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AUDIT OF USAID/MAURITANIA MANAGEMENT
Audit Report No. 7-682-88-05

January 20, 1988

UNITED STATES OF AMERICA
AGENCY FOR INTERNATIONAL DEVELOPMENT
OFFICE OF THE REGIONAL INSPECTOR GENERAL FOR WEST AFRICA

UNITED STATES ADDRESS
RIG/DAKAR
AGENCY FOR INTERNATIONAL
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WASHINGTON, D.C. 20523

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RIG/DAKAR
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WEST AFRICA

January 20, 1988

MEMORANDUM FOR Arthur Lezin, Director, USAID/Mauritania

FROM John P. Competello, RIG/A/Dakar

SUBJECT: Audit of USAID/Mauritania Management
Audit Report No. 7-682-88-05

The Office of the Regional Inspector General for Audit, Dakar has completed its audit of USAID/Mauritania management. Enclosed are five copies of the audit report.

A draft audit report was submitted to you for comment, and your comments are attached to the report. The report contains four recommendations, all of which are considered as resolved. The recommendations can be closed upon completion of actions planned by the Mission. We appreciate your calling to our attention the current and anticipated staff and budget constraints which could affect your carrying out the planned actions. Progress reports on actions taken to implement the report's recommendations should highlight any problems in this area. The first progress report is due within 30 days of receipt of this report.

I appreciate the cooperation and courtesy extended to my staff during the audit.

EXECUTIVE SUMMARY

In 1978, Congress established the Sahel Development Program through which A.I.D. would provide economic assistance to eight Sahelian countries in West Africa. Since then, funds provided by the Sahel Development, Public Law 480 and Economic Support Programs have averaged about $145 million annually to the Sahel, including about $10 million annually to Mauritania, one of the eight Sahelian countries.

From 1978-1982 serious A.I.D. management weaknesses limited the impact of A.I.D. assistance to these countries, causing A.I.D., in 1983, to develop a Sahel-wide strategy to (1) control A.I.D. local currency funds, (2) strengthen financial and program management capabilities of Sahelian institutions, and (3) improve A.I.D. administrative and program management. Concurrently, as part of a world-wide effort the Agency installed new policies to improve financial management. Audits by the General Accounting Office and Inspector General in 1985 and 1986 reported that A.I.D. made progress controlling local currency funds. However, they reported insufficient progress in strengthening host government management capability.

The Office of the Regional Inspector General for Audit/Dakar has made several audits at selected Missions in the Sahel and at the Africa Bureau in Washington D.C. to determine the progress A.I.D. had made improving its management since 1983. This report discloses the results of audit at USAID/Mauritania. This program results audit evaluated the Mission's (1) system to measure project progress, (2) actions to implement selected A.I.D. financial management policies, and (3) efforts to balance work loads with staff and budget resources.

USAID/Mauritania had made good progress improving its management. Since 1983, the Mission has implemented a system to measure project progress, strengthened financial management, installed computers, and significantly reduced administrative costs.

Although such efforts have improved management, further action was needed to better oversee and control A.I.D. assistance. USAID/Mauritania needed to (1) better measure project progress and expand its review of internal controls, (2) improve several areas of financial management, and (3) increase efficiency through staff training, written guidance and the use of computers. Also, a system was needed to assess whether the Mission's staff and budget levels were commensurate with its work load requirements.

To ensure that A.I.D. assistance promotes the economic development of recipient countries, missions must measure project progress. Since 1983, improvement in USAID/Mauritania's management system has resulted in better tracking of project implementation. However, the system could have better collected and reported data on whether project activities were producing the anticipated development changes. This weakness persisted, in part, because it was not identified in the Mission's vulnerability assessments. Improved measuring of project progress would enable the Mission to better evaluate and report on the effectiveness of A.I.D. assistance. The report recommends that USAID/Mauritania improve its system to measure project progress and perform more comprehensive vulnerability assessments.

Prior to 1983, financial management weaknesses in A.I.D. projects caused problems in implementing the Mauritania program. Although the Mission has made good improvement over the past several years, further progress was needed in providing for audits in project designs, and controlling voucher approval and payment procedures. These weaknesses were not fully addressed, in part, because the Mission had not established guidance to implement these financial management policies. Therefore, the Mission's vulnerability and risks were increased. The report recommends that USAID/Mauritania improve financial management.

To better enable Missions to manage their programs, the Africa Bureau emphasized improved efficiency through training provided to staff and other efforts. USAID/Mauritania had made progress in its staff efficiency effort, but there were further opportunities for improvement. Factors limiting progress included the lack of comprehensive training plans for foreign national staff, insufficient written guidance, and less than optimum use of computers. The report recommends ways USAID/Mauritania can increase efficiency.

The Africa Bureau's strategy included reducing the number of projects to better balance mission work load with staff and budget resources. Although USAID/Mauritania had not reduced the number of projects as planned, it had taken other action to improve its ability to handle work loads. Since there were incomplete criteria and no system to objectively measure work load, the audit could not assess whether Mission actions had resulted in an appropriate balance between Mission work load and staff and budget resources.

Management Comments

USAID/Mauritania agreed with the report recommendations and outlined actions to be taken to improve management. However, the Mission cautioned that its ability to implement the planned actions will depend on staff and budget resources, noting that in December, 1987 the Africa Bureau decided against filling two vacant U.S. direct hire positions.

Office of Inspector General Comments

USAID/Mauritania's comments and actions planned are responsive to the report recommendations which are considered as resolved. We recognize that changes in the Africa Bureau's field organization and staffing can affect the Mission's ability to fully carry out all promised actions. Mission progress reports on recommendation follow-up should highlight the impact of these constraints.

Office of the Inspector General

Mauritania

CANARY ISLANDS (Sp.)
MOROCCO
Tan-Tan
Tarfaya
Daora
El Aaiún
ALGERIA
Tindouf
ATLANTIC OCEAN
Bir Mogrein
Guelta Zemmur
Partition line as defined in the April 14, 1976, Accord signed by Mauritania and Morocco
WESTERN
(Claimed by Morocco)
Dakhla
(Claimed by Mauritania)
SAHARA
Fderik
Tazadit
MALI
Bir Gandus
Nouadhibou
Cap Blanc
Mauritania
Atar
Ile Tidra
Cap Timiris
Akjoujt
Tidjikdja
Nouakchott
Aleg
Rosso
Boguè
Dagana
Kaedi
Kiffa
Ayoûn el 'Atroûs
Nema
Saint Louis
Louga
Matam
Linguère
Selibaby
Nioro du Sahel
Thies
Touba
SENEGAL
Dakar
Diourbel
Kaolack
Kayes
MALI
THE GAMBIA
Banjul
Tambacounda
Segou
0 100 200 Miles
0 100 200 Kilometers
Railroad
Road
Airport

AUDIT OF USAID/MAURITANIA MANAGEMENT

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AUDIT OF USAID/MAURITANIA MANAGEMENT

PART I - INTRODUCTION

A. Background

In 1978, Congress established the Sahel Development Program through which A.I.D. would provide economic assistance to eight Sahelian countries in West Africa to help increase food production and economic and political stability. Since then, funds provided by the Sahel Development, Public Law 480 and Economic Support Programs have averaged about $145 million annually to the Sahel. This assistance has been provided through development projects, food donations and budgetary support. A.I.D. assistance to Mauritania, one of the eight Sahelian countries, has totaled about $92 million or an average of about $10 million annually 1/ as follows:

Fiscal Year	Sahel Development Program	Public Law 480 Program	Total
	(In Thousands)		
1978	$ 4,470	$ 2,258	$ 6,728
1979	6,058	1,111	7,169
1980	2,742	7,011	9,753
1981	8,500	6,164	14,664
1982	6,307	3,412	9,719
1983	5,146	5,976	11,122
1984	3,390	7,462	10,852
1985	9,362	7,421	16,783
1986	3,000	2,109	5,109
Total	$48,975	$42,924	$91,899

Between 1978-1982, according to Inspector General and U.S. General Accounting Office audits, A.I.D. evaluations, and other reports, serious A.I.D. management weaknesses caused A.I.D. assistance to have little impact throughout the Sahel. Host government financial records and procedures were deficient, host country supervision and control were lax, and A.I.D. oversight of the program was poor. Sahel institutions lacked trained personnel in accounting, financial management, planning and administration. Mission management was weakened by too many projects, inadequate monitoring systems and overambitious project designs.

1/ This amount does not include certain regional projects and the transportation costs of Public Law 480 commodities.

In 1983, in response to the reports' findings, A.I.D. developed a Sahel-wide strategy to (1) control A.I.D. local currency funds, (2) strengthen financial and program management capabilities of Sahelian institutions, and (3) improve A.I.D. program and administrative management. Concurrently, as part of a world-wide effort the Agency installed new policies to improve financial management.

As part of this strategy, USAID/Mauritania has worked to improve oversight of local currency funds and increase training to Mauritanian institutions. Audits by the General Accounting Office 2/ and Inspector General 3/ reported that A.I.D. made progress controlling local currency funds. However, they reported insufficient progress in strengthening host government management capability.

USAID/Mauritania has also worked to improve its management by refining project implementation and monitoring, strengthening financial management practices, and furthering staff efficiency. Nonetheless, Inspector General audits (See Exhibit 1), A.I.D. evaluations, and other reports have continued to disclose problems limiting the effectiveness of A.I.D. assistance to Mauritania.

B. Audit Objectives and Scope

The Office of the Regional Inspector General for Audit/Dakar has made several audits at selected Missions in the Sahel and at the Africa Bureau in Washington D.C. to determine the progress A.I.D. had made improving its management since 1983. This report discloses the results of audit at USAID/Mauritania. This program results audit evaluated the Mission's (1) system to measure project progress, (2) actions to implement selected A.I.D. financial management policies, and (3) efforts to balance work loads with staff and budget resources.

The audit scope did not include an evaluation of management systems beyond the Mission's control, such as those relating to A.I.D.'s personnel assignment and management system. Also, the audit did not determine the adequacy of host country or contractor management. As part of the Sahel-wide review, the auditors also gathered data relative to the Africa Bureau's actions to improve management. This

2/ Can More be Done to Assist Sahelian Governments to Plan and Manage Their Economic Development? NSIAD-85-87, September 6, 1985.

3/ Audit of A.I.D. Compliance with Section 121(D) of the Foreign Assistance Act, 7-625-86-5, March 12, 1986.

additional data, the findings of this report, and the results of audit field work in other Sahelian countries will be included in a later report to the Bureau. Testing of compliance and internal controls was limited to the conditions disclosed in this report.

The audit was conducted in Mauritania and Washington D.C. It included interviews with USAID/Mauritania and Africa Bureau officials, and reviews of selected audit reports, evaluations, assessments, project papers, project implementation and status reports, work force/work load planning documents, staff development plans and budgets. The audit assessed the Mission's system to measure project progress on 3 of 7 bilateral projects, active in fiscal year 1986: Rural Roads Improvement (682-0214), Rural Health Services (682-0230), and Human Resources Development (682-0233). The audit also examined data collection on the Public Law 480 Title II program. Also, the audit tested vouchers amounting to $1.2 million of $6 million spent during fiscal year 1986. The audit was made in accordance with generally accepted government auditing standards.

Audit field work in Mauritania was completed in February 1987, and Records of Audit Findings (RAFs) were issued at that time. The Mission provided comments to the RAFs in March. Work on the the Sahel-wide review was completed in August 1987 and in September, a joint request was made by Missions in Burkina Faso, Mali, Mauritania and Niger that audit results in the Sahel be consolidated into one report (See Appendix 2). The Inspector General did not agree with this proposal (See Appendix 3). However, based on further discussions with Africa Bureau officials, this report has eliminated draft recommendations made to the Mission regarding work load measurement. This issue is discussed under "Other Pertinent Matters" of this report.

USAID/Mauritania comments to the draft report were received in mid-December, 1987, and have been considered in preparing this report. The full text of Mission comments is in Appendix 4.

AUDIT OF USAID/MAURITANIA MANAGEMENT

PART II - RESULTS OF AUDIT

USAID/Mauritania had made good progress improving its management. Since 1983, the Mission has implemented a system to measure project progress, strengthened financial management, installed computers, and significantly reduced administrative costs.

Although such efforts have improved management, further action was needed to better oversee and control A.I.D. assistance. USAID/Mauritania needed to (1) better measure project progress and expand its review of internal controls, (2) improve several areas of financial management, and (3) increase efficiency through staff training, written guidance and the use of computers. Also, a system was needed to assess whether the Mission's staff and budget levels were commensurate with its work load requirements.

The report recommends that the Mission improve its system to measure project progress, perform more comprehensive vulnerability assessments, improve financial management, and increase efficiency.

A. Findings and Recommendations

1. The System to Measure Project Progress Could Be Improved

To ensure that A.I.D. assistance promotes the economic development of recipient countries, missions must measure project progress. Since 1983, improvement in USAID/Mauritania's management system has resulted in better tracking of project implementation. However, the system could have better collected and reported data on whether project activities were producing the anticipated development changes. This weakness persisted, in part, because it was not identified in the Mission's vulnerability assessments. Improved measuring of project progress would enable the Mission to better evaluate and report on the effectiveness of A.I.D. assistance.

Recommendation No. 1

We recommend that the Director, USAID/Mauritania, improve the system used to measure project progress by:

a. establishing qualitative and quantitative interim benchmarks to be met toward achieving project purpose indicators;

b. improving data collection by systematically gathering, reporting and verifying data on progress meeting the project purpose benchmarks and indicators; and

c. analyzing data to determine whether project objectives are being met and, if not, identify corrective actions needed.

Recommendation No. 2

We recommend that the Director, USAID/Mauritania, as part of periodic vulnerability assessments, review the adequacy of the system used to measure project progress.

Discussion

Prior to 1983, serious project design and implementation problems limited the impact of A.I.D. assistance to Mauritania. Overly optimistic design assumptions, objectives and implementation schedules delayed USAID/Mauritania's delivery of assistance. Projects lacked host government support and economic viability. In 1983, poor relations with the host government caused the Mission to terminate a number of agricultural development projects.

To ensure that A.I.D. assistance promotes the economic development of recipient countries, missions must measure project progress. The Foreign Assistance Act requires A.I.D. to establish a management system that includes (1) the definition of objectives and programs, (2) the development of quantitative indicators of progress toward these objectives, (3) the orderly consideration of alternative means for accomplishing such objectives, and (4) the adoption of methods for comparing actual versus anticipated results.

A.I.D. project papers present specific objectives upon which performance is to be measured. The project paper provides the inputs/resources that are planned to produce specific outputs/products. The project paper sets out measurable indicators on how the inputs and outputs are expected to solve a development problem (project purpose) and under what assumptions. By establishing interim benchmarks to measure progress against these indicators, missions can determine whether the inputs or outputs need to be modified to achieve the project purpose, or if a project should be redesigned or terminated because of, for example, invalid assumptions.

USAID/Mauritania has improved its system used to plan and monitor project activities so as to better control project implementation. For example, in 1984, the Mission established a quarterly project review system to analyze progress and problems in providing planned inputs and outputs. Particularly noteworthy was the use of quantified benchmarks to guide project officers in collecting and reporting data. By collecting data against these benchmarks, the Mission has better determined project status, i.e., cost of technical assistance provided, number of project personnel who attended training, etc. By comparing such performance data against the benchmarks, USAID/Mauritania, through its project committees or as part of quarterly reviews, has been better able to analyze progress, detect problems and take corrective actions.

Although this system significantly improved the management of A.I.D. assistance, further improvements were needed. On the four activities reviewed, information was insufficient to fully assess the extent to which the projects were achieving their purpose, i.e. solving a particular development problem. USAID/Mauritania could have better measured the effectiveness of its development efforts if its review system had (1) used project purpose indicators and (2) better collected and reported performance data.

Project Purpose Indicators - USAID/Mauritania's quarterly project review system used quantified indicators to measure progress in implementing project activities, but not in accomplishing the project purpose.

The $5 million Rural Health Services Project, begun in 1983, illustrates the audit issue. A project objective was to establish an effective inoculation program to immunize 60 percent of the target population by 1988. In 1986, USAID/Mauritania's progress report showed that 55 percent of the target population had been immunized after only three years. Based on this performance, the Mission concluded that the inoculation program was a success.

The audit found other indicators which questioned these results. According to a 1986 A.I.D. project evaluation, insufficient refrigeration to preserve the inoculation serum could have caused inoculations to be ineffective -- thus limiting the project from accomplishing its purpose.

The Mission was not able to act in a timely manner on this problem because it had not established standards to measure effective inoculations. Although the number of people inoculated met or even exceeded expectations, the quality or effectiveness was unknown. Had information been obtained from project sampling of the inoculations, the Mission would have been in a better position to correct the problem.

Data Collection and Reporting - USAID/Mauritania's system to collect and report data did not provide essential information on the effectiveness of project activities, and evaluation was not sufficiently used to reaffirm project objectives or assess management.

Three examples are given by the Rural Health Services Project, Dirol Plain Operations Research Project, and Public Law 480 Title II (Section 206) program. The health project had conducted 29 training courses with 218 participants, but data was not collected on how the training was being used. The lack of this data limited A.I.D. evaluators in their attempts to measure project impact in 1986. The A.I.D. evaluation noted that, as a whole, the project lacked a consistent and comprehensive data collection and reporting system. This weakness persisted even though the same problem had been cited in a 1982 A.I.D. evaluation of a prior health project as a contributing factor for the lack of progress.

Also, the $500,000 Dirol Plain Operations Research Project was to develop data needed to design a subsequent project in the Mauritania River Valley. Although the project was nearly completed, the Mission did not know what type of information had been obtained or whether the information obtained would meet the design needs of the new project.

Finally, problems in Mission monitoring contributed to the findings noted in a 1986 Inspector General audit 4/ of the Public Law 480 Program. The audit found that commodity sales proceeds had not been fully deposited, and complete program reports had not been submitted in a timely manner.

In addition, evaluation was not used effectively to reaffirm project objectives or assess management. Because of the work load involved, according to Mission officials, all routine annual evaluations were not performed. Also, only one of four evaluations scheduled during 1984-1985 was performed.

Problems in project progress measurement objectives, and data collection and reporting were administrative control weaknesses that should have been identified in vulnerability assessments. Internal control includes both accounting and administrative controls. While accounting controls are concerned with safeguarding assets and the reliability of financial records, administrative controls are concerned with operational efficiency and adherence to managerial policies.

USAID/Mauritania provided periodic reports to the Africa Bureau on the status of Mission internal controls. The reports were to show Mission assessments of vulnerability and to provide assurances on the adequacy of internal controls. Where material weaknesses were identified, planned corrective actions were to be reported so that the Bureau could monitor progress in implementing them.

In making the assessments USAID/Mauritania was required to determine whether:

-- progress reports were timely, accurate, and useful;

-- progress reports showed comparisons with planned and past performance; and

-- records were maintained on the activities and results achieved.

USAID/Mauritania vulnerability assessments did not include weaknesses in its project progress measurement system. Progress reports did not provide data showing progress in achieving project purposes, and seldom showed comparisons with planned and past performance. Sufficient records may have been maintained on the activities but not on the results achieved.

4/ Audit of the P.L. 480 Title II Section 206 Program - Mauritania, 7-682-87-2, November 7, 1986.

Had the vulnerability assessments disclosed weaknesses in the project progress measurement system, corrective action could have been taken to provide USAID/Mauritania with additional information for its monitoring/evaluation efforts. In this way, the Mission could have better demonstrated the impact of A.I.D. assistance to Mauritania.

In conclusion, to better evaluate and report on the effectiveness of A.I.D. assistance, USAID/Mauritania needs to improve its project progress measurement system and periodically examine administrative controls through the vulnerability assessments.

Management Comments

USAID/Mauritania provided detailed comments outlining their monitoring practices and procedures. Although the Mission believed it had a viable system, it agreed that further improvement could be made. The Mission intended to strengthen project monitoring with particular regard to the use of purpose level indicators. It cautioned, however, that its ability to do so was dependent on the availability of staff and budget resources.

Regarding vulnerability assessments, USAID/Mauritania said that it had completed the 1987 assessment in the revised format issued by AID/Washington. The assessment included all problem areas including those related to project progress indicators.

Office of Inspector General Comments

The Mission's description of its management system points out the vast improvements made in monitoring project and program progress since 1983. The auditors were aware of these improvements and this report reflects the increased attention given to management of the Mauritania program.

The Mission plan to further strengthen project monitoring, focusing on increased use of project purpose indicators, is responsive to recommendation number 1 which is considered as resolved. The Mission's completion of the 1987 vulnerability assessment which included the review of project purpose indicators is also sufficient to resolve recommendation number 2.

2. Financial Management Needs to Be Further Improved

Prior to 1983, financial management weaknesses in A.I.D. projects caused problems in implementing the Mauritania program. Although the Mission has made good improvement over the past several years, further progress was needed in providing for audits in project designs, and controlling voucher approval and payment procedures. These weaknesses were not fully addressed, in part, because the Mission had not established guidance to implement these financial management policies. Therefore, the Mission's vulnerability and risks were increased.

Recommendation No. 3

We recommend the Director, USAID/Mauritania, make further progress in implementing Agency financial management policies by the following actions:

a. establish procedures that would require an evaluation of the need for audit in project papers;

b. establish procedures requiring that the Mission voucher payment and approval process be tested annually; and

c. ensure that project officers submit voucher approval checklists.

Discussion

Prior to 1983, financial management weaknesses in A.I.D. projects caused problems in implementing the Mauritania program. These weaknesses included inappropriate host country administrative procedures, untrained project staff, and inadequate host government organizational structures. As a result, funds were unaccounted for, project implementation was slowed, and anticipated results were reduced. Because of these problems, the Mission terminated, in 1983, all A.I.D. projects implemented by the Ministry of Rural Development.

Over the past several years, USAID/Mauritania has improved its financial management. For instance, because of weak host country contracting capabilities, the Mission has used direct A.I.D. contracting and Fixed Amount Reimbursement methods to implement projects. The Mission has also provided assistance to the host government to develop accounting capabilities. Also, the Mission has established procedures to periodically verify host government records and reports accounting for A.I.D. local currency funds.

Notwithstanding this progress, further efforts were needed to provide for audits in project designs, and control voucher approval and payment procedures.

Audit Coverage - Missions must assess the need for audits when designing projects and describe planned contract and project audit coverage by the host government, A.I.D. and/or independent public accountants. Where the need for audit has been identified, project funds should be budgeted for independent audits.

USAID/Mauritania has not fully evaluated the need for audits nor made appropriate provisions for funds in project papers. For example, the 1982 Rural Roads Improvement Project was amended in 1984, 1985, and 1986 adding $481,000, $6,000,000, and $400,000 respectively to project financing. None of the amendments assessed the need for audit coverage or budgeted funds to provide such coverage. Also, the $6 million Human Resources Development Project was approved in 1984 and amended in 1986 to add $591,000 to project financing. Again, neither the project paper nor the amendment provided an assessment of the need for audit or budgeted funds to provide coverage.

Voucher Examination and Approval Procedures - Missions must annually assess their voucher approval and examination procedures to determine any weaknesses and if staff are following the procedures. The assessments must verify supporting documents submitted with contractor invoices and the ability of project officers to match contractor performance with contractor invoices. The assessments must involve a randomly selected sample of vouchers. Weaknesses that indicate high vulnerability should be highlighted for further action.

USAID/Mauritania could improve its voucher approval and examination procedures. For the years 1984 and 1985, there was no evidence to support the Mission's assessments of these procedures. The Mission Controller had departed post in early October 1986, and no work papers were available. For 1986, Mission Officials said that the assessments were made on the basis of daily oversight. Sampling was not used since each voucher was reviewed at the time of its certification. Similarly, no evidence was available to show that the Mission reviewed the procedures employed by project officers to relate contractor performance with contractor invoices.

Based on audit tests of vouchers totaling about $1.2 million of about $6 million processed in fiscal year 1986, a more formal approach was needed. Audit testing of 43 vouchers found that 10 vouchers or 23 percent had insufficient documentation to show the basis for approval. For example:

-- eight vouchers, totaling about $463,000, were not properly supported with the project officer's approval checklists. The checklists were missing for seven vouchers, and one checklist was not filled out. The checklists were required to enable A.I.D. management to decide the vouchers' vulnerability to improper payment;

-- the Mission paid an advance of funds, totaling about $38,000, on one voucher (number 682-06-0600 dated March 11, 1986) without any supporting documents. Also, an examination of three 1986 advance accounts revealed that two projects (Rural Health Services and Rural Road projects) showed advances of about $215,000 in excess of immediate disbursing needs. Federal regulations require justification for advances exceeding 30 days. In no case can advances be approved for amounts in excess of 90 days needs; and

-- the Mission paid a contractor about $49,000 on one voucher, without the support of an invoice, performance certificate or project officer checklist.

Insufficient audit coverage and need to improve voucher approval and payment procedures have been world-wide problems which the Agency has been trying to address. In April 1982, the A.I.D. Administrator named a task force to review these problems. The review resulted in 16 policies on (1) methods of project implementation and financing, (2) auditing, verification, and other monitoring practices, and (3) other accountability practices. The Bureau for Management sent implementing guidance to the missions in December 1983. The guidance acknowledged that it would take several years to fully implement the policies.

The problems discussed in this finding had not been addressed, in part, because guidance had not been provided to staff to ensure that project designers included an assessment of the need for audits in project designs. Better guidance could also have been helpful in assuring the submission of project officer checklists, and in assessing Mission voucher approval and payment procedures.

In conclusion, USAID/Mauritania has made progress improving financial management. However, there is need to better plan for audits when designing projects, and control voucher approval and payment procedures.

Management Comments

USAID/Mauritania agreed with the recommendation and stated

that the Controller's office was in the process of establishing procedures to implement the three actions required by the recommendation. The Mission also stated that the voucher examination process has been revised to ensure that all project vouchers contain a project officer checklist.

Office of Inspector General Comments

Mission's action is responsive to the report recommendation which is considered as resolved.

3. There Are Opportunities to Improve Staff Efficiency

To better enable Missions to manage their programs, the Africa Bureau emphasized improved efficiency through training provided to staff and other efforts. USAID/Mauritania had made progress in its staff efficiency effort, but there were further opportunities for improvement. Factors limiting progress included the lack of comprehensive training plans for foreign national staff, insufficient written guidance, and less than optimum use of computers.

Recommendation No. 4

We recommend that the Director, USAID/Mauritania:

a. establish a comprehensive staff development plan to include specific training and funding needs, timetables, and assigned training responsibilities;

b. update, consolidate, and establish procedures to maintain the system of written Mission policies and procedures; and

c. place greater emphasis on obtaining and using computer software programs to organize project management information systems and reporting.

Discussion

From 1978-1982, Inspector General audits and A.I.D. assessments and evaluations found that Sahel Missions did not have enough resources to administer increasingly higher levels of A.I.D. assistance. As a result, significant project problems were not detected and corrected, limiting the impact of A.I.D. assistance. Such imbalances caused Congress to consider reducing the Sahel Development Program.

In response to the audit reports and Congressional concerns, A.I.D. developed a strategy to better balance work load with staff and budget resources. The Africa Bureau's strategy called for (1) reducing the number of projects in the Sahel 5/, and (2) improving Mission efficiency through training provided to staff and other efforts.

5/ See Other Pertinent Matters for discussion of this aspect of the strategy.

Although USAID/Mauritania had made progress improving efficiency, (1) Mission personnel, particularly foreign nationals have lacked comprehensive development plans to ensure sufficient training, (2) staff have not had sufficient written guidance, and (3) the Mission has not made maximum use of its computer system capabilities in establishing project management systems and in reporting.

Staff Development - The development of foreign nationals to assume positions of higher responsibility can improve mission efficiency because host country nationals (1) enable a reduction in budget resources, (2) understand the culture and the language, and (3) prevent gaps in program continuity normally caused by the departure and replacement of direct hire personnel.

USAID/Mauritania increased the number of foreign national staff from 61 in 1983 to 63 by 1986. However, only limited success has been attained in developing foreign national capabilities to perform those duties generally done by direct hire staff. One factor limiting staff development was a lack of training. Except for technical training provided to two persons (one of whom did not return to Mauritania), nationals have generally received on-the-job and English language training.

According to Mission officials, A.I.D. budget limitations and Mauritania's deficit of skilled manpower have limited progress. The country is only 17 percent literate, and two-thirds of the Government of Mauritania's civil servants have not completed primary school. Therefore, the Mission believed it could not have a fully trained and competent Mauritanian staff anytime in the near future.

We recognize the Mission's limits in upgrading the skills of its foreign national employees. However, more comprehensive staff development planning could have provided a basis for improved results. This would have allowed objectives to be established and permitted monitoring of progress. The Mission recognized the need for a training plan and, in fiscal year 1986, began to provide for in-house and overseas training for its foreign national employees.

When completed, the plan should help to assure better employee development. To ensure good planning of staff development, enable justification for funding in the budget process, and to monitor progress, the Mission needs to establish specific objectives in the training plan. The objectives should specify which people are to move into managerial positions, when, and what resources it will take to move them. The Mission should use development objectives and time tables to determine and justify the level of funding needed for training programs.

Written Procedures and Policies - A.I.D. Handbooks 18 and 23 stress that missions establish and maintain a system for internal issuances of policies, procedures and notices to mission personnel. Missions must also ensure that their internal directives are consistent with A.I.D. policies and procedures. Written procedures and policies help to establish effective and consistent management systems and to train and guide less experienced staff.

USAID/Mauritania has relied on written orders, administrative notices and other directives which have not been consolidated and maintained to form a complete manual for easy reference. The Mission agreed that an easily referenced set of policies and procedures was needed to provide guidance to junior staff and foreign nationals, and to serve as a tool for on-the-job training.

Computers - To increase the efficiency and effectiveness of its operations, A.I.D. issued policy guidelines on the Bureau and Mission information technology program in June 1984. Agency guidance stressed the use of computer technology in designing and evaluating as well as in establishing management information systems for better program and project management. Computers facilitate meeting AID/Washington reporting requirements. Without computers, substantial time is involved researching data, analyzing project performance, and compiling reports.

At the time of audit, USAID/Mauritania had nearly completed the establishment of its computer hardware system to more efficiently administer the program. In the past, emphasis was largely placed on word processing.

The audit disclosed that the Mission had largely not used computers for more efficient project management. Computers could have been better used to improve: project monitoring and tracking; monitoring and follow-up of participant training; controls over nonexpendable property; work load analysis; and personnel management.

Mission officials recognized the need to improve the use of computers. However, they stated that improvement would not be possible until all equipment has been installed, the software systems have been obtained, and staff have been trained.

We believe that the Mission should request AID/Washington assistance in developing computer software programs for mission management information needs. Important analytical functions such as measuring and tracking project inputs, outputs, and progress can be readily processed through these programs.

In conclusion, although USAID/Mauritania has increased staff efficiency, there are opportunities for more progress through better plans for training and staff development, better written guidance, and more extensive use of computers.

Management Comments

USAID/Mauritania agreed with the recommendation citing the need to develop a (1) comprehensive staff development plan, (2) Mission operations manual, and (3) better computer system, and to train U.S. direct hire and foreign national staff. The Mission pointed out, however, that corrective actions would be delayed due to staff and budget shortages. It indicated that corrective actions may not be completed until late 1988.

Office of Inspector General Comments

Mission comments are responsive to the report recommendation which is considered as resolved.

B. Compliance and Internal Control

Compliance

The audit disclosed the following compliance exceptions. Finding 1 discusses the need to better comply with A.I.D. regulations requiring measurement of project progress. Finding 2 discusses the need for better compliance with selected A.I.D. Payment Verification Policies. The review of compliance was limited to the findings in this report. Nothing came to our attention that items not tested were in non-compliance with applicable laws and regulations.

Internal Control

Several internal control weaknesses were identified. Finding 1 discusses weaknesses in the Mission's project progress measurement system. Finding 2 discusses weaknesses in internal controls in selected financial management functions. Finding 3 discloses incomplete staff development plans and written procedures. The review of internal controls was limited to the findings in this report.

C. Other Pertinent Matters

1. Need to Better Define and Measure Work Load

The Africa Bureau's strategy included reducing the number of projects to better balance mission work load with staff and budget resources. Although USAID/Mauritania had not reduced the number of projects as planned, it had taken other action to improve its ability to handle work loads. Since there were incomplete criteria and no system to objectively measure work load, the audit could not assess whether Mission actions had resulted in an appropriate balance between Mission work load and staff and budget resources.

The Africa Bureau's strategy included reducing the number of projects to better balance mission work load with staff and budget resources. In August 1984, a Congressional committee expressed its concern over A.I.D.'s ability to manage the Sahel program with the lower U.S. direct hire staffing levels that A.I.D. planned for Sahel Missions. The committee considered this action contrary to prior audit recommendations for more hands-on management of the programs in these missions. As concerns USAID/Mauritania, bilateral project obligations were to decrease from $5.1 million in 1983 to $3 million in 1986. However, A.I.D. also planned to reduce U.S. direct hire staff from 9 in 1983 to 8 in 1986. A.I.D. responded that it planned to reduce the number of active bilateral projects from 11 in 1983 to 5 in 1986, and that other efficiency efforts were underway, including being involved in fewer development sectors.

In November 1984, an A.I.D. assessment of staff utilization in the Sahel reported that the eight U.S. direct hire positions planned for USAID/Mauritania were not enough, particularly because of the diversity of program activity and the absence of trained foreign national staff. The assessment recommended 11 U.S. direct hire positions or a significant cut in program levels.

At the end of fiscal year 1986, USAID/Mauritania had not reduced the number of projects as planned, but it had taken other action to improve its ability to handle work loads. Although bilateral project obligations had decreased to the $3 million planned, the Mission had 7 active bilateral projects rather than the 5 planned. Also the number of regional projects increased from 6 in 1983 to 9 in 1986, and there was a diverse project portfolio with assistance in agriculture, health and population, and human resources. U.S. direct hire staffing remained at 1983 levels, or 2 less than what was recommended by the 1984 assessment. Conversely, the Mission had improved its ability to handle work loads by reducing the Public Law 480 program from $6

million in 1983 to $2.1 million, and, as discussed elsewhere in this report, taking several actions to improve efficiency.

Available criteria and information were insufficient to assess whether there was an appropriate balance between USAID/Mauritania's work load and staff and budget resources. A.I.D.'s response to the Congressional committee did not specify planned changes in the number of development sectors, amounts of Public Law 480 resource flows, or levels of Sahel Development Program regional funds allotted to USAID/Mauritania. Lacking the criteria for planned changes in these areas, the audit attempted to use the 1984 assessment. However, the assessment did not define planned program level data considered in making its recommendation. As a result, the audit could not determine whether the total 1986 program level in Mauritania was consistent with Bureau strategy.

The audit also found a lack of an objective system to define and measure work load. For example, as requested by the Bureau in 1986, USAID/Mauritania allocated staff to numbers of projects. However, the audit found that these allocations were subjective because the work load indicators did not provide for: (1) extending projects that had been scheduled for termination; (2) significant variances in scope and complexity among projects, including the diversity of program activity; (3) the number of project site visits required; or (4) indirect staff time.

At the close of audit field work a Record of Audit Finding was provided to USAID/Mauritania, recommending that the Mission establish a work load measurement system. In its response, the Mission agreed that better criteria was needed to measure work load; however, the Mission believed that a comprehensive work load analysis was not suitable for small missions such as USAID/Mauritania. Based on Mission comments and discussion with Africa Bureau officials, we agreed to eliminate the recommendation to the Mission, and will urge the Bureau to develop suitable criteria for a better work load measurement system.

AUDIT OF USAID/MAURITANIA MANAGEMENT

PART III - EXHIBITS AND APPENDICES

Exhibit 1

Inspector General Audit Reports on USAID/Mauritania Projects, Programs

Number	Date	Title
81-35	1/29/81	Problems in Host Country Accounting for Utilization of A.I.D. Funds in the Sahel
0-625-81-52	3/10/81	Improvements Must be Made in the Sahel Regional Development Program
0-698-84-16	12/21/83	Need to Improve the Design and Implementation of Agricultural Credit Programs in the Sahel
84-20	1/31/84	Inadequate Design and Monitoring Impede Results in Sahel Food Production Projects
7-682-85-3	1/4/85	USAID/Mauritania Local Currency Accountability; Rural Medical Assistance Project
7-682-85-9	7/12/85	Mauritania Rural Roads Improvement Project--Funding Effectively Reduced but Significant Problems Remain
7-625-86-5	3/12/86	Audit of A.I.D. Compliance with Section 121(d) of the Foreign Assistance Act
7-698-86-6	3/12/86	Memorandum Audit Report of Use of Public Accounting Firms by A.I.D. Offices in West and Central Africa
7-625-86-8	5/14/86	Audit of the Sahel Regional Integrated Pest Management Project
7-682-87-2	11/7/86	Audit of the P.L. 480 Title II Section 206 Program - Mauritania
7-625-87-4	12/31/86	Audit of A.I.D. Participation in Sahel River Basin Development

AUDIT OF USAID/MAURITANIA MANAGEMENT

Report Recommendations

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Recommendation No. 1 8

We recommend that the Director, USAID/Mauritania, improve the system used to measure project progress by:

a. establishing qualitative and quantitative interim benchmarks to be met toward achieving project purpose indicators;

b. improving data collection by systematically gathering, reporting and verifying data on progress meeting the project purpose benchmarks and indicators; and

c. analyzing data to determine whether project objectives are being met and, if not, identify corrective actions needed.

Recommendation No. 2 9

We recommend that the Director, USAID/Mauritania, as part of periodic vulnerability assessments, review the adequacy of the system used to measure project progress.

Recommendation No. 3 18

We recommend the Director, USAID/Mauritania, make further progress in implementing Agency financial management policies by the following actions:

a. establish procedures that would require an evaluation of the need for audit in project papers;

b. establish procedures requiring that the Mission voucher payment and approval process be tested annually; and

c. ensure that project officers submit voucher approval checklists.

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Recommendation No. 4 26

We recommend that the Director, USAID/Mauritania:

a. establish a comprehensive staff development plan to include specific training and funding needs, timetables, and assigned training responsibilities;

b. update, consolidate, and establish procedures to maintain the system of written Mission policies and procedures; and

c. place greater emphasis on obtaining and using computer software programs to organize project management information systems and reporting.

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FM AMEMBASSY NIAMEY
TO RUTADS/AMEMBASSY DAKAR IMMEDIATE 6972
RUEHC/SECSTATE WASHDC IMMEDIATE 2373
RUTANK/AMEMBASSY NOUAKCHOTT 2481
RUTABM/AMEMBASSY BAMAKO 6406
RUFHOC/AMEMBASSY OUAGADOUGOU 3164
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LOC: 34
03 SEP 87
CN: 39390
CHRG: AID
DIST: RIG

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DAKAR FOR RIG/A/WA

E.O. 12356: N/A
SUBJECT: RIG/W/WA DRAFT AUDIT REPORTS, MISSION PROGRAM - ADMINISTRATIVE AND FINANCIAL MANAGEMENT

1. BACKGROUND FOR AA/AFR: FIELD WORK FOR THE SUBJECT AUDITS WAS COMPLETED IN THE JANUARY-APRIL 1987 PERIOD. NIGER WAS THE FIRST MISSION AUDITED AND THE FIRST TO RECEIVE THE DRAFT REPORT ON JUNE 29. THE OTHER USAIDS AUDIT REVIEW WAS CONDUCTED IN AID/W IN JULY.

2. SUMMARY:

-A) THE USAID MISSIONS OF NIGER, MAURITANIA, MALI AND BURKINA, UPON CAREFUL CONSIDERATION AND CONSULTATION, HAVE CONCLUDED THE RAFS FOR THE FOUR MISSIONS REMARKABLY RESEMBLE EACH OTHER. WE BELIEVE THIS DEMONSTRATES THAT OUTCOME OF THE AUDITS WAS PREDETERMINED AND TWAT FIELD WORK WAS PERFORMED SELECTIVELY TO FIND EVIDENCE THAT WAS SUPPORTIVE ONLY OF THE CONCLUSIONS THAT HAD BEEN PREVIOUSLY FORMULATED.

-B) IMPRESSIONS DURING THE AUDIT VISITS BY EACH MISSION'S STAFF WERE THAT INFORMATION SUPPORTING POSITIVE MISSION MANAGEMENT ACTIONS WAS NEGLECTED, LEADING TO UNWARRANTED NEGATIVE CONCLUSIONS IN TERMS OF CURRENT MANANEMENT DIRECTIONS.

-C) THE ABILITY OF THE MISSIONS TO CLOSE THE ADMINISTRATIVE MANAGEMENT RECOMMENDATIONS MAY BE LIMITED OR IMPOSSIBLE ANY TIME SOON BECAUSE OF O.E. LIMITATIONS.

-D) THE FOUR MISSIONS REQUEST THAT FURTHER ACTION ON THE AUDIT REPORTS BE SUSPENDED UNTIL THE OBJECTIVES OF THIS AUDIT ACTION BE REVIEWED. AT MINIMUM, THE FOUR REPORTS (OR FIVE IF AID/W IS INCLUDED) SHOULD BE COMBINED INTO ONE REPORT. END SUMMARY.

3. AS CURRECTLY PLANNED EACH OF THE MISSIONS IS TO RECEIVE A SEPARATE REPORT, YET THE RAFS ARE HIGHLY

SIMILAR. IF, INDEED, THERE ARE SIGNIFICANT COMMON WEAKNESSES, CORRECTION OF WHICH IN LARGE PART IS BEYOND THE RESOURCES OR AUTHORITIES OF THE MISSION AS WE INTERPRET THEM, SEPARATE MISSION RESPONSES WOULD BE VIRTUALLY FUTILE. THIS WOULD SUGGEST THAT AN ALTERNATE SOLUTION BE FOUND. AS IT NOW STANDS, EACH MISSION WOULD BE OBLIGED TO RESPOND TO AND SATISFY AUDIT RECOMMENDATIONS SEPARATELY. AID/W IS ALSO RECEIVING A SEPARATE REPORT AND WOULD BE EXPECTED TO RESPOND TO AND SATISFY RECOMMENDATIONS SEPARATELY.

INSTEAD THE ACTIONS REQUIRED TO RESOLVE ANY COMMON WEAKNESSES SHOULD BE DIRECTED FROM AID/W/AFR TO THE MISSIONS AND THE RECOMMENDATIONS SHOULD REFLECT THAT. PERHAPS AID/W MANAGEMENT SHOULD EXPAND THE CORRECTIVE EFFORTS THROUGHOUT WEST AFRICA OR ALL OF AFRICA TO IMPROVE EVEN FURTHER THE ECONOMIES OF SCALE. ONE REPORT RATHER THAN FOUR REPORTS (OR FIVE IF AID/W IS INCLUDED) WOULD BE FAR MORE APPROPRIATE UNDER SUCH CIRCUMSTANCES.

4. USAIDS PROVIDED EXTENSIVE ADDITIONAL INFORMATION IN RESPONSE TO THE RAFS WHICH INCLUDED CORRECTION OF INFORMATION STATED AND CORRECTION OF MISLEADING STATEMENTS. ALSO, MISSION COMMENTS INCLUDED MORE CURRENT INFORMATION (FROM EVALUATIONS AND RE-DESIGN EFFORTS) THAN THAT USED IN THE RAFS. THE DRAFT AUDIT REPORT FOR NIGER, HOWEVER, ACKNOWLEDGES THE MISSION COMMENTARY BUT INCLUDES LITTLE OF THE INFORMATION PROVIDED. OUAGA, BAMAKO, AND NOUAKCHOTT HAVE NOT YET RECEIVED THE DRAFT REPORTS BUT ARE CONCERNED THE SAME SITUATION WILL BE PRESENTED IN THEIR REPORTS.

5. AT THIS POINT, RECOMMENDATIONS ON IMPROVING MISSION ADMINISTRATIVE MANAGEMENT SHOULD BE CONSIDERED UNREALISTIC IF ADDITIONAL FUNDING WOULD BE REQUIRED FOR IMPLEMENTATION. THE WAY WE READ THE RECOMMENDATIONS THERE IS A COST TO IMPLEMENTING THEM. THE CURRENT OPERATI G EXPENSE DILEMMA FACED BY THE MISSION LIMITS INDIVIDUAL MISSIONS ABILITY TO MAKE ADDITIONAL O.E. COMMITMENTS. ALSO, THE RECOMMENDATIONS RELATING TO THE IMPLEMENTATION OF A HISTORICAL PERSON HOUR TRACKING

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SYSTEM AND THE DEVELOPMENT OF COMPUTER SOFTWARE AND THE ACQUISITION OF ADDITIONAL AUTOMATION EQUIPMENT CAN ONLY BE RESOLVED BY THE AA/AFR WITH REGARD TO FUNDING.

THE USAID MISSIONS ARE NOT DISPUTING THAT ADMINISTRATIVE MANAGEMENT IMPROVEMENTS ARE NEEDED AND CAN BE MADE. WE ARE NEVER TOTALLY SATISFIED WITH OUR PROGRESS AND WITH THE SYSTEMS WE HAVE IN PLACE TO MONITOR AND ACHIEVE PROGRESS IN THE MANAGEMENT OF OUR DEVELOPMENT ASSISTANCE PROGRAM AND ARE CONSTANTLY SEEKING IMPROVEMENTS. WE ALSO ACCEPT THAT THE RESULTS OF DEVELOPMENT PROJECT ACTIVITIES MAY NOT IN ALL ASPECTS BE ADEQUATELY DOCUMENTED. BUT IT APPEARS TO US THAT THE RELATIVE SIGNIFICANCE OF THE IMPROVEMENTS NEEDED HAVE BEEN OVERSTATED IN THE RECOMMENDATIONS. TO DO SOMETHING BETTER MAY BE DESIRED BY EVERYONE CONCERNED--BUT THE RELATIVE NEED TO DO SO SHOULD BE CONSIDERED IN TERMS OF THE CURRENT AND FORECASTED RESOURCES CRISIS.

6. THE USAID MISSIONS RECOGNIZE THE SIGNIFICANT ROLE AUDITS PLAY IN THE MANAGEMENT OF USG ACTIVITIES. FOR THIS REASON WE RANK ATTENTION TO AUDITS EQUAL TO THE ATTENTION GIVEN TO THE PREPARATION OF ANNUAL BUDGET SUBMISSIONS (ABS), CONGRESSIONAL PRESENTATIONS (CP), THE COUNTRY DEVELOPMENT STRATEGY STATEMENT (CDSS) AND OTHER MISSION PLANNING ACTIVITIES, AS DEMONSTRATED BY THE CONSIDERABLE TIME AND ATTENTION ALLOCATED TO WORKING WITH AUDITORS AND RESPONDING TO RAF AND AUDIT REPORT RECOMMENDATIONS. WE HAVE USED AUDITS AS ONE OF THE ESSENTIAL MANAGEMENT TOOLS AVAILABLE TO US AND HAVE REQUESTED AUDITS AND REVIEWS BOTH FROM RIG AND NFA'S WHEN NEEDED FOR PROJECT ACTIVITIES. IN GENERAL, WE CONSIDER THAT THE AUDIT PROCESS, PROPERLY FOCUSED AND DIRECTED, CAN ASSIST US TO DETERMINE CORRECTIONS REQUIRED IN IMPORTANT ASPECTS OF THE MANAGEMENT OF OUR ACTIVITIES.

7. ACTION REQUESTED:

FOR AA/AFR AND RIG/A/WA: WE REQUEST THAT CONCERTED ACTION BE TAKEN TO INTERRUPT THE AUDIT PROCESS AT THE CURRENT DRAFT STAGE, AND THAT WHATEVER PROCESS MUST CONTINUE FOR RIG TO COMPLETE ITS COMMITMENTS BE POSTPONED UNTIL A REVIEW OF THE AUDIT OBJECTIVES IS COMPLETED. WE EXPECT THAT THIS REVIEW SHOULD DETERMINE: THAT IT IS MORE MANAGEMENT EFFICIENT AND CONSTRUCTIVE TO HAVE ONE RATHER THAN FOUR (OR FIVE) REPORTS; AND THAT SUFFICIENT WEIGHT BE GIVEN TO THE PROGRESS ACHIEVED SINCE 1983 DETAILED IN MISSIONS RESPONSES TO RAFS. BOGOSIAN
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RUTANK / AMEMBASSY NOUAKCHOTT 5343
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CLASS: UNCLASS
CHRGE: AID 09/
APPRV: RIG/A:J
DRFTD: RIG/A:D
CLEAR: NONE
DISTR: AMB RIG

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FOR USAID MISSION DIRECTORS,
AID/W FOR AA/AFR, AFR/SWA, IG AND IG/PPO FROM RIG/A/D,
JOHN P. COMPETELLO

E.O. 12356: N/A
SUBJECT: AUDITS OF SAHEL MISSION MANAGEMENT

REF: NIAMEY 005195

1. REFTEL STATED MISSION CONCERNS THAT: (1) THE AUDIT OBJECTIVES DID NOT PROVIDE SUFFICIENT WEIGHT TO THE PROGRESS MADE IMPROVING MANAGEMENT; (2) THE SIMILARITY OF RECORDS OF AUDIT FINDINGS (RAFS) ISSUED INDICATED THAT AUDIT FIELD WORK WAS DONE SELECTIVELY TO SUPPORT PREVIOUSLY FORMULATED CONCLUSIONS; (3) THE AUDIT NEGLECTED SUPPORTING EVIDENCE OF POSITIVE MISSION MANAGEMENT ACTIONS; (4) MISSIONS DID NOT HAVE ENOUGH RESOURCES TO IMPLEMENT THE RECOMMENDATIONS INVOLVING ADMINISTRATIVE MANAGEMENT; (5) THE RECOMMENDATIONS WERE NOT DIRECTED TO THE APPROPRIATE AUTHORITY; AND (6) IF THERE WERE COMMON WEAKNESSES AMONG MISSIONS, CORRECTIVE ACTIONS SHOULD BE DIRECTED TO AID/W/AFR FOR SYSTEMIC CHANGES IN WEST AFRICA. OR PERHAPS, ALL OF AFRICA. REFTEL REQUESTED CONSIDERATION OF ISSUING ONE RATHER THAN FIVE REPORTS, AND THAT SUFFICIENT WEIGHT BE GIVEN TO THE PROGRESS ACHIEVED SINCE 1983.

2. AFTER DISCUSSION OF REFTEL CONCERNS WITH THE INSPECTOR GENERAL AND AFR/SWA, WE HAVE DECIDED TO ISSUE FIVE REPORTS AS PLANNED. DUE CONSIDERATION OF MISSION ACCOMPLISHMENTS WILL BE INCLUDED IN DRAFT AND FINAL REPORTS. RIG/A/D RESPONSES TO YOUR SPECIFIC CONCERNS ARE AS FOLLOWS.

3. ALTHOUGH EACH MISSION WAS ADVISED ON THE OBJECTIVES OF THESE AUDITS AND IG STANDARDS, REFTEL INDICATES THAT CONFUSION STILL REMAINS. FOR BACKGROUND IN UNDERSTANDING THE AUDIT OBJECTIVES, WE REPEAT THAT IN 1983, IN RESPONSE TO REPORTED MANAGEMENT PROBLEMS IN THE SAHEL, A.I.D. DEVELOPED AND REPORTED TO THE CONGRESS A STRATEGY TO (1) CONTROL LOCAL CURRENCY FUNDS, (2) STRENGTHEN HOST GOVERNMENT INSTITUTIONS AND

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(3) IMPROVE A.I.D. MANAGEMENT. AT THAT TIME THE AGENCY ALSO INSTALLED NEW POLICIES TO IMPROVE INTERNAL CONTROLS AND FINANCIAL MANAGEMENT. AUDITS BY THE GENERAL ACCOUNTING OFFICE AND INSPECTOR GENERAL IN 1985 AND 1986 (THE IG'S REPORT ON A.I.D. COMPLIANCE WITH SECTION 121 (D) FAA AND GAO'S REPORT ON HOST GOVERNMENT PLANNING CAPABILITIES) HAD ALREADY PROVIDED COVERAGE ON THE FIRST TWO PARTS OF THIS STRATEGY. THE OBJECTIVE OF THE CURRENT AUDIT WAS AND ALWAYS HAS BEEN TO QUOTE DETERMINE THE PROGRESS AND PROBLEMS IN A.I.D. MANAGEMENT IN THE SAHEL SINCE THE STRATEGY AND POLICIES WERE INTRODUCED IN 1983 UNQUOTE. THEREFORE, IN COMPLETING AND REPORTING ON THIS CURRENT AUDIT, THE AGENCY AND THE CONGRESS WILL HAVE BEEN INFORMED ON THE OVERALL IMPLEMENTATION OF THE AGENCY'S STRATEGY.

4. SINCE THE AUDITS HAD COMMON OBJECTIVES AND USED COMMON CRITERIA TO MEASURE CONDITIONS, IT IS NOT SURPRISING THAT THERE WAS COMMONALITY IN THE RAFS. BETWEEN AUGUST AND DECEMBER 1986 AN AUDIT SURVEY WAS PERFORMED IN FIVE SAHELIAN MISSIONS, BOTH LARGE AND SMALL, AND AID/W TO DETERMINE THE PROGRESS MADE, IDENTIFY POTENTIAL PROBLEM AREAS, AND PLAN ADDITIONAL AUDIT WORK IF NECESSARY. AS A RESULT OF THE SURVEY, IT WAS DECIDED TO PROCEED WITH DETAILED REVIEW OF FOUR OF THE FIVE SAHELIAN MISSIONS SURVEYED AND OF AID/W/AFR, AND TO DO MORE LIMITED WORK IN SEVERAL OTHER SAHELIAN MISSIONS. ACCORDINGLY, AN AUDIT PROGRAM WAS PREPARED TO FOCUS ADDITIONAL AUDIT FIELD WORK ON POTENTIAL PROBLEMS IN THREE AREAS OF MOST CRITICAL NEED. FOR EACH MISSION, THE AUDIT SCOPE CONCENTRATED ON (1) ASSESSING MISSION SYSTEMS FOR MEASURING PROJECT EFFECTIVENESS, (2) DETERMINING PROGRESS IN IMPLEMENTING A.I.D.'S FINANCIAL MANAGEMENT POLICIES INSTITUTED IN 1983, AND (3) DETERMINING HOW EACH MISSION BALANCED WORK LOADS WITH STAFF AND BUDGET RESOURCES. DETAILED
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FIELD WORK FURTHER DEVELOPED THE CONDITIONS AND CAUSES IDENTIFIED IN THE AUDIT SURVEY. AT THE CLOSE OF FIELD WORK, THE RAFS WERE ISSUED TO EACH MISSION TO VERIFY THE ACCURACY OF THE FACTS, AND DETERMINE THE REASONABLENESS OF TENTATIVE CONCLUSIONS AND RECOMMENDATIONS. THE RAFS WERE OFFERED TO ALLOW EACH MISSION THE OPPORTUNITY TO PROVIDE ADVANCE COMMENT AND ADDITIONAL INFORMATION HAVING A BEARING ON THE FACTS, CONCLUSIONS OR RECOMMENDATIONS. EACH MISSION WAS REQUESTED TO PROVIDE WRITTEN COMMENTS ON THE RAFS.

5. ALTHOUGH AUDIT WORK ALSO SHOWED THAT ALL MISSIONS HAD MADE SIGNIFICANT PROGRESS IMPROVING MANAGEMENT SINCE 1983, THE RAFS WERE NOT INTENDED AS A MECHANISM TO REPORT ON THESE ACCOMPLISHMENTS. RAFS ARE ISSUED DURING THE COURSE OF AN AUDIT TO PROMPTLY COMMUNICATE TENTATIVE AUDIT FINDINGS, I.E. AREAS WHERE IMPROVEMENTS CAN BE MADE, TO RESPONSIBLE MISSION OFFICIALS. THUS WE CAN UNDERSTAND YOUR CONCERN ABOUT THE ABSENCE OF POSITIVE STATEMENTS IN THE RAFS. HOWEVER, TO THE EXTENT MISSION COMMENTS ON RAFS HAVE PROVIDED FURTHER EVIDENCE OF ACCOMPLISHMENTS, THESE ARE BEING USED TO PREPARE THE DRAFT AND FINAL REPORTS. IN ACCORDANCE WITH OUR REPORTING STANDARDS, NOTEWORTHY MISSION ACCOMPLISHMENTS WILL BE DISCLOSED IN THE OPENING STATEMENT OF THE RESULTS OF AUDIT SECTION OF THE REPORTS. AUDIT STANDARDS REQUIRE THAT OUR REPORTS FOCUS ON PROBLEMS, NOT ON ACCOMPLISHMENTS; SO IT IS BY THEIR VERY NATURE THAT THE FINDINGS MUST CONTAIN ANALYSES OF PROBLEMS WITH SUGGESTED RECOMMENDATIONS.

6. WHILE THERE MAY BE SOME SIMILARITY IN RECOMMENDATIONS ULTIMATELY MADE TO EACH MISSION, THERE MAY WELL BE SIGNIFICANT DIFFERENCE AMONG MISSIONS IN THE ACTIONS NEEDED TO CORRECT THE PROBLEMS. IN THIS REGARD MISSION COMMENTS TO RAFS AND DRAFT REPORTS ARE AN ESSENTIAL ELEMENT OF THE AUDIT PROCESS SINCE THEY HELP TO ENSURE FAIR, COMPLETE, AND OBJECTIVE REPORTING AND COMMON AGREEMENT ON CORRECTIVE MEASURES. IF THERE IS NONCONCURRENCE WITH A PROPOSED RECOMMENDATION, MISSION SUGGESTIONS ARE CAREFULLY EVALUATED TO ASSURE THAT THE ALTERNATIVE MEASURES WILL CORRECT THE NOTED PROBLEM. IF SO, THE RECOMMENDATION IS REVISED IN FINALIZING THE REPORT. YOU CAN BE ASSURED THAT THESE SAME STANDARDS ARE BEING USED TO ADDRESS ANY SPECIFIC CONCERNS YOU MAY HAVE BROUGHT UP IN RESPONDING TO THE RAFS, OR MAY BRING UP IN RESPONDING TO THE DRAFT AND FINAL REPORTS.

7. AUDIT STANDARDS REQUIRE THAT RECOMMENDATIONS BE DIRECTED TO THE APPROPRIATE OFFICIAL HAVING AUTHORITY OVER THE ACTIONS. EACH MISSION IS RESPONSIBLE FOR ESTABLISHING EFFECTIVE MANAGEMENT SYSTEMS THAT ARE CONSISTENT WITH BUREAU, AGENCY AND LEGISLATIVE REQUIREMENTS. EACH MISSIONS' SPECIFIC COMMENTS TO THE DRAFT REPORTS AND FINAL REPORTS, AND THE IG RECOMMENDATION CLOSURE SYSTEM SHOULD ENSURE THAT APPROPRIATE ACTIONS ARE PLANNED AND TAKEN. WE BELIEVE

THAT EACH MISSION HAS THE NECESSARY AUTHORITY AND RESPONSIBILITY FOR IMPLEMENTING THE SPECIFIC RECOMMENDATIONS. THE OVERALL REPORT WILL INCLUDE RECOMMENDATIONS TO THE AFRICA BUREAU FOR ITS IMPLEMENTATION.

8. WHILE YOUR SUGGESTION TO EXTEND THE AUDIT RECOMMENDATIONS TO ALL WEST AFRICA, OR PERHAPS, ALL OF AFRICA MAY HAVE MERIT, THE AUDIT SCOPE IN THIS SERIES OF AUDITS WAS ONLY SUFFICIENT ENOUGH TO COMMENT ON THE CONDITIONS AND CAUSES FOUND IN THE SAHEL.

9. WE APPRECIATE YOUR FRANK AND OPEN VIEWS AND CONCERNS ON THIS ASSIGNMENT AND ANY OTHER AUDIT WORK. WE ALSO APPRECIATE YOUR ACCORDING THE HIGH PRIORITY AND STAFF WORK THAT HAS GONE INTO YOUR REPLIES TO THE AUDIT RAFS ON THIS ASSIGNMENT. REPLIES TO DRAFT REPORTS ARE EVEN MORE IMPORTANT AND WE HOPE YOU WILL RESPOND TIMELY TO REPORT DRAFTS AS THEY ARE ISSUED. FINALLY, WE CAN AND SHOULD WORK TOGETHER TO ENSURE THAT IMPLEMENTATION OF

THE RECOMMENDATIONS DOES NOT CAUSE AN UNDUE BURDEN ON MISSION WORK LOAD.
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ACTION: AID-2 INFO: AMB DCM RIG

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FM AMEMBASSY NOUAKCHOTT
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BT
UNCLAS SECTION 01 OF 06 NOUAKCHOTT 05407

LOC: 098
16 DEC 87
CN: 56512
CHRG: AID
DIST: AID

BY C & R

Action To : .....
Action Taken : Date .....
Tel. : ..... Ext : ....
Other : .....
Due Date : 12/22

AIDAC

E.O. 12356: N/A
SUBJECT: DRAFT AUDIT REPORT OF USAID/MAURITANIA
- MANAGEMENT, REPORT NO. 7-682-88-XX

REF: (A) NOUAKCHOTT 4704, (B) DAKAR 012698

THE FOLLOWING RESPONSE TO THE DRAFT AUDIT RECOMMENDATIONS WAS PREPARED BEFORE THE RECENTLY CONCLUDED AFRICA BUREAU MISSION DIRECTORS CONFERENCE. BUREAU LEADERSHIP DECIDED NOT TO FILL THE TWO VACANT USD??POSITIONS (ADO AND PDO). MISSION ALSO WILL BE WITHOUT THE SERVICES OF A USDH EXECUTIVE OFFICER UNTIL LATE SPRING CY 1988. AS OF DECEMBER 10, 1987, OUR USDH CONTROLLER POSITION IS VACANT AND RECRUITMENT INITIATED FOR A REPLACEMENT. UNDER THE CIRCUMSTANCES, MANY OF THE UNDERTAKINGS EXPRESSED BELOW TO STRENGTHEN MISSION MANAGEMENT PROBABLY WILL HAVE TO BE REVISED.
IN MARCH 1987 USAID SUBMITTED ITS REACTIONS TO THE RFA'S BY A MEMORANDUM FROM THE MISSION DIRECTOR. THE POSITIONS EXPRESSED REMAIN VALID. WE HAVE STRIVEN TO CORRECT OUR PROCEDURES AND PRACTICES IN BOTH ADMINISTRATION AND PROJECT MANAGEMENT. IN THE PERIOD 1984 - 1987, WE HAVE REDUCED OUR OPERATING EXPENSE EXPENDITURES BY MORE THAN 40 PERCENT, DROPPING FROM FIRST TO SEVENTH PLACE ON A PER CAPITA MEASUREMENT OF AGENCY EXPENDITURES. OUR DIRECT HIRE EMPLOYEE LEVEL ALSO HAS BEEN REDUCED SIGNIFICANTLY DURING THIS PERIOD. NEW PROJECT STARTS HAVE BEEN CUT BACK AS WELL: NONE IN FY86, ONE IN FY87 AND ONE IN FY88. THE MAURITANIAN RIVER VALLEY DEVELOPMENT PROJECT; LOP FUNDING OF DOLS 2 MILLION IS PLANNED FOR FY 8875 . THERE IS, IN ADDITION, A DA PIPELINE OF DOLS 17,268,000 AS OF JUNE 30, 1987 AND DOLLAR EQUIVALENT OF 3.2 MILLION IN LOCAL CURRENCY AS OF DECEMBER 1, 1987 (PL 480 SECTION 206 FUNDS).

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RCOMMENDATION NO. 1

THE FOLLOWING MORE DETAILED COMMENTS ON RECOMMENDATION I OF THE DRAFT AUDIT ARE ORGANIZED BY USAID PIR PRACTICE, FOOD FOR PEACE, RURAL HEALTH SERVICES, HUMAN RESOURCES DEVELOPMENT PROJECT AND AGRICULTURAL RESEARCH

PROJECT.

USAID PIR PRACTICE

USAID ESTABLISHED A ?WO?CT MANAGEMENT SYSTEM FOLLOWING ALLEGED CORRUPTION I?
?THE MINISTRY OF RURAL DEVELOPMENT
AND THE ASSIGNMENT OF A NEW USDH TEAM TO THE MISSION IN CY 1984. THE SYSTEM WAS INITIATED IN NO???B??R, 19?4, WITH MONTHLY INDIVIDUAL PROJECT STATUS REVIEW (PSR) MEETINGS. MEETINGS WERE DOCUMENTED BY INDIVIDUAL REPORTS FOLLOWING THE AID/W DESIGNED MODEL PROJECT IMPLEMENTATION REPORTS. THE PSR REPORTS WERE PREPARED ?NG?THE PROJECT M??GER/OISION CHIEF AND?8STRIBUTED TO THE PR?JCT COMMITTEE SEVERAL ??S PRIOR TO THE REVIEW MEETING, CHAIRED BY THE MISSION DIRECTOR. PROJECT PURPOSE PROGRESS INDICATORS STATED IN THE PP, PROAG, AND PILS WERE REVIEWED, DISCUSSED AND CRITIQUED. ACTIONS DEEMED NECESSARY RE IMPLEMENTATION WERE DECIDED BY THE PSR AND RECORDED BY FOLLOW-UP MEMORANDA DISTRIBUTED TO ALL PSR PARTICIPANTS. AT THE NEXT MONTHLY PSR MEETING, ACTION'S STEMMING FROM THE PREVIOUS PSRS WERE REVIEWED. ACTIONS WHICH WERE NOT COMPLETED WERE DISCUSSED AND IF NEEDED REMAINED AS ACTION ITEMS UNTIL COMPLETED. EACH PSR MEETING HAD A FOLLOW-UP MEMO ISSUED WITHIN 24 HOURS. PSUANCE OF THE FOLL?UP MEMO WAS CONTINGENT UPON CLEARANCE BY THE MISSION DIRECTOR TO ASSURE FIDELITY TO THE PSR CONCLUSIONS AND ACTIONS REQUESTED. A RECORD OF THOSE PRO?O?INGS??S AVAILABLE IN USAID. MANAGEMENT OF THE SYSTEM WAS THE RESPONSIBILITY OF THE PROGRAM OFFICE SUPPLEMENTED BY THE PDO (ONE TOUR). THE PSR HAS A SECTION WHEREIN THE NEXT 180 DAYS OBJECTIVES ARE CITED. THEY ARE DERIVED FROM THE PP, PRO AG AND PILS. PROJECT MANAGERS REPORTED ON PROGRESS OF THE MANAGEMENT OF PROJECT INPUTS TO OUTPUTS, FROM OUTPUTS TO PROJECT PURPOSE AND OBJECTIVELY VERIFIABLE INDICATORS. CRITICAL PERFORMANCE INDICATORS (CPI) WERE THE SPECIFIC POINTS LISTED IN THE ACTIONS/OBJECTIVES FOR THE NEXT 180 DAYS IN THE PSR REPORTS. EACH PROJECT LOGICAL FRAMEWORK WAS AND IS USED AS SOP TO GUIDE THE PROJECT MANAGEMENT COMMITTEE. SINCE FALL, 1984, USAI' AS USED AND PERIODICALLY UPDATED A PROJECT COMMITTEE ST. P OJECT MANAGERS USED SEVERAL INFORMATION AN. DATA GATHERING INSTRUMENT AND METHODOLOGIES TO MEASURE PROGRESS AGAINST CRITICAL PERFORMANCE INDICATORS (CPI)

AS FOLLOWS BY PROJECT:

FOOD FOR PEACE

EMERGENCY FOOD (SEC. 416 DAIRY PRODUCTS):

(1) ONE OR TWO FIELD TRIPS MONTHLY TO CRITIQUE DISTRIBUTION PRACTICES;

(2) ONE MONITOR FOLLOWS STATUS OF STOCK IN NOUAKCHOTT EVERY 10 DAYS AT MINIMUM;

(3) WRITTEN STATUS REPORT ISSUED QUARTERLY BY MONITORS ON LOCATION OF STOCKS THROUGHOUT THE COUNTRY.

SECTION 206 - STOCKS

(1) MONITORED ON A MONTHLY SCHEDULE AS FROM DELIVERY

(2) 3 VISITS/DAY WHEN SHIP UNLOADS AT NEW CHINESE CONSTRUCTED WHARF IN NOUAKCHOTT;

(3) CATHOLIC RELIEF SERVICE (CSA) ISSUES WRITTEN ORDERS FOR STOCK IN WAREHOUSES IN THE INTERIOR;

(4) 12 CENTERS IN INTERIOR VISITED AT LEAST ONCE EVERY TWO MONTHS;

(5) SETTING UP RADIO NETWORK WITH CENTERS (USING COUNTERPART FUNDS);

(6) COMMISSARIAT DE LA SECURITE ALIMENTANTAIRE (CSA) PROVIDES MONTHLY REPORTS, INSTEAD OF QUARTERLY AS BEFORE, ON STATUS OF STOCKS AND LOCAL CURRENCY DEPOSITS;

(7) ALL REPORTS ARE COMPUTERIZED IN AID ON SPREADSHEETS SO ONE CAN HAVE AN IMMEDIATE OVERVIEW OF STATUS AND TRACKING OF SALES PROCEEDS AND STOCKS.

GENERAL

(1) CSA IS REQUIRED TO PROVIDE USAID STATEMENTS ON THEIR OE ACCOUNT;

(2) DATA COLLECTED FOR THE SEMI-ANNUAL PIR QUARTERLY PROJECT STATUS REPORT;

(3) UNDER SECTION 206, USING PM&R MONEY, USAID EMPLOYED A US EDUCATED (MA) MAURITANIAN TO DEVELOP A MONITORING/EVALUATION SYSTEM OF THE 206 PROGRAM. THIS SYSTEM WILL MONITOR:

A. RATE OF SALES,
B. STOCK MOVEMENTS, AND
C. CURRENCY GENERATED.

THE EVALUATION PLAN WILL ALSO MONITOR THE PROGRAM'S IMPACT ON AGRICULTURAL PRICE POLICY AND THE IMPACT OF

THE TARGETTED COMMODITIES. THE USDH FFPO COMPLETED THE PROJECT IMPLEMENTATION COURSE.

RURAL HEALTH SERVICES PROJECT (RHS)

1. COMMUNITY-BASED PRIMARY HEALTH CARE SERVICES ARE AVAILABLE (WITHIN 5 KM) TO A LARGER PERCENTAGE OF THE RURAL POPULATION IN 3 SELECTED VILLAGES THEN BEFORE THE RHS PROJECT. THE RURAL HEALTH SERVICES PROJECT IS WORKING IN TWO REGIONS, TRARZA AND GUIDIMAKA, WITH RESPECT TO PRIMARY HEALTH CARE ACTIVITIES. EXPANSION TO THE THIRD REGION, ADRAR, WILL TAKE PLACE AS LOGISTICS AND TRANSPORTATION PROBLEMS ARE SOLVED AND THE MOH PERSONNEL CAN PERFORM WORK TASKS. THE USAID AND THE PROJECT CONTINUE TO MEASURE PROGRESS. TRAINING AND SUPERVISION OF TRAINERS, COMMUNITY HEALTH WORKERS, NURSE SUPERVISORS AND TBAS ARE ONGOING. WRITTEN REPORTS OF TRAINING AND SUPERVISORY VISITS ARE RECEIVED REGULARLY FROM THE PROJECT AND RECORDED IN A USAID HEALTH DIVISION COMPUTER.

2. EXPANDED PROGRAM OF IMMUNIZATIONS (EPI) AND COMMUNITY HEALTH WORKER TEAMS ARE FUNCTIONING IN COLLABORATIVE ACTIVITIES IN 3 SELECTED REGIONS. THE EPI ACTIVITIES ARE FUNCTIONING IN THE ENTIRE COUNTRY, AND FUNCTION SPECIFICALLY IN COLLABORATION WITH PRIMARY

HEAHH CARE (PHC) RHS PROJECT ACTIVITIES IN TRARZA AND GUIDIMAKA. USAID RECEIVES REGULAR WRITTEN REPORTS OF EPI TEAM VISITS AND INFORMATION/DATA ARE RE??RDED ON A USAID COMPUTER IN ORDER TO MONITOR PROGRESS.

3. COMMUNITY-LEVEL PRIMARY HEALTH CARE (PHC) SERVICES ARE PROVIDING SELECTED INTERVENTIONS INCLUDING TREATMENT OF DIARRHEA, IMMUNIZATIONS, FIRST AID, MATERNAL AND CHILD CARE, HEALTH EDUCATION.

IMMUNIZATIONS ARE PROVIDED BY 31 MATERNAL CHILD HEALTH (MCH) CENTERS (PROJECT FUNDED) AND 10 MOBILE TEAMS. HEALTH EDUCATION IS PROVIDED IN CONJUNCTION WITH IMMUNIZATION ACTIVITIES IN THE MCS CENTERS.

4. EPI PROGRAM REACHES 60PERCENT OF TARGET POPULATION 0-5 YEARS OF AGE. THE LAST SURVEY IN APRIL 1986 SHOWED ACHIEVEMENT OF 55 PERCENT IMMUNIZATION COVERAGE IN URBAN AREAS. THE NEXT SURVEY IS PLANNED FOR CY 1988. PERE IS UNIVERSAL MEDICAL SUPPORT AND JUDGMENT THAT VACCINATED POPULATION COHORTS ARE PROTECTED MORE THAN UNVAC?IKATED. THEREFORE, THERE IS AN EXPLICIT ASSUMPTION THAT A HEALTHIER COHORT IS ACHIEVED AS A RESULT OF VACCINATIONS. THERE IS A COMPLEMENTARY ASSUMPTION THAT THE VACCINE IS STATISTICALLY FREE OF DANGER AS COMPARED WITH DISEASES PR?EN
D THUS ARGUING
THAT THE VACCINATED AGE COHORT VACINATED IS HEALTHIER.

5. EPI COLD CHAIN IS BEING MAINTAINED. THE COLD CHAIN SYSTEM IS MAINTAINED AT THREE LEVELS:

1. CENTRAL LEVEL (CENTRAL WAREHOUSE HAS COLD ROOMS PLUS SECURITY);
2. REGIONAL LEVEL (DEPOT HAVE REFRIGERATOR AND FREEZERS);
3. DELIVERY LEVEL - MCH CENTERS HAVE FREEZERS
- - MOBILE TEAMS EACH HAVE A COLD BOX

THE TEMPERATURE LEVELS ARE RECORDED TWICE DAILY AND COLD CHAI?MONITORING FORMS ARE SENT TO THE CENTRAL ON A MONTHLY BASIS. STOCK VACCINES ARE MONITORED AT EACH LEVEL. DATA IS COMPUTERIZED ON PROJECT OFFICE EQUIPMENT FOR EASY RETRIVAL AND REFERRAL.

6. APPROPRIATE DATA ON MORBIDITY, TREATMENT, IMMUNIZATION ACTIVITIES, MATERNAL AND CHILD HEALTH ACTIVITIES ARE BEING COLLECTED AND REPORTED FROM ALL LEVELS OF THE HEALTH SYSTEM TO MINISTRY OF HEALTH. THESE DATA ARE RECORDED, AS WELL, ON PROJECT COMPUT?R? FOR EASY RETRIEVAL AND REFERRAL.

??CH IMMUNIZATION UNIT (MCH MOBILE TEAM) SENDS A MONTHLY WRITTEN REPORT ON IMMUNIZATION ACTIVITIES TO ?THE PROJECT OFFICE. THE REPOR? INCLUDES THE NUMBER OF DOSES DELIVERED BY AGE, CURRENT STOCK OF VACCINES, THE TEMPERATURE MONITORING SHEET, MILEAGE, NUMBER OF VILLAGES COVERED DURING THE MONTH, NUMBER OF CHILDREN

BY AGE. ALL THESE REPORTS ARE COMPUTERIZED IN NOUAKCHOTT AND AT THE PROJECT OFFC? SUMMARIZED IN ANNUAL REPORTS.

A THIRD MEMBER OF THE JSI IN-COUN?R TECHNICAL ASSISTANCE TEAM IS DIRECTED TO DEVELOP A HEALTH MANAGEMENT INFORMATION SYSTEM WHICH WILL ENCOMPASS OTHER MCH ACTIVITIES, MORBIDITY AND TREATMENT. PRELIMINARY DATA IS CURRENTLY R?PORTED AND RECORDED ON THE HEALTH DIVISION USAID COMPUTER. THE FIRST PHASE OF THE DATA GATHERING/REPORTING SYSTEM IS TARGETTED FOR COMPLETION BY APRIL, 1988.

7. INTEGRATION OF THE RHS PROJECT INTO THE MOH UNDER JSI DIRECTION. PACE IS DETERMINED BY JSI JUDGMENT RE MOH ABSORPTIVE CAPACITY AND WITHIN MINISTRY OPERATING FUNDS.

8. THE JSI COP FUNCTIONS WITHIN THE SECRETARIAT OF THE MINISTER AS A RESULT OF A RECOMMENDATION FROM THE EVALUATION CONCLUDED SUMMER 1986. HE IS POSITIONED BY MUTUAL AGREEMENT TO FACILITATE THE SYNTHESIS OF DATA AND INFORMATION PROVIDED BY THE RHS PROJECT INTO DECISIONS RE POLICES, PROCEDURES AND PRACTICES. HE ALSO PROVIDES OPINIONS TO THE MINIST?? RE THE PLACE OF RHS PROJECT INTEGRATION INTO THE MINISTRY'S DAY TO DAY OPERATIONS ALSO RECOMMENDED BY THE PROJECT'S EVALUATORS, SUMMER 1986.

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9. SUPERVISION AND VILLAGE SENSITIZATION TRAINING PROGRAMS ARE OPERATIONAL USING COUNTERPART FUNDS.

EPI SUPERVISION OF FIXED CENTERS AND MOBILE TEAMS TAKE PLACE THREE TIMES PER YEAR, PROVIDING LOGISTICS SUPPORT (SURFACE TRANSPORTATION) IS AVAILABLE. REPORTS ARE PROVIDED AFTER EACH SUPERVISION AND COMPUTERIZED FOR RETRIVAL TO MEASURE PROGRESS OF THE TRAINING RECEIVED.

10. EPI AND DRUG DISTRIBUTION SYSTEMS ARE FUNCTIONING. THERE IS NO DRUG DISTRIBUTION SPECIFICALLY BY THE EPI MOBILE TEAMS (EXCEPT ASPIRIN FOR SIDE-EFFECT OF VACCINES). IN MCH CENTERS, DRUG DISTRIBUTION IS AFFECTED THROUGH OTHER PROGRAMS, SUCH AS THOSE SPONSORED BY UNICIEF.

11. THE SAHEL REGIONAL FINANCIAL MANAGEMENT PROJECT (SRFMP) TA (EXPERIENCE, INC.) REVIEWED FINANCIAL MANAGEMENT (FM) ACCOUNTING PRACTICES AT THE RHS PROJECT OFFICE THREE SEPARATE TIMES THE PAST CY PROVIDING RECOMMENDATIONS FOR IMPROVING FM PROCEDURES AND PRACTICES. CURRENTLY MONTHLY FINANCIAL REPORTS ARE SOP AS COMPARED TO QUARTERLY REPORTING BEFORE.

THE USDH HDO COMPLETED THE PR JECT IMPLEMENTATION COURSE.

HUMAN RESOURCES DEVELOPMENT PROJECT

THE PROJECT IS ON COURSE AS MEASURED AGAINST THE PP LOGICAL FRAMEWORK OUTPUT OBJECTIVES AND QUANTIFIABLE MAGNITUDES OF THE OUTPUTS. THE END OF PROJECT STATUS INDICATORS THAT MEASURES ACHIEVEMENT OF THE PROJECT'S PURPOSE RELIES ON THE RETURN OF PARTICIPANTS AND THEIR ASSIGNMENTS WITHIN THE FOOD SECURITY BUREAUCRACY. IT IS TOO EARLY IN LOP TO REACH A PERSUASIVE OPINION OR JUDGMENT. NONETHELESS, THE INFORMATION SYSTEMS UNIQUE TO THE HRD PROJECT ARE CITED TO PROVIDE EVIDENCE OF MANAGEMENT COMPETENCE. FOR EXAMPLE, ALL STUDENTS IN TRAINING PROGRAMS WHETHER IN THIRD COUNTRIES OR THE U.S. HAVE THEIR PROGRESS REPORTED IN THE FORM OF UNIVERSALLY ACCEPTED LETTER GRADES AND DESCRIPTIVE JUDGMENTAL WORD PICTURES. THE HRD US PSC IS IN TELEGRAPHIC COMMUNICATION WITH EACH TRAINING INSTITUTION. THOSE COMMUNICATIONS ARE RECORDED ON THE PROJECT OFFICE COMPUTER. THE HRD DIVISION'S IBM PC SERVES, TOO, TO TRACK ALL PROJECT FUNDED PARTICIPANTS WHETHER BILATERAL OR REGIONALLY FUNDED. THE PARTICIPANT TRAINING MANAGEMENT SYSTEM (SOFTWARE TRACKING SYSTEM DESIGNED IN AID/W) IS ON STREAM AND EFFECTIVE. THE MID COURSE EVALUATION IS SCHEDULED IN FY 1988 AND WILL INCLUDE THE PARTICIPATION OF THE AID/W FUNDED CONTRACTORS VIZ. PARTNERS IN INTERNATIONAL EDUCATION AND TRAINING (PIET) THE USDA AND OICD. THE SECOND HRD PROJECT SPECIFIC IN-COUNTRY SEMINAR WAS COMPLETED BY MID DECEMBER, 1987. A GEORGETOWN UNIVERSITY AMERICAN LANGUAGE INSTITUTE (ALIGU) TEAM VISITED NOUAKCHOTT IN CONNECTION WITH BEGINNING A

COMMERCIAL ENGLISH LANGUAGE TEACHING PROGRAM UNDER THE BILATERAL PROJECT PRIVATE ENTERPRISE (PRE) INITIATIVE. THE ALIGU TEAM'S REPORT STATED THAT USAID'S SELECTION PROCEDURES OF PARTICIPANTS RESULTED IN MAURITANIANS ACHIEVING ENGLISH LANGUAGE PROFICIENCY FASTER THAN OTHER NATIONALS. FOR FURTHER FEED BACK TO USAID, THE HRD DIVISION IS ORGANIZING A U.S. MEETING OF A PROJECT FUNDED PARTICIPANTS IN CONJUNCTION WITH THE MAURITANIAN EMBASSY, WASHINGTON, D.C. TO DETERMINE WHAT WORKED AND WHAT DIDN'T. SIMILARLY, AN IN-COUNTRY MEETING IN CY 1988 WILL BE ORGANIZED TO ELICIT FEEDBACK AS TO RECRUITMENT (HRD), PROCESSING, TRAINING, REINTEGRATION INTO GIRM AND/OR PRIVATE SECTOR FOOD SECURITY INSTITUTIONS. THESE DECISIONS WERE TAKEN TO ASSURE TIMELY AND SUBSTANTIVE INFORMATIONAL FEED BACK TO USAID AS TO PROJECT PROGRESS AGAINST THE PURPOSE LEVEL.

THE HRD PROJECT RELIES ON DATA AND INFORMATION PROVIDED BY THE MINISTRY OF ECONOMY AND FINANCE, DEPARTMENT OF PLAN RE SELECTION AND RE INTEGRATION PROCEDURES AFTER TRAINING IS COMPLETED. THE DEPARTMENT OF PLAN AND THE

HRD PROJECT OFFICE LOCATED AUTONOMOUSLY AND PHYSICALLY FROM THE USAID COMPOUND BENEFITS FROM INFORMAL SOURCES OF INFORMATION RE PROGRESS AS WELL. EVEN IF UNOFFICIAL, THE DATA AND INFORMATION SERVE TO HELP PROJECT IMPLEMENTATION ACTION. MOST OF SUCH INFORMATION RELATES TO THE SELECTION AND RECRUITMENT PROCESS WHERE SIGNIFICANT COMPETITION EXISTS. THE US PSC COMPLETED THE PROJECT IMPLEMENTATION COURSE DURING THE FIRST QUARTER FY 1987.

AGRICULTURAL RESEARCH PROJECT

THIS PROJECT WAS BILATERALIZED BY INSTRUCTIONS FROM AID/W IN MID CY 1984. AT THE TIME THE PROJECT WAS PART OF THE REGIONAL PROJECT OMVS AGRICULTURAL RESEARCH II PROJECT. THE ORIGINAL PP SERVED AS THE BASIC DOCUMENT EVEN THOUGH THERE WERE OBJECTIVELY VERIFIABLE INDICATORS AGAINST PROJECT PURPOSE OF A REGIONAL NATURE THAT COULD NOT BE ACHIEVED. THE UNIVERSITY OF ARIZONA, TUCSON, WON THE COMPETITION AS THE ACTION AGENT. THE U OF A MANAGEMENT TEAM UTILIZES MODERN IBM PC EQUIPMENT. FIELD TRIALS (30) IN 11 VILLAGES COUPLED WITH THE FOUR EXPERIMENTAL STATIONS' RESULTS ARE RECORDED ON COMPUTER. THE MANAGEMENT, SIMILARLY, OF THE U OF A EFFORTS TO RESTRUCTURE ADMINISTRATIVE PROCEDURES AND PRACTICES, ESPECIALLY IN THE FINANCIAL MANAGEMENT AREA, ARE COMPUTER ASSISTED. ALL TRAINING PROGRAMS TO RAISE COMPETENCY LEVELS EITHER IN-COUNTRY ON-THE-JOB AND ESPECIALLY TRAINING AT THE U OF A IS MONITORED AND REPORTED USING PROFESSORS' REPORTS. THE RESEARCH ACTIVITIES AS THEY MATURE WILL SERVE AS MODELS FOR REPLICATION BY FARMERS CULTIVATING MILLET AND SORGHUM VARIETIES IN THE SENEGAL RIVER VALLEY.

PROGRESS INDICATORS RE THE CONSTRUCTION COMPONENT OF THE PROJECT SERVED THE USAID DECISION MAKING PROCESS. THE USAID US PSC ENGINEER PROVIDED OVERSIGHT AT THE CONSTRUCTION SITES MONTHLY. THE USDH ADO MONITORED THE TRIPARTITE AGREEMENT BETWEEN THE FRENCH, GIRM AND USAID FOR THE HOUSE AND LABORATORY BY LOCAL CONSTRUCTION CONTRACTOR. THE USAID WAS AWARE OF IMPLEMENTATION STATUS AS A RESULT OF IBM PC AND SITE VISITS.

THE U. OF A. TEAM SELECTED 6 PARTICIPANTS FROM THE NATIONAL AGRICULTURAL RESEARCH CENTER (CNR?DA) FOR U.S. TRAINING. INFORMATION AND PROGRESS DATA ARE TIMELY AND FIGURE INTO ADM??TRATIVE REFORM PROCEDURES AND RECOMMENDATIONS BY THE U OF A CONTRACT TEAM. THE US PCS IS SCHEDULED FOR THE SEPTEMBER 1988 PROJECT IMPLEMENTATION COURSE IN DAKAR.

RECOMMENDATION NO. 2

THE MISSION HAS JUST COMPETED THE 1987 VULNERABILITY ASSESSMENT. THIS ASSESSMENT WAS IN THE REVISED FORMAT AS ISSUED BY AID/W AND WAS IN SOME WAYS MORE COMPREHENSIVE THAN EARLIER EVALUATIONS. THE EXERCISE WAS PERFORMED IN A CONSCIENTIOUS MANNER. AN ATTEMPT

See Page 12 this Appendix for Addendum to Comments (Nouakchott 00063 dated January 7, 1988)

WAS MADE TO IDENTIFY ALL PROBLEM AREAS INCLUDING THOSE RELATED TO PROJECT PROGRESS INDICATORS. HOWEVER, AS EXPLAINED UNDER RECOMMENDATION NUMBER 1, USAID MAURITANIA BELIEVES A VIABLE SYSTEM FOR MONITORING PROJECT PROGRESS HAS BEEN ESTABLISHED.

RECOMMENDATION NO. 3

USAID MAURITANIA AGREES TOTALLY WITH THIS RECOMMENDATION. THE CONTROLLERS OFFICE IS IN THE PROCESS OF ESTABLISHING PROCEDURES FOR IMPLEMENTATION OF 3 RECOMMENDED ACTIONS. IN THE INTERIM, THE MISSION VOUCHER EXAMINATION PROCESS HAS BEEN REVISED TO ENSURE THAT NO PROJECT VOUCHERS ARE PROCESSED UNLESS A COMPLETED PROJECT OFFICER CHECKLIST IS ATTACHED.

RECOMMENDATION NO. 4

IN RESPONSE TO RECOMMENDATION NUMBER 4, AND AS A RESULT OF THE RECENT VULNERABILITY ASSESSMENT, THE MISSION AGREES THAT IT MUST ESTABLISH A COMPREHENSIVE STAFF DEVELOPMENT PLAN WHICH IS TO INCLUDE SPECIFIC TRAINING AND FUNDING NEEDS AS WELL AS TIMETABLES AND TRAINING

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RESPONSIBILITIES. IT IS FURTHER AGREED THAT MISSION POLICIES AND PROCEDURES SHOULD BE UPDATED AND CONSOLIDATED IN A MISSION OPERATIONS MANUAL. HOWEVER, WITH THE EXO HAVING BEEN REASSIGNED EFFECTIVE DECEMBER 1, 1987 AND THE NEW USDH EXO NOT EXPECTED BEFORE SPRING 1988, THE MISSION DOES NOT EXPECT TO COMPLETE REQUIRED ACTIONS BEFORE SEPTEMBER 1, 1988. THE AUDIT FURTHER NOTES DEFICIENCIES IN OBTAINING AND USING COMPUTER SOFTWARE TO MORE EFFICIENTLY ORGANIZE MANAGEMENT AND REPORTING SYSTEMS. WHILE THE MISSION BELIEVES THAT IT CURRENTLY HAS MORE SOFTWARE THAN IT CAN PRESENTLY USE, IT RECOGNIZES SOME DEFICIENCIES IN THIS AREA, AND IS ACTIVELY RECRUITING FOR A COMPUTER EXPERT TO ASSIST IN REORGANIZING OUR SYSTEM AND TRAIN US AND LH STAFF. THOUGH WE HOPE TO HAVE SOMEONE ON BOARD WITHIN THE NEAR FUTURE, WE DO NOT EXPECT TO BE ABLE TO SHOW REAL PROGRESS IN THE ADP AREA PRIOR TO MARCH 31, 1988. LIMITED OE IS AN IMPORTANT CONSTRAINT IN OBTAINING A CONSULTANT WITH REQUISITE TALENT AND EXPERIENCE.

THE FINAL ISSUE RAISED IMPACTING UPON MISSION ADMINISTRATION RELATED TO THE DEFINITION AND MEASUREMENT OF WORKLOAD. AS OUR RESPONSE IN THIS AREA IS ALMOST TOTALLY DEPENDENT UPON NEW BUDGET/OPERATIONAL CONSTRAINTS SOON TO BE FORTHCOMING FROM D/W, WE CAN NOT FULLY RESPOND TO THIS ISSUE AT THIS TIME. FOR EXAMPLE, THE ASSIGNMENT OF A PROJECT DEVELOPMENT OFFICER AND AGRICULTURAL DEVELOPMENT HAS BEEN CANCELLED. THIS DECISION WILL, OF COURSE IMPACT ON OUR ABILITY TO RESPOND IN A TIMELY MANNER TO THE RECOMMENDATION. ONCE PLANNING INFORMATION HAS BEEN RECEIVED FROM WASHINGTON, THE MISSION WILL BEGIN ASSESSING STAFF UTILIZATION IN ORDER TO BOTH MAKE NECESSARY CHANGES IN PERSONNEL LEVELS - SHOULD THAT BE REQUIRED - ?S WELL AS TO MORE CLEARLY DEFINE THE ROLE OF EACH INDIVIDUAL. THIS SHOULD BE COMPLETE O/A MARCH 31, 1988.
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ACTION: RIG-2 INFO: DCM

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RR RUEHDK
DE RUTANK #0063 0071541
ZNR UUUUU ZZH
R 071541Z JAN 88
FM AMEMBASSY NOUAKCHOTT
TO AMEMBASSY DAKAR 9091
BT
UNCLAS NOUAKCHOTT 00063

LOC: 117
07 JAN 88
CN: 00792
CHRG: AID
DIST: RIG

AIDAC

FOR JOHN COMPATELLO, RIG/A/D, FROM ART LEZIN

E.O. 12356: N/A

SUBJECT: TELECON 1/7/88; DRAFT AUDIT REPORT 7-682-88-XX

1. PLEASE ADD THE FOLLOWING TO OUR COMMENT ON RECOMMENDATION NUMBER 2 OF NOUAKCHOTT 5437:

THERE IS, NEVERTHELESS, ROOM FOR IMPROVEMENT IN THIS AREA. IT IS OUR INTENTION TO FURTHER STRENGTHEN PROJECT MONITORING, WITH PARTICULAR REGARD TO THE USE OF PURPOSE LEVEL INDICATORS. THE DETERMINING FACTOR IN OUR ABILITY TO DO SO WILL BE THE AVAILABILITY OF STAFF AND RESOURCES FOR THESE TASKS.

2. SEPCABLE FOLLOWS ON EVALUATION WORKSHOP.
PUGH
BT
#0063

NNNN

Appendix 5

AUDIT OF USAID/MAURITANIA MANAGEMENT

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