

# Getting to Know OAA, OFM, & OIG

4th Annual Global Health Local Partner Meeting 17 November 2022

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## **Working with USAID**

### 4th Annual Global Health Local Partner Meeting

Rachel Chilton, USAID/OAA



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#### **New to USAID?** Start here.

A resource hub designed for new, current, and future local and international partners to navigate how to work with USAID.







### **Partner Directory**



FIND POTENTIAL PARTNERS

#### What is the **Partner Directory?**

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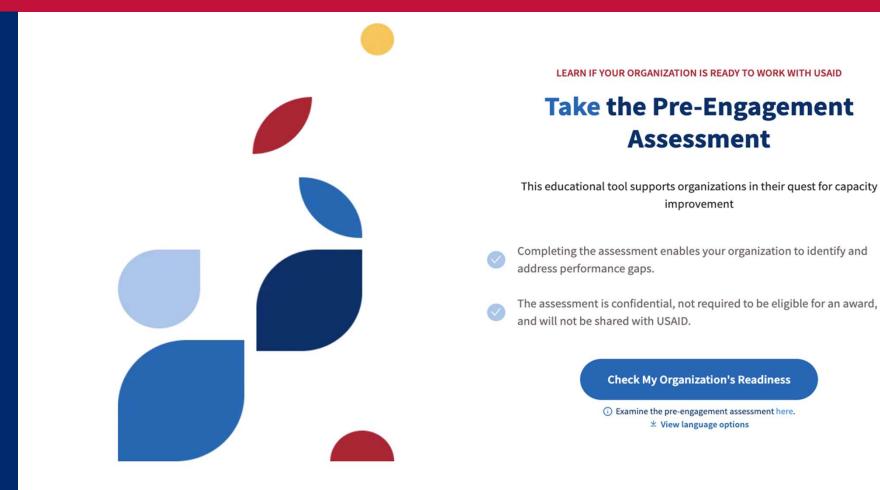
The Partner Directory is a listing of development organizations working to make sustainable changes in their communities and around the world.

Explore the directory to expand your network and discover potential partners in different countries and sectors.

You can browse the profiles of a wide range of organizations, learn more about their work, and obtain their contact information.



### **Pre-Engagement Assessment**





## Library

#### 🥝 Library

S ALL RESOURCES

MY RESOURCES

#### Featured by our curators



#### DOCUMENT

#### How to Work with USAID: Effectively Responding to USAID ...

#### PROPOSAL AND CONCEPT PAPER WRITING

This training module has the best practices for drafting an RFP response. After watching, you'll understand the various parts of a response, know how to develop a time-conscious approach, and be familiar with the evaluation process.

by: USAID — 30 min read







#### TRAINING/COURSES

by: COURSERA

#### Proposal-Writing Training Manual for CBOs and NGOs

PROPOSAL AND CONCEPT PAPER WRITING

by: INTERNATIONAL RESCUE COMMITTEE



### **Events**

#### Bringing people together with USAID Events

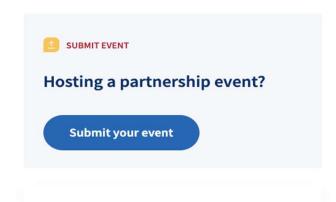


#### Nov 9, 2022 • Nov 18, 2022

#### Posner Center Symposium: "Decolonizing: Beyond the Buzz"

Join the Posner Center from 9-18 November 2022 as they convene global and local development leaders, practitioners, researchers, ac...

Online event





### News & Insights

#### News & Insights Blog





FEATURED POSTS

#### Advancing Localization One Click at a Time



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Join our LinkedIn group: <u>Work with USAID</u>

Visit <u>WorkwithUSAID.org</u> to navigate the USAID partnership process



# Thank you!



## Demystifying OAA An Introduction to the Office of Acquisition and Assistance 4th Annual Global Health Local Partner Meeting 17 November 2022 Vann Rolfson



#### Who is the Office of Acquisition and Assistance?



- Washington Management Bureau/Office of Acquisition and Assistance (M/OAA)
- Overseas Missions Office of Acquisitions and Assistance(OAA)/ Regional Office of Acquisitions and Assistance (ROAA)



#### Where are USAIDs OAAs?





#### What are key roles within OAA?

- Agreement Officer/Contracting Officer (AO/CO)
  - Authorized via a warrant from USAID to enter into, administer, terminate, and close out assistance agreements and contracts
- A&A Specialist/ Contract Specialist/ Negotiator
  - Supports the AO/CO, providing guidance throughout the process to initiate, administer, terminate, and close out



#### What does an OAA look like?





### What is an AOR/COR?

- Agreement Officer's Representative (AOR)/ Contracting Officer's Representative (COR)
  - Designated by the AO/CO
  - Delegated Authorities
    - Give technical direction/guidance,
    - Receive and inspect completed services or supplies upon delivery,
    - Monitor Government-furnished property,
    - Review and approve IP requests for payment,
- AOR/CORs may not make changes to the award.
  - Avoid unauthorized commitments!



#### What does OAA expect of you?

- Read and become familiar with your award.
- Ask questions to ensure understanding.
- When requesting approvals identify the section of the award requiring the approval.
- Read and understand the AOR/COR Designation Letter.
- When bad things happen, communicate with AOR/COR and OAA as early as possible.



## Thank you!



## Basic Financial Management Standards for Local Partners

Joaquim Govanhica USAID/Mozambique



## Content

- 1) Minimum standards for recipients' financial management systems
- 1) Payments and financial reporting requirements
- 1) FAQs
- 1) Q&A



#### Minimum Standards for a Recipient's Financial Management Systems

- Structure that allows proper segregation of duties in the Accounting, Finance & Admin/Operations (organogram with reporting lines and job description for each staff).
- Qualified & Experienced Accounting, Finance & Admin/Operations staff.
- Written/documented policy manuals for maintaining standard operating procedures (SOP) and best/actual practices.



#### Minimum Standards for a Recipient's Financial Management Systems

- Complete documentation and disclosure of all financial transactions:
  - Was the transaction planned for or budgeted (Necessary/allowable/allocable)?
  - Is there an approved request for the transaction?
  - Did the transaction follow laid down procurement process (Reasonable/value for money economy, efficiency & effectiveness)?
  - Was a local purchase order (LPO) or any other signed contract issued?
  - Was the transaction related goods/services received as requested Goods Received Note?
  - Was the transaction payment request appropriately coded and classified?
  - Was the transaction payment voucher appropriately, reviewed, approved by relevant/appropriate authority before payment (check/digital)?
  - Was the transaction payment voucher recorded, posted in the accounting system and filed appropriately?



#### Minimum Standards for a Recipient's Financial Management Systems (cont'd)

- Maintaining accurate accounting records that identify adequately the source and application of funds on project-by-project basis.
- Effective and strong internal control system and accountability for all funds, property and assets to avoid waste, abuse, misapplication and fraud.
- Reconciliation of bank accounts and other receivables/payables as part of check and balances before the closure of monthly accounting statements.



# Minimum Standards for a Recipient's Financial Management Systems (cont'd)

- Comparison of actuals with budget for each grant activity (budget tracking).
- Accounting systems that can produce financial statements at both project and organizational-wide levels.
- Compliance with relevant laws/regulations (PAYE, WHT, Pension, NHS etc)



#### Minimum Standards for a Recipient's Financial Management Systems (cont'd)

List of basic files that should be maintained

- Original Grant/Corporative Agreement/Contract files and amendments
- Voucher and/or payment document files
- Personnel files
- Purchase order and contract files
- Financial policies and procedures manuals
- Audit and financial review files
- Budgets and their modifications
- Financial reports



#### Payment and Financial Reporting Requirements: Standard Forms

Report	Content / Use – What to Report	Frequency – When to Report	Receiver / Recipient
SF425 – Federal Financial Report	<ul> <li>Cumulative reporting of obligations and expenditures</li> <li>Amounts must be the same with Quarterly Program Reports</li> </ul>	Submitted not later than 30 days after the end of each reporting period as indicated on award document e.g., quarterly, semi-annually or annually	<ul> <li>Original copy to the AOR and cc Financial Analysts</li> </ul>
SF 1034 – Public Voucher for Purchases and Services Other Than Personal	<ul> <li>For advances, re-imbursements of allowable expenditures; and</li> <li>For requesting and liquidation of advances</li> </ul>	<ul> <li>As required, usually monthly</li> <li>For advance liquidation, it must not be more than 30 days after receipt of the advance</li> </ul>	<ul> <li>Submit electronically to the email address indicated in the award</li> <li>Copy AOR and FA</li> </ul>



Payment and Financial Reporting Requirements: Advances and Liquidation

- Methods of advancing funds (ADS 636)

   Periodic Treasury Check/Automated Clearing House (ACH) or Electronic Funds Transfer (EFT)
- Standard forms used for periodic EFT advance  $_{\odot}$  SF 1034
- Advance supporting documents

   Monthly budget aligned with approved workplan
   Report of Expenditure and Advance Control



Payment and Financial Reporting Requirements: Adv. and Liq. (cont'd)

#### Amount of advance

- For EFT, not more than 30 days cash needs. Use the Report of Expenditure and Advance Control template to calculate your cash need.
- Recipients can submit three-months cash need broken into 30 days cash needs.
- Each advance request amount should be supported with adequate budget in line with approved workplan budget.



# Payment and Financial Reporting Requirements: Adv. and Liq. (cont'd)

- Liquidations of advances
  - $_{\odot}$  EFT Advances become due 30 days after the initial 30 days immediate cash needs
  - EFT Advances are liquidated with SF 1034 supported with necessary documentation of actual amount expended with the budget tracker
- Penalties for late liquidations or outstanding advances beyond the 30 days needs
  - Inability to secure further advances
  - Issuance of a Bill for Collection for refund of outstanding advance with interest



Payment and Financial Reporting Requirements: Adv. and Liq. (cont'd)

- Causes of late liquidation or outstanding advances beyond the 30-day cash needs
  - Inadequate procurement planning and cash flow management
  - Excessive advance requests
  - Inadequate management of advances to sub-recipients
     by prime recipients



1) Bank currently charge COT and VAT, and IPs are having problems getting zero COT or getting away from VAT payment.

USG funds for foreign assistance are exempted from all taxes imposed by host government. Copy of tax exemption from the Federal Ministry of Finance is usually provided to recipients.

2) What should be an appropriate per diem to be applied to USAID projects or trainings conducted and funded with USAID funds?

The Recipient must apply its own per diem policy. Per diem rates are required not to exceed those established by USAID or applicable in USAID. The objective of per diem is not to make money during travel status but to enable employees/contractors have reasonable lodging and meals/incidentals during periods of travel for official business. The traveler is required to be prudent and exercise reasonableness in conducting US government business.



3) Can the financial unit of an NGO directly communicate with USAID OFM without going through AORs/CORs? The financial unit of an NGO can seek clarifications or financial directions from USAID OFM copying the AOR on the conversation. In the case of invoice submission, the invoices should be sent directly to email address as stipulated in the award and copy AOR and FA. In the case of implementation of audit/review recommendations, the organization can directly contact OFM copying AOR. In other instances, we recommend that they go through the AOR/COR and communicate with the respective Financial Analyst assigned to that program area.

4) There is a common feeling that USAID programs are entities of their own.

Please note that the award is between Recipients and USAID. Activities/projects are not an entity on their own and so do not have any legal status.



5) Many non-governmental organizations have tendencies to institute policies and procedures for the USAID specific award, which they are managing. Is this approach correct?

No. This is a misconception by some NGOs. The Recipient is expected to have its policies and procedures. These are the documents that are made available during pre-award surveys; USAID only confirms that they do not contradict conventional practices or contain activities/transactions that cannot be funded with USG funds. It is not required to have a specific set of operational manuals for USAID projects. This is because the recipient organization is the entity that has a relationship with USAID

6) Can we have software installed to track the USAID project costs and have a different one for the organization.

USAID does not encourage the installation of more than one accounting system for one organization but recommends the development of good chart of accounts that can effectively track costs and make reporting easy.



7) What is the difference between SF 1034 and SF 425? SF 1034 is used for filing claims and can be submitted anytime while SF 425 is submitted periodically, usually quarterly, and shows financial status of the organization in terms of the award being managed. It is different from the organization's overall financial position, which will be the end of year financial statements as reported in the annual audit report.



8) What is cost share and matching contributions? Cost share or matching refers to the resources a recipient contributes to the total cost of an agreement. It becomes a condition of the award when it is part of the approved budget. Cost share requirements can be satisfied by both cash and in-kind contributions as specified in the Agreement



#### 9) How do I complete SF 425 reports?

Check latest instructions at: <u>https://apply07.grants.gov/apply/forms/sample/SF425-</u> V1.0.pdf

Check overleaf for available instructions as of date



### Thank You! Questions???







# **USAID OIG OVERVIEW**

SA Jessica Abenstein & Auditor Ismail Kenessy Africa Regional Office Pretoria, South Africa



### **Overview Outline**:

- Office of Inspector General Purpose & Responsibilities
- Non-Federal Audit (NFA) Program
- Health Performance Audits
- Office of Investigations



### The Office of Inspector General

## The Inspector General is a Senate-confirmed presidential appointee. (Currently we have an Acting IG.)

The IG has <u>independent</u> authority and discretion to direct what the OIG audits and/or investigates, pursuant to the IG Act.

The IG has oversight authority to audit or investigate USAID, MCC, IAF, and ADF.

The IG may report OIG findings directly to Congress, the President, agency heads, and/or the American people as appropriate.



Acting Deputy Inspector General Nicole Angarella (Nominated for the Inspector General)



#### Role of OIG in the Non-Federal Audit (NFA) Program

• The IG Act requires that IGs take appropriate steps to assure that any work performed by non-Federal auditors complies with GAGAS



# OIG meets this responsibility in two ways:

- 1) by performing desk reviews of the audit reports issued by others, which have been contracted for by either the cognizant federal agency, or the recipient of agency funds, and then issuing a transmittal memo to the agency indicating no assurance on the audit work itself;
- 1) by performing quality control reviews of the workpapers that support those audit reports issued by others.



### **OIG NFA Process**

- USAID Guidelines (ADS 591 maa) and GAGAS.
- Desk review threshold \$750,000 (annual amount)
- USAID Missions responsible for list of eligible audit firms
- OIG only accepts final audit reports from cognizant Mission after their review of the audit report.
- Cognizant Mission responsible for action on recommendations and USAID/M/CFO/APC are still responsible for closure of recommendations.



### **Financial Findings**

- Questioned Costs
- Internal Control
- Compliance



### Sample Questioned Cost findings

- Travel, food, and utility costs incurred outside the agreement period.
- Personnel costs not supported by timesheets.
- Fringe benefits not in accordance with the organization's human resource policies.
- Procurement not adequately supported with quotations.
- Subrecipient's unsupported costs.
- Payments of Value Added Tax (VAT) by the recipients.
- Interest received not remitted to USAID.



### Common Internal Control Findings

- Standard Purchase Requisition Form / Purchase Order Form / Goods Receipt Form not in use.
- Lack of internal control policy on the proper use & care of the recipient's motor vehicles.
- Lack of segregation of duties.
- Payment vouchers and related vouchers not stamped "PAID"
- Unsupported reimbursements of field executive expenses.
- Not requiring at least two signatures on cheques.
- Inventory of non-expendable equipment not updated.
- Record keeping/ accounting systems weaknesses



### Common Instances of Noncompliance

- Operational advances not kept in interest-bearing accounts.
- Payments of various taxes explicitly prohibited by the terms of the agreement.
- Payment vouchers without adequate supporting documents.
- Foreign travel without prior approval by the agreement officer.
- Noncompliance with procurement policies.
- Noncompliance to reporting requirements.
- Noncompliance with anti-terrorism requirements.
- Indirect cost incorrectly calculated or charged above the allowable rate.
- Lack of closeout procedures when required



#### Performance Audits in Health Audit of Local Partner Initiatives for PEPFAR in Africa

Report issued December 13, 2021 "PEPFAR in Africa: USAID Expanded the Use of Local Partners but Should Reassess Local Partner Capacity to Meet Funding Goals"

#### **Recommendations:**

- 1. Assess country-specific capacity needs for local partners and develop a plan to address critical capacity gaps to inform an updated analysis of risks and mission-level local partner funding goals for the U.S. President's Emergency Plan for AIDS Relief.
- 2. Develop and implement a plan to update mission-level local partner funding goals for future U.S. President's Emergency Plan for AIDS Relief funding at its critical missions considering the Agency's current progress, the COVID-19 operating environment, and the Office of the U.S. Global AIDS Coordinator and Health Diplomacy's intentions for the local partner initiative.



#### Audit of Data Quality in Selected USAID/Africa PEFAR Programs

Report issued September 14, 2022 "PEPFAR in Africa: USAID Can Take Additional Steps to Improve Controls Over Data Quality"

#### **Recommendations:**

- 1. Develop detailed guidance to ensure that PEPFAR DATIM quality control measures at missions are welldocumented and applied consistently.
- 2. Develop detailed guidance to ensure that Missions document compliance with Agency requirements on how to respond when PEPFAR interagency DQAs are not performed, or reports are not received.
- 3. Develop detailed guidance to ensure that PEPFAR RDQAs conducted by implementing partners at missions cross-reference databases to other sources, are provided to the appropriate USAID officials, and include controls for oversight of the process.



### The Office of Investigations

**Jurisdiction** 

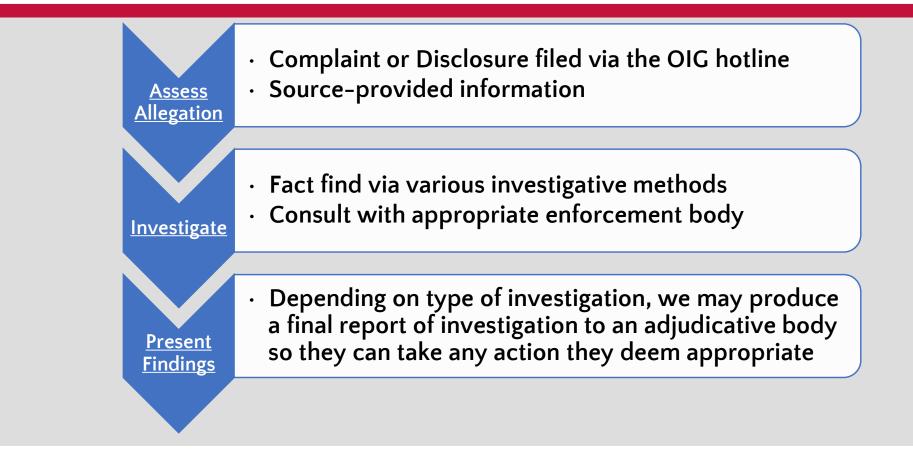
OIG has broad investigative jurisdiction into allegations of criminal conduct and serious noncriminal misconduct affecting or relating to USAID, MCC, IAF, and ADF programs, operations, and personnel.

**Authority** 

OIG Special Agents have statutory federal law enforcement authority pursuant to the Inspector General Act of 1978 as amended. It is a Federal crime to lie to OIG Special Agents.

OIG Special Agents are independent fact finders.







#### **CRIMINAL INVESTIGATION**

Violations of U.S. criminal statutes.

Usually requires an element of intent (the subject didn't just make a mistake).

#### **CIVIL INVESTIGATION**

The U.S. is seeking monetary penalties for wrongdoing. May run concurrent or parallel to an ongoing criminal investigation. Lower burden of proof (reckless disregard) than a criminal matter.

#### ADMINISTRATIVE CONSEQUENCES

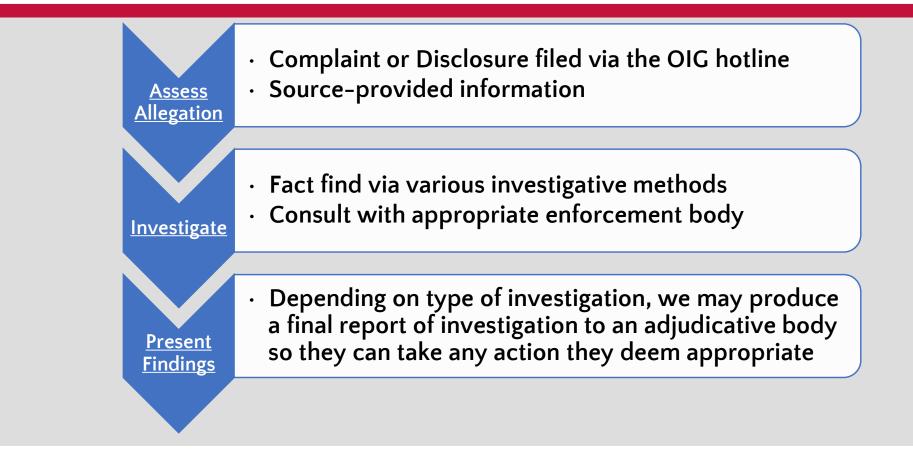
OIG fact-finding may result in the Agency taking administrative actions (bill of collection, award termination, personnel action, or Suspension/Debarment). May run concurrent or parallel to an ongoing criminal or civil investigation. Lower burden of proof than a criminal matter.



#### FRAUD SCHEMES:

- Fictitious or ineligible recipients/beneficiaries
  - Procurement Fraud
    - Cost mischarging
  - Theft/embezzlement
    - Public Corruption



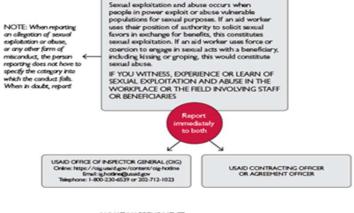




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#### USAID STAFF & IMPLEMENTING PARTNER REPORTING OF SEXUAL EXPLOITATION AND ABUSE

#### Reporting Obligations for Sexual Exploitation and Abuse (SEA)



#### WHAT HAPPENS NEXT?

- USAID may direct partners to take specific steps to address an actual or alleged violation, and may impose special conditions or take other remedial actions.
   Where implementing partner employees are involved, partners must consult with the Mission Director on a course of action, and the Ambassador may direct the
- course of action, and the Ambassador may direct the removal of a U.S. citizen from the country and require termination of any employee from an award. • OIG may also investigate and take action.

NOTE: This flow chart is for informational purposes only. Implementing partners should always look to the terms and conditors of their awards and follow supplementary Agency guitance.



Employee of a contractor, subcontractor, grantee, or subgrantee, or a PSC

May not be discharged, demoted, or otherwise discriminated against

As a reprisal for making a protected disclosure



### **Protected Disclosures**

### Must have *reasonable belief* disclosure evidences:

- Gross mismanagement of a contract or grant
- · Gross waste of Federal funds
- Abuse of authority relating to a contract or grant
- Substantial and specific danger to public health or safety
- Violation of law, rule, or regulation related to contract or grant

#### Disclosure must be made to:

- · OIG
- Congress
- $\cdot$  GAO
- · USAID contract/grant oversight official
- · DOJ/law enforcement
- $\cdot$  Court or grand jury
- Management official or other employee of the contractor/grantee responsible for finding, investigating, or addressing misconduct



#### Contact information

Special Agent Jessica Abenstein - jabenstein@usaid.gov or +1 (202) 304 5363

OIG Hotline Complaints are received via phone, mail, or e-mail Hotline Numbers: 202-712-1023 or 800-230-6539 E-mail: <u>ighotline@usaid.gov</u> Website: <u>https://oig.usaid.gov/complainant-select</u> Mail: PO Box 657, Washington, DC 20044-0657





# Thank you!