



# Auditor General

AUDIT OF  
TUNISIA FAMILY PLANNING PROJECT

(No. 664-0295)

We believe desired results of the AID/Government of Tunisia's family planning program have been generally achieved. Quantitative demographic and family planning indicators show progress in reducing population growth. We recommended corrective management actions relating to program goals, contraceptive inventories, field outreach activities, financial accountability and monitoring responsibilities. USAID/Tunisia quickly acted on these recommendations, so that three of five recommendations could be deleted in our final report.

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Area Auditor General East Africa  
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# AUDIT OF TUNISIA FAMILY PLANNING PROJECT

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## EXECUTIVE SUMMARY

### Introduction

AID has been providing support for the Tunisian Family Planning Program since 1966. The program has received an impressive level of commitment on the part of the Government of Tunisia (GOT), and has the potential for being a service model for other predominantly Moslem societies and other African countries. There are no major religious barriers against the acceptance of family planning services in Tunisia; on the contrary, the concept of family planning has received widespread support from Moslem religious leaders.

Although an earlier phase-out of AID bilateral assistance was planned in 1977, AID decided that an additional input of funds would make an important difference to the success of the program. A reasonably strong infrastructure had been developed and the GOT was committed to extension of services to the rural areas. A follow-on USAID/Tunisia assistance project was planned to coincide with Tunisia's Fifth Social & Economic Development Five Year Plan (1977-1981), and to enable realization of demographic goals set forth in that plan. As a feasible alternative to staggering demands on development funds in the long run, the family planning program was viewed as vital to continued social and economic development, and to a stable government in Tunisia. Thus, AID agreed to continue bilateral assistance to Tunisia's family planning program through Calendar Year (CY) 1982 under a Project Grant Agreement signed January 12, 1978.

### Purpose of Audit

The purpose of our examination was to determine:

- Whether goals and objectives of the project were being achieved, and were in accord with AID development strategies.
- The effectiveness and efficiency in use of project resources.
- Propriety of financial transactions and compliance with applicable laws and regulations.

## Major Conclusions and Recommendations

We believe desired results of the GOT family planning program have been generally achieved. Quantitative demographic and family planning indicators show progress in reducing population growth. However, some key targets were not clearly defined or clearly established in USAID/Tunisia and GOT documents. Thus, actual progress against planned progress was difficult to measure accurately. In other words, while the program is known to be successful, it is more difficult to say how successful. No recommendation is made on this finding because USAID/Tunisia has accepted revised GOT objectives and by reference included these objectives in the Third Family Planning Project Agreement amendment (pages 3 to 5).

As to efficiency and economy in the use of resources, we concluded that an oversupply of AID financed contraceptives in inventory stock existed, much of which extends beyond the acceptable shelf life period. With a five year shelf life there is no valid reason to have a 10 year supply on hand. No recommendation is made on this finding because USAID/Tunisia has arranged to ship approximately 810,400 monthly cycles of oral contraceptives to Indonesia (pages 5 to 7).

Desired results of the Project Grant Agreement in extending family planning services to rural areas were not being achieved because of personnel shortages and lack of transport. No recommendation is made on this finding because USAID/Tunisia has included vehicles and spare parts in their projected Family Planning Support Budget and held discussions with AID/Washington on this issue (pages 7 to 9).

In our review of propriety of financial transactions and compliance with regulations, we found that financial statements submitted by the GOT covering local program costs financed by AID were not certified. Neither had the GOT provided evidence that books and records relating to the project were audited regularly in accordance with generally accepted auditing standards. Thus, there was no assurance that the GOT's statements were a fair presentation of its local currency costs financed by AID. USAID/Tunisia has followed up with the GOT on this finding, but has not yet received independent certified statements and copies of audit reports from the GOT to satisfy requirements of the Grant Agreement (pages 9 to 11).

Efficiency and economy in AID commodity utilization can be improved through closer monitorship by USAID/Tunisia. Although the GOT did not often forward receiving reports, the GOT's property records were well enough maintained to be able to provide USAID/Tunisia with timely receiving and

inventory reports to permit effective monitoring of property utilization by USAID/Tunisia. Monitorship is especially needed at the Tunis warehousing level. USAID/Tunisia has followed up with the GOT on this finding, but has not yet received the property reports from the GOT (pages 11 to 13).

USAID/Tunisia's Response

USAID/Tunisia presented formal comments on our findings in a memorandum dated April 14, 1980. These were discussed prior to our departure. USAID/Tunisia later advised us (April 21, 1980) of actions already initiated. USAID/Tunisia was subsequently provided a copy of a draft report. Their comments were considered in preparation of our final report, and where applicable have been included herein.

## BACKGROUND

Tunisia's demographic history mirrors that of most other developing nations. Over the past several decades, the country has experienced accelerated population growth due to a steadily declining mortality rate accompanied by a much slower decrease in the birth rate. Since 1921 the number of inhabitants has more than trebled, reaching a total of 6.0 million in 1978. This has placed heavy strains on government efforts to provide adequate education, health facilities, housing, employment and a higher standard of living for the average Tunisian.

The Government of Tunisia (GOT) recognized at an early stage the implications of these population trends, and succeeded in building over the past decade one of the largest and most comprehensive family planning programs in Africa. Launched as a pilot project in Bizerte in 1964 under the Ministry of Health, it has grown into a nationwide family planning program -- providing free contraceptive services in some 617 hospitals, Maternal Child Health/Family Planning (MCH/FP) centers, dispensaries and mobile units throughout the country. In 1973, the Office National du Planning Familial et de la Population (ONPFP) was created as a semi-autonomous government agency under the Ministry of Health to carry out the program. The ONPFP is responsible for promoting population policies and for providing, free of charge, a full range of contraceptive services as well as training, research and evaluation, family planning information and education.

AID has provided substantial assistance to the Tunisian Family Planning program since 1966, totaling over \$26 million -- including \$14.2 million through such intermediary organizations as International Project-Association of Voluntary Sterilization (IPAVS), World Fertility Survey (WFS), Family Planning International Assistance (FPIA), and John Hopkins Program for International Education in Gynecology and Obstetrics (JHPIEGO).

During the early phase of AID assistance, emphasis was placed on the development of an infrastructure and training of professional personnel to provide leadership and local expertise. The second phase of the family planning assistance program (FY 1975-1977) was designed to continue development of an institutional capability within the Tunisian National Family Planning Organization and to provide effective family planning information and services to a large proportion of the population of reproductive age.

AID planned to close out bilateral assistance in family planning after completion of project 664-0224 in FY 1977. In fact, a condition to approval of the 1975 Project Paper was a close out of the project not

later than June 30, 1977. However, an in-depth evaluation carried out July 1975 by a four man team, recommended continued AID assistance in family planning. Consequently, a phase three project (No. 664-0295) was initiated in January 1978 under an AID Project Grant Agreement extending bilateral assistance through December 31, 1982.<sup>1/</sup>

Other donors -- United Nation agencies through United Nations Fund For Population Activities (UNFPA), the World Bank, Pathfinder Fund, International Planned Parenthood Federation (IPPF), the Netherlands, Belgium and West Germany, among others -- have provided assistance to the GOT in family planning. The UNFPA, for example, plans to contribute approximately \$4 million during the period 1978 to 1982 to support Tunisia's family planning efforts. Activities of the UNFPA will be implemented by such UN agencies as United Nations Children's Emergency Fund (UNICEF), United Nations Educational, Scientific & Cultural Organization (UNESCO), and United Nations Development Programme (UNDP).

Luxembourg is also participating by providing \$428,000 to construct and equip seven pre-fab MCH centers in rural areas.

The primary purpose of the current AID project is to assist the GOT to strengthen and expand family planning services in rural areas. A total of \$3,086,000 has been obligated under the project through March 31, 1980, with accrued expenditures of \$2,585,000 (see Exhibit A). Of the total obligations, \$300,000<sup>2/</sup> represents interim funding by USAID/Tunisia for FY 1980; further funding is to be provided based upon the results of the second phase of an indepth, mid-term project evaluation by the American Public Health Association, which took place during our audit. Planned life of project costs are \$6.85 million.

Under the 1978 Project Grant Agreement, the GOT agreed to contribute the equivalent of \$2,015,000 for direct budget support to the family planning program plus \$32,000 trust fund contributions to the U.S. assistance project. For 1979, GOT contributions were \$1,860,000 and \$32,000, respectively.

Our last report of audit (No. 3-664-77-27, issued June 28, 1977) concluded that, on balance, the Tunisia family planning program was well managed. The only recommendation made concerned the GOT improvement of its contraceptive commodity records. We believe this was done satisfactorily.

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<sup>1/</sup> Amendment No. 3 dated April 28, 1980 changed the Project Assistance Completion Date (PACD) to December 31, 1981.

<sup>2/</sup> Amendment No. 3 to Project Grant Agreement (April 28, 1980) provided additional funding of \$1,115,000.

## Purpose & Scope

The purpose of our examination was to determine:

- Whether goals and objectives of the project were being achieved, and were in accord with AID development strategies.
- The effectiveness of USAID/Tunisia's monitoring and evaluation of the program.
- The effectiveness and efficiency in use of project resources.
- Propriety of financial transactions and compliance with applicable laws and regulations.

Our audit scope covered the period from June 1, 1977 through March 31, 1980. We reviewed appropriate documentation, observed project activities at field sites, and held discussions as necessary with responsible USAID/Tunisia and GOT officials. Our examination included such tests of records as were considered necessary for verification of accounting data. Audit findings were reviewed by USAID/Tunisia prior to our departure, and responses to those findings are included in this report as considered appropriate.

## AUDIT FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

### Program Achievements

Capsule Finding - USAID/Tunisia key goal indicators were not clearly defined or in agreement with Government of Tunisia goals for measurement of Family Planning (FP) program achievements. The goals and targets of the FP Project Paper should have been included by reference into the bilateral Project Agreement.

Key demographic and Family Planning quantitative indicators showed that definite progress had been made in Tunisia's population program. We found, however, that measurement of planned progress against actual progress was not readily determinable because planned targets in some instances were not well defined or they differed in various documents. Where measurable, actual progress fell short of planned targets. We also noted that the program goal at year 2001 as expressed in the AID Project Paper differed from the goal for 2001 as expressed in ONPFP's Five Year Plan for 1977-1981.

Family planning indicators (inputs) in ONPFP documents show that 593,000 visits to FP centers were planned for 1977, and 653,000 visits for 1978. Actual recorded visits were 500,000 and 521,000, respectively. ONPFP statistics show that averted births fell short of ONPFP planned goals; and that the planned targets for averted births between ONPFP documents and the Project Paper were different.

	<u>1978</u>	<u>1979</u>
Averted births - Planned (ONPFP)	60,000	72,800
Averted births - Planned (Project Paper)	55,600	63,064
Averted births - Actual	58,092	63,643

Total number of FP acceptors were shown in ONPFP's annual report for 1978 (397,682), but we found no comparable indicator for the planned total number of acceptors. The project paper shows planned new acceptors and the ONPFP Five Year Plan 1977-1981 shows planned "Acts" but these do not relate to planned total number of persons "accepting" family planning. The only AID reference to planned total acceptors found was in a USAID/Tunisia June 1977 cable to AID/Washington showing 203,940 planned acceptors for 1978 and 208,560 for 1979.

ONPFP planning and program reports of demographic indicators (outputs) show an increase in actual population from 5.60 million in 1975 to 6.03 million in 1978. Estimated population projections for 1981 is 6.43 million and 9.35 million in year 2001. However, without FP, the estimated population would be 12.11 million in year 2001. The national growth rate has declined from 2.98% in 1966 to 2.58% in 1978; with a targeted ONPFP rate of 2.29% in 1981, declining to 1.15% by year 2001. The ONPFP year 2001 goal differs from that in the Project Paper, which expresses the program goal as achieving "replacement level fertility" by year 2001, or zero growth rate. While ideal, the Project Paper program goal is not really attainable. We confirmed this both with the Evaluation Team's epidemiologist, and with an official of the ONPFP Family Planning Directorate. A realistic goal in the Project Paper would have been more in accord with the GOT, and should have been included by reference in the Project Agreement.

In response to our finding, USAID/Tunisia did not agree that planned targets were not clearly defined, saying that the ONPFP Five Year Plan presented very explicit objectives. USAID/Tunisia commented that demographic and family planning indicators by their nature cannot be firmly fixed in time, but need to be periodically re-evaluated against progress and program changes. Further comment was made that USAID/Tunisia is assisting the National Tunisian Family Planning Program, and that the national program objectives are the objectives for AID's project purposes.

We do not take exception to the need to revise or modify indicators from time to time or to the national program objectives of the Tunisian government. The point of our finding is that measurement of program achievement cannot be properly made without clearly defined quantitative indicators. When indicators are changed arbitrarily from document to document without reference to previously established indicators, and when different documents show different indicator data, there can be no valid measurement of achievement. We found no explanation or reconciliation of differences in the indicator data. If the national program objectives are to be AID's objectives, this fact should be clearly stated in AID's documentation, so that AID and the GOT are in accord; i.e., AID's documents such as the project paper would not show a program goal out of line with that of the GOT.

We believe that the program goal should be reviewed by USAID/Tunisia with the ONPFP, and should be redefined as necessary to be in accord with the goal of the Tunisian Government as represented by ONPFP. Key indicators such as total and new acceptors should be reviewed to make certain they are well defined and in accord with ONPFP. Any changes in targets should be done on a bilateral basis.

No recommendation is being made due to the documented action taken by USAID/Tunisia and its following response:

"Subsequently we received and accepted a copy of the two year planning document for the AID program recently prepared by the ONPFP including revised objectives. By accepting this document and referencing it in the third Pro-Ag amendment to the 0295 project USAID has indicated that its program objectives and the GOT's objectives are in accord."

### Contraceptive Inventories

Capsule Finding - An oversupply of AID funded contraceptive commodities existed at ONPFP.

ONPFP had about a 10 year supply of AID financed oral contraceptives (Noriday) on hand. Using the first-in first-out (FIFO) inventory system, ONPFP was issuing contraceptives from stock received in 1976.

During our visit to the ONPFP warehouse in Tunisia, the warehouse official estimated a 10 year supply of AID financed oral contraceptives were on hand. This estimate was supported by our independent calculations. ONPFP records show that 1,084,000 cycles were distributed during the

five year period 1975-1979, or an average of 217,000 cycles per year. The inventory balance of oral contraceptives on March 31, 1980 was 2,150,842, or about a 10 year supply based on average distributions over the last five years. Commodities in stock at regional and field clinic locations were not included in the inventory balance.

During our review, USAID/Tunisia stated that the high ONPFP stock level of the AID financed (centrally funded) oral contraceptives occurred as a result of three major factors:

- A projection of possible increased requirements for commercial marketing.
- A projection of possible increased requirements for household distribution.
- An unanticipated increase in preference for and usage of two other non-AID financed oral contraceptives.

Future demand for the AID financed oral contraceptive is difficult to predict because of variables such as the recent introduction of a minipill (30 mcg estrogen) in the country, and a continuing demand for competing European manufactured (non-AID financed) oral contraceptives -- Anovlar and Neogynon. These variables could well extend the estimated 10 year supply of AID financed orals on hand. Conversely, it is possible the supply could last less than 10 years if the private sector activities including commercial marketing and household distribution are successful in Tunisia.

USAID/Tunisia had an outstanding non-funded Project Implementation Order/Commodities (PIO/C No. 90004) for 1,020,000 cycles of orals, with shipping schedules from January 1981 through September 1981. Shipments had been deferred, but we believed they should be cancelled and further shipments discontinued until Noriday demand and supply levels are in balance. We believed AID's Office of Population should be advised of the supply situation, so that a transfer of excess orals could be made to other countries where a current need exists.

USAID/Tunisia commented that, based on latest information from AID/Washington's Office of Population (DS/POP), there is a five year shelf life for the AID financed oral contraceptives. Upon confirmation of shelf life of stock in Tunisia, the USAID said it would request transshipment of excess supplies to other countries; but if transshipment was made, it was possible there would be a need for additional orals in 1983 or 1984, depending upon the manufacture date of existing stocks. Rather than cancelling existing orders, USAID/Tunisia believed it best to reschedule shipments for arrivals in 1983 or 1984.

It was our conclusion that ONPFP already stocks oral contraceptives beyond a 5 year projected need. We believed the current oversupply of over 1 million cycles should be dealt with by transshipment even if shelf life exceeds five years. The quickest way to bring supply levels into balance is by transfer to other posts and by cancelling existing orders for over 1 million additional cycles. New orders can be placed based on continuing future projections of supply and demand.

No recommendation is being made on this finding based on the following documented actions taken by USAID/Tunisia:

- In a cable to AID/W dated April 23, 1980, USAID/Tunisia recommended cancelling all further scheduled shipments of contraceptives under PIO/C 664-0295-5-90004.
- After discussion by a USAID/Tunisia officer in AID/Washington, and further review with GOT, it was agreed to ship approximately 810,400 monthly cycles of Noriday 1/50 to Indonesia.

### Field Activities

Capsule Finding - Clinical field activities were well-managed but extension services to rural areas were limited primarily by the lack of transportation.

On balance, the family planning program as carried out in Ministry of Health (MOH) integrated Maternal Child Health/Family Planning (MCH/FP) clinics was well managed. Programs for information, education and communication (IEC) work were adequately developed. The major weaknesses we observed during our field visits were in the extension of motivation efforts to rural areas (outreach), and in the follow-up on family planning "drop outs".

The use of standard forms, records and reports provided a basis for ONPFP's effective family planning program management. A daily register was maintained for family planning visitors to the clinics, and a standard card form was maintained for each acceptor. Standard forms were used for reporting acceptor data and contraceptive usage to the ONPFP Regional Office. Contraceptive stock records were also maintained on a standard form. We tested stock records and found them satisfactory.

IEC planned programs were carried out monthly by the Regional ONPFP office and to a more limited degree, by the various clinics. Detailed reports of IEC program activities were prepared and developed by the Regional Offices. At the clinic-level, FP motivation through IEC was carried out on MCH visitors and post-partum patients. Thus, when women came to the clinic for MCH and other services, they were "captured" and supplied with information on FP services.

We observed weaknesses in extension services and "drop out" follow-up. Extension of motivation efforts through IEC to rural areas was limited by both staff and transportation constraints. The same constraints applied to follow-up of FP "drop outs". ONPFP compiled lists of "drop outs" from clinic records, but had not been able to effectively follow-up to identify reasons for women discontinuing FP services. Some progress had been made in staffing through ONPFP's recruitment of two social workers for each region. These social workers performed only limited extension work, mostly when accompanying mobile team visits to dispensaries, because of their work load at MCH clinics and the unavailability of transportation.

The shortage of transportation was apparent. In the Bizerte and Menzel Bourguiba Region, for example, ONPFP had a total of two vehicles in good condition besides the two mobile team vehicles. In the Monastir Region, there were three passenger vehicles in good condition and no field vehicles. Vehicles are the backbone of any effective out-reach program. Their importance has been demonstrated in successful programs in the developing world such as Indonesia. The vehicle situation at ONPFP can be described as marginal with respect to present needs, and inadequate with respect to an expanded field program.

ONPFP had indicated a desire for AID assistance in financing vehicle procurement but had made no formal request to date. Although vehicles appeared to be an additional necessary input for the success of this phase of the project, such an unplanned input would be contingent upon:

- Continuing assistance to the GOT.
- Continuing assistance to the project.
- Availability of FY 1980 and FY 1981 funds.
- The capability of the GOT to properly maintain and utilize its equipment.

We recognized that AID is phasing down assistance to Tunisia since Tunisia does not need economic assistance as much as some other developing countries. However, in our opinion the input of vehicles for this phase of the project was an essential ingredient if the goal of strengthening and expanding family planning services in rural areas was to be achieved. We therefore thought it appropriate for USAID/Tunisia to enter discussions with the GOT and AID/Washington toward expanding this project to include the provision of vehicles for the out-reach program.

No recommendation is being made on this finding based on the following documented actions subsequently taken by USAID/Tunisia as stated in

their June 26, 1980 response to our draft report:

"Subsequently the GOT requested that USAID provide transportation assistance. The GOT included this in a request for supplemental funds for the period 1980-81. Because of the uncertainty regarding whether additional 80-81 funds were available, the budget for vehicle support was included in the preliminary budgets for the 1982-86 program. USAID included vehicles and spare parts in projected Family Planning Support Budget forwarded to AID/Washington."

### Financial Accountability

Capsule Finding - No assurance exists that ONPFP's financial statements are a fair presentation of its local currency costs financed by AID.

ONPFP provided USAID/Tunisia with Line Item financial statements covering its local currency costs financed by AID; but it had not provided an independent certification of the statements, or evidence that books and records relating to the project and the Agreement were audited regularly in accordance with generally accepted auditing standards, as required by the Grant Agreement. Thus, there was no assurance that ONPFP's statements were a fair presentation of its local currency costs financed by AID.

In our review and test of ONPFP's local costs financed by USAID/Tunisia, we found that ONPFP maintained adequate books and records and had supporting documentation for Line Item costs reported on its statements to USAID/Tunisia. We found that independent and continuous auditing work was done at ONPFP by a Ministry of Finance on-site auditor. Additionally, ONPFP's overall activities were covered by a GOT independent examination completed in early 1978.

Under the current project agreement, USAID/Tunisia released the equivalent of some \$2.3 million through CY 1979 to the ONPFP to defray local cost expenditures in support of FP activities in 1978 and 1979. Under a previous agreement (Project No. 664-0224), USAID/Tunisia provided the equivalent of \$4.5 million in monies earmarked for local costs during the period from inception through 1977.

USAID/Tunisia current procedures in disbursing local currency costs under the project was to make advances to the ONPFP on a quarterly basis. These disbursements were based on ONPFP applications for advances and its submissic.. of expenditure data required by the Agreement. Advances were subsequently liquidated by internal (no-pay) vouchers prepared and approved by USAID/Tunisia.

We reviewed ONPFP quarterly financial status reports for CY 1979 totaling approximately \$1.0 million, and test checked supporting documentation for selected budget line items. Our review showed that separate accounts and records maintained for AID financed activities were adequate and supported by documentation. We noted, however, that ONPFP statements of obligations and expenditures were submitted to USAID/Tunisia without certification by an independent auditor, or by ONPFP's financial management office.

Under this procedure, USAID/Tunisia had no assurance or evidence that financial statements submitted by ONPFP were a fair and acceptable presentation of AID financed local currency costs. In our opinion, such statements should be reviewed and certified by an independent audit authority to provide that assurance.

During our discussions with ONPFP officials, we learned that audit and inspection capabilities did exist within the GOT framework. As a parastatal (semi-autonomous) organization, ONPFP comes under the organizational control of the Ministry of Health (MOH), and is provided with a full-time auditor assigned by the Ministry of Finance (MOF). The auditor performed desk audit functions on a continuing basis -- at both the obligation and expenditure levels. The MOF auditor also reviewed the accounts and certified the annual balance sheet prior to its submission to the Board of Directors and its publication in the official gazette.

In addition to the continuous reviews, ONPFP's overall activities were covered by a GOT independent examination completed in early 1978 at the request of the MOH. The audit period covered was from inception in 1973 through September 1977. We were told that reports of this nature; i.e., covering all aspects of the auditee's activities, were confidential and for restricted use at the Ministerial level.

We also learned of another audit performed by an independent GOT auditor hired on a private basis to review the accounts and to certify the ONPFP annual financial report submitted to the UNFPA. We reviewed this report and found it an acceptable independent certification of financial statements. It is our opinion that similar audit reporting should be routinely provided to USAID/Tunisia in support of the quarterly financial statements; or such statements should be certified by the permanent Ministry of Finance auditor prior to submission to USAID/Tunisia. We believe this would satisfy the requirements of the Grant Agreement Standard Provisions (Annex 2) which states, "Such books and records will be audited regularly in accordance with generally accepted auditing standards...."

USAID/Tunisia commented that it would request future expenditure statements submitted to USAID/Tunisia be certified by an appropriate ONPFP financial management official, and if possible be reviewed and signed by the on-site Ministry of Finance auditor. In addition, USAID/Tunisia stated they would request ONPFP to furnish copies of internal and/or independent audit reports of USAID/Tunisia financed activities when available for release to USAID/Tunisia.

The USAID/Tunisia Project Officer followed through with these requests by letter to the President Director General of ONPFP asking for independent certifications and copies of internal or independent audit reports. The following recommendation is made because we have not yet been notified of ONPFP's position on this matter, nor have we been informed of any response from ONPFP to the Project Officer's request.

#### Recommendation No. 1

USAID/Tunisia obtain (a) ONPFP independent certified financial statements of its local currency costs financed by AID, and (b) copies of ONPFP internal and/or independent audit reports to satisfy requirements of the Grant Agreement Standard Provisions (Annex 2).

In response to our draft report, USAID/Tunisia stated:

"USAID has not as yet received a reply from the GOT to our letter sent in response to the RAF Nos. 4 and 5. We have followed up again by phone this week and were advised the delay has been caused by certain personnel changes but an answer would be forthcoming. We will continue to press the GOT for a reply and advise the AAG accordingly."

#### USAID/Tunisia Monitoring Responsibilities

Capsule Finding - Closer USAID/Tunisia monitoring of AID financed non-contraceptive commodities was needed to ensure that essential commodities such as anesthesia machines and examining tables were distributed in a timely manner to the field, and commodities were properly utilized.

The USAID/Tunisia Procurement Office maintained excellent control over shipment and receipt of PIO/C commodities in the country. The problem we found was with delays in obtaining receiving reports from ONPFP,

and in USAID/Tunisia's monitoring of utilization of commodities to make sure they had been used as intended. USAID/Tunisia monitored the use of AID financed property but had no formal reports of warehouse visits or field trips.

In our review of USAID/Tunisia Procurement Office files, we found control sheets for each PIO/C shipment, supported by shipment documentation. We observed, though, that in a number of instances shipping documents were on file but ONPFP had not forwarded signed copies of receiving reports. For example, we noted that ONPFP had recorded 40 examining tables in its inventory, but USAID/Tunisia had not obtained a receiving report for them. USAID/Tunisia previously (11/13/79) requested ONPFP to forward 16 other receiving reports (which were still outstanding) for shipping documents on file at USAID/Tunisia. After our departure, USAID/Tunisia held a meeting with officials of ONPFP concerning receiving reports. During the meeting, a number of receiving reports were turned over to USAID/Tunisia and ways were discussed to avoid further delays.

USAID/Tunisia had not requested or received any property utilization reports from ONPFP to enable it to properly monitor the use of AID financed property. Utilization was difficult to monitor because commodities lost their source identity once placed in warehouse stock, where they were stored by category rather than donor source.

Furthermore, in some instances, AID commodities did not carry AID emblems for easy visual identification. We found none on AID financed audio visual equipment. USAID/Tunisia has responded to our draft report that corrective action has been taken in this area:

"Subsequently in response to the RAF the USAID Project Officer met with the staff of the ONPFP procurement section on May 13, 1980 and provided instructions regarding the need to affix USAID emblems and indicated how the emblems were to be applied. The ONPFP staff mentioned that much of the equipment which arrives already has emblems but that if equipment arrives without an emblem they will make certain an emblem is applied."

Despite the handicaps in monitoring utilization, we believe USAID/Tunisia should develop a procedure to assure that AID financed commodities are promptly and properly used. We noted during our visit to ONPFP's warehouses that some examining tables had not been uncrated. ONPFP's records showed that from October 1978 to date, 115 examining tables were received of which 85 were AID financed and 30 were other donor financed, but only seven had been distributed to field MCH/FP centers. ONPFP purchased 200 examining tables locally in addition to those of

AID and other donors. USAID/Tunisia had no inventory or utilization reports from ONPFP to permit a follow-up on slow movement of the examining tables. During our field visits, personnel at various centers expressed a need for examining tables.

ONPFP is required to provide quarterly status reports on inventories to USAID/Tunis under Standard Provisions Annex I of the Grant Agreement. Also, Standard Provisions Annex 2 requires the grantee to mark goods financed by AID. ONPFP prepared annual inventory reports, but not by donors. We believe ONPFP's property records are well enough maintained to provide equipment inventories identified by donor source.

USAID/Tunisia should obtain reports of non-expendable property inventories by donor and location from ONPFP. USAID/Tunisia should make and report on periodic warehouse and field visits for assurances that AID financed property is used as intended, and for planning any further equipment financing.

USAID/Tunisia replied to our findings by stating that in the future it will issue reports of warehouse visits and field trips to document USAID/Tunisia's monitoring of use of AID financed property. Further it would request ONPFP to furnish a copy of their current equipment inventory report, indicating AID financed items, and request ONPFP to furnish copies of these reports annually. The Project Officer followed up with a letter to ONPFP for appropriate action.

Recommendation No. 2

USAID/Tunisia obtain inventory/  
utilization reports from ONPFP of  
AID financed non-expendable property  
as appropriate for USAID/Tunisia's  
monitorship responsibilities.

USAID/Tunisia's response to our draft report stated that no reply had been received from the GOT, but followup would continue on the recommendation.

Tunisia Family PlanningFunding Status (\$000)3/31/80

	<u>Cumulative Obligations</u>	<u>Cumulative Accrued Expenditures</u>
Commodities	\$ 298	\$ 214
Participants*	90	90
Other Costs	2,251	2,251
Unallocated	<u>447</u>	<u>-</u>
	<u>\$3,086</u>	<u>\$2,585</u>

\*Short term training only

Tunisia Family Planning

Acronyms Used In Report

AID	- Agency for International Development
CY	- Calendar Year
FP	- Family Planning
FPIA	- Family Planning International Assistance
GOT	- Government of Tunisia
IEC	- Information, Education, Communication
IPAVS	- International Project-Association of Voluntary Sterilization
IPPF	- International Planned Parenthood Federation
JHPIEGO	- John Hopkins Program for International Education in Gynecology and Obstetrics
MCH	- Maternal Child Health
MCH/FP	- Maternal Child Health/Family Planning
MOF	- Ministry of Finance
MOH	- Ministry of Health
ONPFP	- Office National du Planning Familial et de La Population
PACD	- Project Assistance Completion Date
PIO/C	- Project Implementation Order/Commodities
UN	- United Nations
UNDP	- United Nations Development Programme
UNESCO	- United Nations Educational, Scientific and Cultural Organization
UNFPA	- United Nations Fund for Population Activities
UNICEF	- United Nations Children's Emergency Fund
USAID	- U. S. Agency for International Development
WFS	- World Fertility Survey

Tunisia Family Planning

List of Recommendations

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Recommendation No. 1

USAID/Tunisia obtain (a) ONPFP independent certified financial statements of its local currency costs financed by AID, and (b) copies of ONPFP internal and/or independent audit reports to satisfy requirements of the Grant Agreement Standard Provisions (Annex 2).

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Recommendation No. 2

USAID/Tunisia obtain inventory/ utilization reports from ONPFP of AID financed non-expendable property as appropriate for USAID/Tunisia's monitorship responsibilities.

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