

GAO Highlights

Highlights of [GAO-14-22](#), a report to the Chairwoman, Committee on Agriculture, Nutrition, and Forestry, U.S. Senate

Why GAO Did This Study

USDA and USAID spent about \$9.2 billion to provide international emergency food aid during fiscal years 2007-2012. USDA developed WBSCM with USAID's input to manage domestic and international food aid procurements. USDA spent about \$187 million to develop and implement the system. GAO was asked to examine the international emergency food aid procurement process.

This report examines (1) the extent to which agencies agree to use WBSCM to manage the process, (2) how the agencies' use of WBSCM and other systems affects USDA's ability to have accurate information, and (3) the extent to which the agencies are collaborating on how to use WBSCM. GAO reviewed the procurement process and observed WBSCM in use. We analyzed inventory spreadsheets used to compile USDA's financial reports. We compared agencies' efforts to collaborate against key elements for effective interagency collaboration.

What GAO Recommends

GAO recommended the agencies work together to ensure USDA receives accurate prepositioned inventory data, improve WBSCM's functionality by testing modified functions, and develop a written agreement that clearly outlines outcomes and roles and responsibilities for using WBSCM. USAID noted its view that prepositioned commodities move off USDA's books and onto those of USAID but agreed in general with our other two recommendations. USDA agreed with our recommendations and stated that the Commodity Credit Corporation retains ownership of prepositioned commodities.

View [GAO-14-22](#). For more information, contact Thomas Melito at (202) 512-9601 or melitot@gao.gov.

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INTERNATIONAL FOOD AID

Better Agency Collaboration Needed to Assess and Improve Emergency Food Aid Procurement System

What GAO Found

Although the U.S. Department of Agriculture (USDA) and U.S. Agency for International Development (USAID) jointly manage international emergency food aid procurement, the agencies disagree about the usefulness of the Web Based Supply Chain Management system (WBSCM) to manage the entire process. WBSCM had significant deficiencies when it was implemented in April 2011, which led USAID to discontinue using it to procure ocean freight for bulk commodities, manage prepositioned or stockpiled commodity inventory, and track food aid shipments. For example, WBSCM was slow and time consuming to use and its process to procure ocean freight for bulk commodities was not compatible with USAID's process to negotiate contracts with ocean freight vendors. USDA currently uses WBSCM to procure food aid commodities, while USAID procures ocean freight using other systems not connected to WBSCM. Since March 2012, USDA has made changes to WBSCM, and USDA officials assert that these changes address some of the problems that led to USAID's decision to discontinue use of the system.

Since USAID uses systems outside of WBSCM, USAID and USDA lack information on individual food aid shipments, which, in turn, hinders USDA's ability to use WBSCM to prepare reports and efficiently file claims against ocean carriers to recover U.S. government funds. GAO's *Standards for Internal Control in the Federal Government* state that information should be accurately recorded and communicated to those who need it and in a form that enables them to carry out their internal control and other responsibilities. USAID relies on freight forwarders to track and periodically provide information on shipments. In GAO's work for a recent report, we found that freight forwarders did not collect complete or consistent information on emergency food aid shipments. Without accurate information from its freight forwarders, USAID is limited in its ability to generate accurate information on food aid shipments. In addition, GAO found that USAID and its warehouse contractors did not always accurately record all prepositioned commodity inventory transactions. USAID provides this potentially inaccurate information to USDA officials who enter this information into WBSCM to generate quarterly financial statements. Moreover, USAID's data collection outside WBSCM makes it more difficult for USDA to file claims efficiently against ocean freight vendors and recover U.S. funds because USDA officials must manually enter USAID information. According to USDA officials, USDA filed 131 such claims in fiscal year 2012 valued at \$1.2 million.

USDA and USAID are not collaborating effectively to resolve their disagreement on the usefulness of WBSCM. In prior work, GAO identified key elements of effective collaboration that can enhance and sustain collaboration among federal agencies. Although USDA and USAID's collaborative efforts have incorporated some of these elements to develop WBSCM, they have not incorporated others. Specifically, USDA and USAID do not agree on the roles and responsibilities of key participants in the process, do not share a defined outcome for their collaboration, and do not have a written agreement stating how the agencies will collaborate. An upcoming functional upgrade of WBSCM offers an opportunity to make substantial changes that are mutually agreeable.