, UNOPS said it had initiated its own investigation to determine the level of involvement of its staff as well as to determine whether any additional companies contracted to construct other olive processing units under the program engaged in similar behavior. MCC advised that it will hire an independent engineer to review UNOPS's findings and determine whether any remedial actions are necessary.

MAXIMIZING INTERNAL EFFICIENCY AND PRODUCTIVITY

MCC's Implementation of Executive Order 13526, Classified National Security Information, Needs Strengthening

Report No. M-000-16-001-S

Under the Reducing Over-Classification Act, Public Law 111-258, Congress requires inspectors general to produce two reports on their agencies' compliance with classification policies, procedures, rules, and regulations. This review is the second of the two required reports by OIG for the Millennium Challenge Corporation. We issued the first, "Evaluation of Millennium Challenge Corporation's Implementation of Executive Order 13526, Classified National Security Information" (M-000-15-001-S), on December 18, 2014.

OIG conducted this review to identify policies, procedures, rules, regulations, or management practices that may be contributing to persistent misclassification of material at MCC; assess whether applicable classification policies, procedures, rules, and regulations have been adopted, followed, and effectively administered at MCC; and to determine whether MCC addressed recommendations OIG made in its previous report.

Although we did not find evidence of persistent misclassification of material at MCC, OIG found that MCC's classified national security information program does not fully meet the Federal requirements. Its program policies and procedures omit key requirements involving training, monitoring compliance, challenging classification, and fundamental guidance reviews. For example, MCC did not effectively conduct a self-inspection program in FY 2015, and some of the information submitted in required reporting to the National Archives and Records Administration's Information Security Oversight Office contained errors and inconsistencies. Further, MCC does not yet have a declassification policy although some of its classified board meeting transcripts and minutes had reached their declassification dates. The corporation does plan to create such a policy that will cover review procedures. In addition, MCC lacked documentation of key internal controls for managing classified information in the areas of derivatively classifying board meeting transcripts and minutes, accessing Department of State cables, and maintaining a security incident log. Lastly, OIG found that corrective actions were not implemented effectively by MCC for all of the first report's recommendations, which dealt with self-inspection reporting, original classification authority training compliance, and the adoption of training guidance.

OIG made one recommendation to MCC and its Domestic and International Security Division, in coordination with the Office of General Counsel, to implement a corrective action plan addressing OIG's review results. MCC agreed with our recommendation and described planned actions and completion dates to address it. MCC plans to complete all actions by September 30, 2017. OIG acknowledged MCC's management decision on this recommendation.

Risk Assessment of the Millennium Challenge Corporation's Charge Card Programs for Fiscal Year 2014

Report No. M-000-16-003-C

Under the Government Charge Card Abuse Prevention Act of 2012 (the Charge Card Act), Public Law 112-194, OIG is required to conduct periodic risk assessments of the agencies for which it provides oversight with respect to purchase card, travel card, centrally billed account, and convenience check programs to analyze the risks of illegal, improper, or erroneous purchases and payments. Based on the results of the risk assessment, OIG must then determine the scope, frequency, and number of periodic audits or reviews of government charge card programs. In addition, according to the Charge Card Act, inspectors general are required to conduct periodic audits or reviews of travel programs of their respective agencies with more than \$10 million in travel card spending.

OIG contracted with the independent certified public accounting firm of CliftonLarsonAllen, LLP, (Clifton) to conduct a risk assessment of MCC's purchase and travel card programs. The audit firm considered MCC purchase, travel, and fleet card programs' sizes, internal controls, training, reported violations, observation reviews, and limited sample testing in assessing the charge card programs' risks.

Clifton determined that overall risks for purchase card and fleet card purchases were low; it identified medium risks in the travel card program. The risk assessment report contained no recommendations but did include some exceptions. These involved reconciling charge card statements, making Prompt Payment Act payments, documenting disbursements, ensuring employees complete purchase card training promptly, and invalidating cards when employees are terminated.

Audit of the Millennium Challenge Corporation's Fiscal Year 2015 Compliance With the Improper Payments Elimination and Recovery Act of 2010

Report No. M-000-16-002-C

OIG contracted with the independent certified public accounting firm CliftonLarsonAllen, LLP, to conduct the audit of the MCC's compliance with the Improper Payments Elimination and Recovery Act (IPERA) for fiscal year 2015.

Clifton's audit determined that MCC did not comply with IPERA requirements. MCC did not completely report improper payments information in its FY 2015 agency financial report and its risk assessment was not fully completed, supported, or documented. As a result, Clifton was unable to determine whether the corporation's programs were susceptible to improper payments.

Clifton also found that MCC failed to meet reporting requirements by not addressing the payment recapture audit and providing inadequate information for the Do Not Pay initiative in its agency financial report.

To address the weaknesses noted in Clifton's report, OIG made eight recommendations to strengthen MCC's internal controls over improper payments. MCC agreed with all eight recommendations and made management decisions on all of them.

TABLES: MILLENNIUM CHALLENGE CORPORATION

Tables

The tables on the following pages provide information required by the Inspector General Act of 1978, as amended, and other congressional requirements. OIG has no information to report this period in the areas listed below:

- Incidents in which OIG was refused assistance or information
- Interference with OIG independence
- Reports issued for comment but not responded to within 60 days
- Reports over 6 months old with no management decision
- Significant management decisions with which the Inspector General disagrees
- Significant revisions of management decisions
- Significant findings from contract audit reports
- Noncompliance with the Federal Financial Management Improvement Act of 1996

**Financial Audits (IPERA) Conducted by Independent Public Accountants
Associated Questioned Costs, Unsupported Costs, and Value of
Recommendations That Funds Be Put to Better Use
MCC
April 1–September 30, 2016**

Report Number	Report Date	Report Title	Amt. of Findings (\$000)	Type of Findings
Programs and Operations				
M-000-16-002-C	5/13/16	Audit of the Millennium Challenge Corporations Fiscal Year 2015 Compliance With the Improper Payments Elimination and Recovery Act of 2010		

**Financial Audits (Including Audits Conducted by Independent Public Accountants)
Associated Questioned Costs, Unsupported Costs, and Value of
Recommendations That Funds Be Put to Better Use
MCC
April I–September 30, 2016**

Report Number	Report Date	Report Title	Amt. of Findings (\$000)	Type of Findings
MCA Audit and Reviews				
M-114-16-003-N	4/6/16	Audit of Millennium Challenge Corporation Resources Managed by Millennium Challenge Account–Georgia II Under the Compact Agreement Between MCC and the Government of Georgia from October 1, 2014, to March 31, 2015		
M-612-16-004-N	4/12/16	Audit of Millennium Challenge Corporation Resources Managed by Millennium Challenge Account–Malawi Under the Compact Agreement Between MCC and the Government of Malawi from April 1, 2015, to September 30, 2015		
M-685-16-005-N	6/17/16	Audit of Millennium Challenge Corporation Resources Managed by Millennium Challenge Account–Senegal Under the Compact Agreement Between MCC and the Republic of Senegal from April 1, 2014, to March 31, 2015		
M-117-16-006-N	6/21/16	Audit of Millennium Challenge Corporation Resources Managed by Millennium Challenge Account–Moldova Under the Compact Agreement Between MCC and the Government of Moldova from April 1, 2015, to November 30, 2015		
M-611-16-007-N	6/24/16	Audit of Millennium Challenge Corporation Resources Managed by Millennium Challenge Account–Zambia Under the Compact Agreement Between MCC and the Republic of Zambia from January 1, 2015, to December 31, 2015		
M-492-16-008-N	6/24/16	Audit of Millennium Challenge Corporation Resources Managed by Millennium Challenge Account–Philippines Under the Compact Agreement Between MCC and the Republic of the Philippines From April 1, 2015, to December 31, 2015		
M-497-16-009-N	9/13/16	Audit of Millennium Challenge Corporation Resources Managed by Millennium Challenge Account–Indonesia Under the Compact Agreement Between MCC and the Republic of Indonesia From October 1, 2014, to September 30, 2015		

**Financial Audits (Including Audits Conducted by Independent Public Accountants)
Associated Questioned Costs, Unsupported Costs, and Value of
Recommendations That Funds Be Put to Better Use
MCC
April 1–September 30, 2016**

Report Number	Report Date	Report Title	Amt. of Findings (\$000)	Type of Findings
M-117-16-010-N	9/20/16	Closeout Review of Millennium Challenge Corporation Resources Managed by Millennium Challenge Account–Moldova Under the Compact Agreement Between MCC and the Republic of Moldova from December 1, 2015, to December 30, 2015		
M-685-16-011-N	9/30/16	Audit of Millennium Challenge Corporation Resources Managed by Millennium Challenge Account–Senegal Under the Compact Agreement Between MCC and the Republic of Senegal From April 1, 2015, to January 8, 2016		

**Nonaudits (Quality Control Reviews) Conducted by OIG
Associated Questioned Costs, Unsupported Costs, and Value of
Recommendations That Funds Be Put to Better Use
MCC
April 1–September 30, 2016**

Report Number	Report Date	Report Title	Amt. of Findings (\$000)	Type of Findings
M-611-16-002-Q	9/19/16	Quality Control Review on KPMG, Audit of Millennium Challenge Corporation Resources Managed By Millennium Challenge Account–Zambia for the Period From July 1, 2014, to December 31, 2014		
M-278-16-003-Q	9/19/16	Quality Control Review on BDO, Audit of Millennium Challenge Resources Managed By Millennium Challenge Account–Jordan for the Period From January 1, 2013, to March 31, 2014		
M-655-16-004-Q	9/21/16	Quality Control Review on PricewaterhouseCoopers, Audit of Millennium Challenge Corporation Resources Managed By Millennium Challenge Account–Cabo Verde II for the Period From April 1, 2012, to March 31, 2014		
M-114-16-005-Q	9/21/16	Quality Control Review on Grant Thornton, Audit of Millennium Challenge Corporation Resources Managed By Millennium Challenge Account–Georgia II for the Period From July 13, 2012, to September 30, 2014		

**Nonaudits (Surveys, Assessments, and Reviews) Conducted by OIG
Associated Questioned Costs, Unsupported Costs, and Value of
Recommendations That Funds Be Put to Better Use
MCC
April 1–September 30, 2016**

Report Number	Report Date	Report Title	Amt. of Findings (\$000)	Type of Findings
Other				
M-000-16-001-S	9/30/16	MCC's Implementation of Executive Order 13526, Classified National Security Information, Needs Strengthening		

**Nonaudits (Risk Assessment) Conducted by Independent Public Accountants
Associated Questioned Costs, Unsupported Costs, and Value of
Recommendations That Funds Be Put to Better Use
MCC
April 1–September 30, 2016**

Report Number	Report Date	Report Title	Amt. of Findings (\$000)	Type of Findings
Other				
M-000-16-003-C	9/23/16	Risk Assessment of the Millennium Challenge Corporation's Charge Card Programs for Fiscal Year 2014		

SIGNIFICANT FINDINGS AND TABLES: UNITED STATES AFRICAN DEVELOPMENT FOUNDATION

USADF is an independent Federal agency established to support African-led development that grows community enterprises by providing seed capital and technical support.

Assessment of the United States African Development Foundation's Fiscal Year 2015 Government Charge Card Programs

Report No. 0-ADF-16-008-S

Under the Government Charge Card Abuse Prevention Act of 2012 (the Charge Card Act), Public Law 112-194, OIG is required to conduct periodic risk assessments of the agencies for which it provides oversight with respect to purchase card, travel card, centrally billed account, and convenience check programs to analyze the risks of illegal, improper, or erroneous purchases and payments. Based on the results of the risk assessment, the OIG must then determine the scope, frequency, and number of periodic audits or reviews of government charge card programs. In addition, according to the Charge Card Act, inspectors general are required to conduct periodic audits or reviews of travel programs of their respective agencies with more than \$10 million in travel card spending.

The objective of this risk assessment was to determine the level of risk of illegal, improper, or erroneous purchases and payments in USADF's government charge card programs. We assessed the level of risk as low for the following reasons.

Based on our understanding of the policies and procedures USADF management has implemented to issue charge cards, monitor spending, and comply with the reporting requirements of the Charge Card Act in effect during FY 2015, we found the required controls to be in place and effective.

Our review of USADF's charge card management plan for FY 2015 found that its submission was in accordance with OMB requirements. No open recommendations or any recommendations closed in FY 2015 relate to government charge card programs. Data on the amount of funds in FY 2015 showed that USADF did not exceed the \$10 million threshold, which would have triggered an automatic OIG review or audit of the travel card program.

Using our assessment, OIG decided not to conduct an audit or review of USADF's government charge card programs at this time. After the close of the fiscal year, we will perform a risk assessment of the FY 2016 transactions and at that time will reevaluate whether to perform an audit of USADF's Government charge cards.

Tables

The tables on the following page provide information required by the Inspector General Act of 1978, as amended, and other congressional requirements. OIG has no information to report in this period in the areas listed below:

- Incidents in which OIG was refused assistance or information
- Interference with OIG independence
- Reports issued for comment but not responded to within 60 days
- Reports over 6 months old with no management decision
- Significant management decisions with which the Inspector General disagrees
- Significant recommendations described previously without final action
- Significant revisions of management decisions
- Significant findings from contract audit reports
- Noncompliance with the Federal Financial Management Improvement Act of 1996

**Nonaudits (Surveys, Assessments, and Reviews) Conducted by OIG
Associated Questioned Costs, Unsupported Costs, and Value of
Recommendations That Funds Be Put to Better Use
USADF
April 1–September 30, 2016**

Report Number	Report Date	Report Title	Amt. of Findings (\$000)	Type of Findings
0-ADF-16-008-S	8/31/16	Assessment of the United States African Development Foundation's Fiscal Year 2015 Government Charge Card Programs		

**Significant Recommendations Described Previously Without Final Action
USADF
as of September 30, 2016**

Report Number	Report Title	Report Date	Rec. No.	Management Decision Date	Final Action Target Date
A-ADF-16-002-P	Audit of the U.S. African Development Foundation's Fiscal Year 2015 Compliance With the Federal Information Security Management Act of 2002, as Amended	11/13/15	3	11/13/15	6/30/17
			4	11/13/15	6/30/17
			5	11/13/15	7/15/17

SIGNIFICANT FINDINGS AND TABLES: INTER-AMERICAN FOUNDATION

IAF is an independent U.S. Government agency created to provide development assistance in Latin America and the Caribbean. IAF provides grant support for creative ideas for self-help received from grassroots groups and NGOs, while encouraging partnerships among community organizations, businesses, and local governments that are working to improve the quality of life for poor people and strengthen democratic practices.

Assessment of the Inter-American Foundation's Fiscal Year 2015 Government Charge Card Program

Report No. 0-IAF-16-007-S

Under the Government Charge Card Abuse Prevention Act of 2012 (the Charge Card Act), Public Law 112-194, OIG is required to conduct periodic risk assessments of the agencies for which it provides oversight with respect to purchase card, travel card, centrally billed account, and convenience check programs to analyze the risks of illegal, improper, or erroneous purchases and payments. Based on the results of the risk assessment, the OIG must then determine the scope, frequency, and number of periodic audits or reviews of government charge card programs. In addition, according to the Charge Card Act, inspectors general are required to conduct periodic audits or reviews of travel programs of their respective agencies with more than \$10 million in travel card spending.

The objective of this risk assessment was to determine the level of risk of illegal, improper, or erroneous purchases and payments in IAF's government charge card programs. We assessed the level of risk as low for the following reasons.

Based on our understanding of the policies and procedures IAF management has implemented to issue charge cards, monitor spending, and comply with the reporting requirements of the Charge Card Act in effect during FY 2015, we found the required controls to be in place and effective.

Our review of IAF's charge card management plan for FY 2015 found that it was submitted in accordance with OMB requirements. No open recommendations or any recommendations closed in FY 2015 were related to government charge card programs. Data on the amount of funds spent in FY 2015 showed that IAF did not exceed the \$10 million threshold, which would have triggered an automatic OIG review or audit of the travel card program.

Using our assessment, we decided not to conduct an audit or review of IAF's government charge card programs at this time. After the close of the fiscal year, we will perform a risk assessment of the FY 2016 transactions and at that time will reevaluate whether to perform an audit of IAF's government charge cards.

Tables

The tables on the following page provide information required by the Inspector General Act of 1978, as amended, and other congressional requirements. OIG has no information to report in this period in the areas listed below:

- Incidents in which OIG was refused assistance or information
- Interference with OIG independence
- Reports with questioned and unsupported costs
- Reports with recommendations that funds be put to better use
- Reports issued for comment but not responded to within 60 days
- Reports over 6 months old with no management decision
- Significant management decisions with which the Inspector General disagrees
- Significant recommendations described previously without final action
- Significant revisions of management decisions
- Significant findings from contract audit reports
- Noncompliance with the Federal Financial Management Improvement Act of 1996

**Nonaudits (Surveys, Assessments, and Reviews) Conducted by OIG
Associated Questioned Costs, Unsupported Costs, and Value of
Recommendations That Funds Be Put to Better Use
IAF
April 1, 2016–September 30, 2016**

Report Number	Report Date	Report Title	Amt. of Findings (\$000)	Type of Findings
0-IAF-16-007-S	8/31/16	Assessment of the Inter-American Foundation's Fiscal Year 2015 Government Charge Card Programs		

**Significant Recommendations Described Previously Without Final Action
IAF
as of September 30, 2016**

Report Number	Report Title	Report Date	Rec. No.	Management Decision Date	Final Action Target Date
I-IAF-16-002-P	Audit of Inter-American Foundation Activities in Brazil and El Salvador	11/9/15	3	11/9/15	3/30/17

SIGNIFICANT FINDINGS AND TABLE: OVERSEAS PRIVATE INVESTMENT CORPORATION

OPIC is an independent U.S. Government corporation that mobilizes private capital to achieve social and economic development in developing countries while advancing U.S. foreign policy. It works with the private sector to help U.S. businesses gain footholds in emerging markets by promoting increased revenues, jobs, and growth opportunities at home and abroad. Operating in more than 160 countries, OPIC provides financing, guarantees, political risk insurance, and support for private equity investment funds.

OIG provides some oversight of OPIC under 22 U.S.C. 2199(e). In addition, Senate Report 114-79, which accompanied the Department of State, Foreign Operations, and Related Programs Appropriations Bill for 2016, directed OPIC to (1) enter into an agreement with USAID OIG, (2) allocate funding to support a mutually agreed-upon oversight plan, and (3) reimburse OIG for costs related to oversight and audit functions. This language was later endorsed in the Explanatory Statement accompanying the Consolidated Appropriations Act, 2016.

Assessment of the Overseas Private Investment Corporation's Fiscal Year 2015 Government Charge Card Programs

Report No. 0-OPC-16-006-S

Under the Government Charge Card Abuse Prevention Act of 2012 (the Charge Card Act), Public Law 112-194, OIG is required to conduct periodic risk assessments of the agencies for which it provides oversight with respect to purchase card, travel card, centrally billed account, and convenience check programs to analyze the risks of illegal, improper, or erroneous purchases and payments. Based on the results of the risk assessment, the OIG must then determine the scope, frequency, and number of periodic audits or reviews of government charge card programs. In addition, according to the Charge Card Act, inspectors general are required to conduct periodic audits or reviews of travel programs of their respective agencies with more than \$10 million in travel card spending.

The objective of this risk assessment was to determine the level of risk of illegal, improper, or erroneous purchases and payments in OPIC's government charge card programs. We assessed the level as low for the following reasons.

Based on our understanding of the policies and procedures OPIC management has implemented to issue charge cards, monitor spending, and comply with the reporting requirements of the Charge Card Act in effect during FY 2015, we found the required controls to be in place and effective.

No open recommendations or any recommendations closed in FY 2015 were related to government charge card programs. Data on the amount of funds spent in FY 2015 showed that OPIC did not

exceed the \$10 million threshold, which would have triggered an automatic OIG review or audit of the travel card program.

However, OIG noted that the FY 2015 OPIC purchase and travel card management plans did not include all of the elements required by A-123 Appendix B, “Improving the Management of Government Charge Card Programs,” and OMB M-13-21, “Implementation of the Government Charge Card Abuse Prevention Act of 2012.” Therefore, OIG suggested that future OPIC purchase and travel card management plans include all of the elements required by A-123 Appendix B and OMB M-13-21.

Using our assessment, we decided not to conduct an audit or review of OPIC’s government charge card programs at this time. After the close of the fiscal year, we will perform a risk assessment of the FY 2016 transactions and at that time will reevaluate whether an audit or review of the programs should be performed.

Tables

The tables on the following pages provide information required by the Inspector General Act of 1978, as amended, and other congressional requirements. OIG has no information to report in this period in the areas listed below:

- Incidents in which OIG was refused assistance or information
- Interference with OIG independence
- Performance audits with associated questioned costs, unsupported costs, or recommendations that funds be put to better use
- Financial audits with associated questioned costs, unsupported costs, or recommendations that funds be put to better use
- Reports issued for comment but not responded to within 60 days
- Significant recommendations described previously without final action
- Significant revisions of management decisions
- Significant findings from contract audits
- Reports with questioned or unsupported costs
- Reports with recommendations that funds be put to better use
- Noncompliance with the Federal Financial Management Improvement Act of 1996

**Nonaudits (Surveys, Assessments, and Reviews) Conducted by OIG
Associated Questioned Costs, Unsupported Costs, and Value of
Recommendations That Funds Be Put to Better Use
OPIC
April 1–September 30, 2016**

Report Number	Report Date	Report Title	Amt. of Findings (\$000)	Type of Findings
0-OPC-16-006-S	8/31/16	Assessment of the Overseas Private Investment Corporation's Fiscal Year 2015 Government Charge Card Programs		

PEER REVIEWS

The Dodd-Frank Wall Street Reform and Consumer Protection Act (Public Law 111-203) requires Federal inspectors general to report on results of peer reviews in their semiannual reports.

Audit

USAID OIG received an external peer review rating of pass with deficiencies, as noted in the final report issued June 29, 2016. Except for the deficiencies noted in the report, the peer review concluded that the system of quality control for the audit organization of USAID OIG in effect for the 3-year period ending March 31, 2015, has been suitably designed and complied with to provide USAID OIG with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects.

From the peer review, 28 recommendations were made to help resolve the identified deficiencies. As of September 30, 2016, 16 of those recommendations (or 57 percent) have been resolved. We intend to resolve all recommendations by June 30, 2017. The unresolved recommendations are detailed below.

Outstanding System Review Report Recommendations

Recommendation 1. USAID OIG should evaluate the GAGAS impact of the identified independence threat for noted Audit Reports 7-675-15-003-P, “Audit of USAID/Guinea’s Systems for Ensuring Appropriate Audit Oversight of Funded Programs,” and 7-685-15-001-P, “Audit of USAID/Senegal’s Systems for Ensuring Appropriate Audit Oversight of Funded Programs” and implement corrective actions to meet GAGAS 3.36.

Status: The independence threat (both perceived and actual) to the two audits identified above are being evaluated by the OIG’s policy division. The results of this evaluation will be documented and any necessary corrective action will be implemented.

Recommendation 2. USAID OIG should fully implement and document the GAGAS Conceptual Framework Approach to Independence for all engagements and nonaudit services as defined by GAGAS.

Status: OIG’s Audit Procedures Handbook, part II, chapter I, section O, clearly establishes the required procedures for assessing and documenting OIG independence for all engagements and nonaudit services as defined by GAGAS. We will incorporate an independence risk assessment into the assessment of the entire non-Federal audit program currently being conducted.

Recommendation 4. USAID OIG should have USAID affirmatively state that Guidelines For Financial Audits Contracted By Foreign Recipients document is a USAID directive and not refer to it as OIG's guidance.

Status: We are conducting a risk assessment of the entire non-Federal audit program, which will include revising the guidelines to break from Agency processes and give foreign audit firms a more focused technical document on how to perform audits in accordance with auditing standards.

Recommendation 5. USAID OIG should not require USAID fund recipients to use vendors from an USAID OIG list of approved vendors.

Status: We are conducting a risk assessment of the entire non-Federal audit program and processes, including how qualified vendors are identified, and then determine what necessary action to take.

Recommendation 8. Implement procedures to ensure auditors properly document sampling methodologies, what should be documented when voluminous records are reviewed with noted exceptions, and significant judgments made during the audit, including judgments related to planning, performing, and reporting.

Status: The two issues noted here were (1) concerns with significant decisions and other conclusions not being supported during the reviewer's check on referencing (pp. 11-13/40 of the System Review Report) and (2) no documentation of significant professional judgements related to the level of work necessary to review an independent public accounting firm's work. The first issue has been addressed through the clarified policies for the referencing process and referencer responsibilities. The second issue will be addressed by the newly drafted controls surrounding the use of independent public accounting firms, which has been drafted and is undergoing supervisory review.

Recommendation 10. Develop and implement procedures to ensure audit teams properly evaluate, document, and disclose reasons for omitting certain pertinent information from publicly released reports.

Status: A policy addressing this issue has been drafted and is undergoing supervisory review.

Outstanding Letter of Comment Recommendations

Recommendation 4. USAID OIG should revise its conceptual framework policy to explicitly state who is required to complete and document in TeamMate the independence assessment checklist for each engagement. In addition, USAID OIG should provide additional training on its independence policy and associated documentation requirements.

Status: A revised policy addressing this was issued August 30, 2016. This subject will be incorporated in the FY 2017 training and provided to all audit staff by June 30, 2017.

Recommendation 5. USAID OIG should reinforce its policies and procedures for documenting testimonial evidence, including evaluating the objectivity, credibility, and reliability of the evidence to ensure that the evidence is attributed to the appropriate source.

Status: A revised policy addressing this was issued August 30, 2016. This subject will be incorporated in FY 2017 training and provided to all audit staff by June 30, 2017.

Recommendation 8. USAID OIG should provide additional referencing training related to appropriately reindexing and rereferencing report changes and satisfactorily verifying audit documentation.

Status: The referencing process has been fundamentally changed to improve the quality control function and mitigate identified weaknesses. Training is being developed for delivery to audit staff tasked with fulfilling this crucial quality control function.

Recommendation 10. USAID OIG should ensure significant deficiencies and compliance conclusions are clearly reported in accordance with applicable standards and regulations.

Status: We are evaluating the appropriate steps needed to clearly report significant deficiencies and compliance conclusions in accordance with applicable standards and regulations.

Recommendation 11. USAID OIG should ensure appropriate language is used in the report to accurately reflect auditor responsibilities.

Status: We are evaluating the appropriate steps needed to ensure appropriate language is used in the report to accurately reflect auditor responsibilities.

Recommendation 15. USAID OIG should assess whether it needs to develop additional policies and procedures related to independent public accounting firms' monitoring of performance audits. Based on this assessment, USAID OIG needs to update its policies and procedures to incorporate those additional sections.

Status: A policy addressing this issue has been drafted and is undergoing supervisory review.

Investigations

During the current reporting period, there were no peer reviews conducted of the USAID Office of Investigations, and there are no outstanding recommendations from previous reviews.

The most recent peer review, conducted by the Nuclear Regulatory Commission OIG in April 2014, found the Office of Investigations to be in full compliance with the Council of Inspectors General for Integrity and Efficiency Quality Standards for Investigations. As a result of the review, the commission OIG made three recommendations; two were resolved previously. The third, that the Criminal Investigations Manual be revised to update obsolete positions, practices, and procedures, was resolved by September 30, 2016.

COMMON ABBREVIATIONS

BU	funds recommended to be put to better use
CDC	Centers for Disease Control and Prevention
DCAA	Defense Contract Audit Agency
DoD	Department of Defense
DOS	Department of State
EPPA	Enhanced Partnership with Pakistan Act of 2009
FISMA	Federal Information Security Management Act of 2002
FY	fiscal year
GAGAS	generally accepted government auditing standards
HHS	Department of Health and Human Services
IAF	Inter-American Foundation
MCC	Millennium Challenge Corporation
NGO	nongovernmental organization
OFDA	Office of U.S. Foreign Disaster Assistance
OIG	Office of Inspector General
OPIC	Overseas Private Investment Corporation
OMB	Office of Management and Budget
PMI	President's Malaria Initiative
QC	questioned costs
SAI	supreme audit institution
UN	unsupported costs
USADF	U.S. African Development Foundation
USAID	U.S. Agency for International Development

**Office of Inspector General
United States Agency for International Development
1300 Pennsylvania Avenue NW
Room 6.6.D
Washington, DC 20523
oig.usaid.gov**