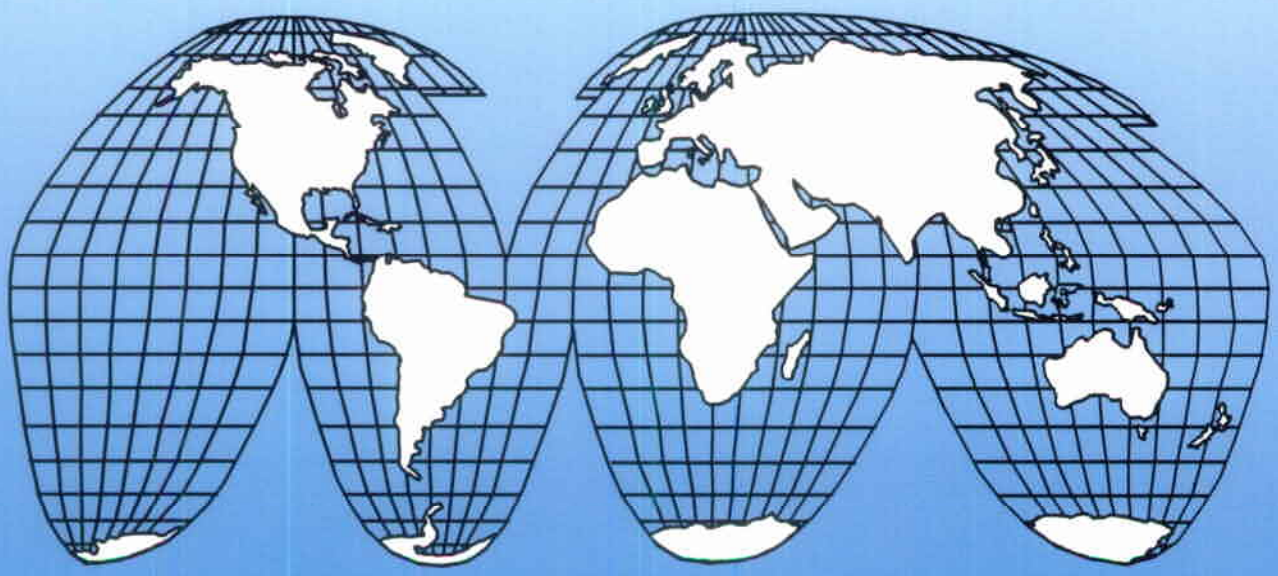
USAID

OFFICE OF INSPECTOR GENERAL

Follow-up of Recommendation No. 2, Audit of USAID/Russia's Monitoring of American International Health Alliance's Performance (Report No. B-118-03-002-P)

Audit Report No. B-118-05-001-P

March 11, 2005



U.S. Agency for International Development
Budapest, Hungary

USAID
FROM THE AMERICAN PEOPLE

Office of Inspector General

MEMORANDUM

DATE: March 11, 2005

TO: USAID/Russia Mission Director, Terry Myers

FROM: Regional Inspector General/Budapest, Nancy J. Lawton /s/

SUBJECT: Follow-up Audit of Recommendation No. 2 from Audit Report No. B-118-03-002-P, Audit of USAID/Russia's Monitoring of American International Health Alliance's (AIHA) Performance (Report No. B-118-05-001-P)

This memorandum transmits our final report on the subject audit. In finalizing the report, we considered your comments on our draft report and have included your response as Appendix II.

The report contains no recommendations.

I want to express my sincere appreciation for the cooperation and courtesies extended to my staff during the audit.

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Summary of Results

In an April 2003 audit report, RIG/Budapest recommended that USAID/Russia take actions to ensure that the quarterly reports of one of its implementing partners, American International Health Alliance (AIHA) included consistent and comparable data related directly to AIHA's activities.

In response to the audit recommendation, USAID/Russia initiated appropriate efforts to improve the quality of data submitted by AIHA. These efforts justified final action on the recommendation.

Background

AIHA's Health Partnership Program is designed to support USAID/Russia's effort to improve the effectiveness of primary health care services, with special attention to the health of women and children and to improving disease prevention and control practices.

Our April 2003 audit report determined that USAID/Russia was adequately monitoring AIHA's performance. However, in testing data in AIHA's quarterly report to the Mission, we found that not all reported data was accurate, consistent and comparable. To address this problem, the audit report included the following recommendation:

> Recommendation No. 2: We recommend that USAID/Russia notify American International Health Alliance of the problems identified with data quality and require that future quarterly reporting include consistent and comparable data related directly to AIHA's activity.

In accordance with the Office of Management and Budget's Circular No. A-50 and Office of Inspector General audit policy, we selected Recommendation No. 2 for follow-up because it specifically dealt with activity monitoring and performance evaluation. The purpose of our recommendation follow-up was to ensure that management actions have corrected or are correcting the deficiencies identified in the audit report.

Audit Objective

This audit was part of the Office of Inspector General's fiscal year 2004 Annual Plan and was conducted to promote improvements in the way USAID manages for results, including planning, monitoring, and reporting on development activities.

The audit was conducted to answer the following question:

> **Did USAID/Russia take corrective actions to justify final action on Recommendation No. 2 of Audit Report No. B-118-03-002-P of April 9, 2003?**

The scope and methodology of this audit are detailed in Appendix I.

Audit Findings

USAID/Russia took appropriate corrective actions to justify final action on Recommendation No. 2 of the April 9, 2003 audit report.

In comments to the report, USAID/Russia stated that the Mission has notified AIHA, both verbally and by memo, of the problems identified with data quality. The Mission informed AIHA that USAID required future AIHA quarterly reports to include consistent and comparable data related to each activity. Also, according to the Mission, USAID/Russia and AIHA had jointly conducted a thorough data quality assessment during the development of and prior to the final approval of a revised Monitoring & Evaluation (M&E) plan.

The Mission further stated that during regular field trips, USAID/Russia health officials monitor program implementation and, as part of routine procedures, check and verify to the extent possible both the qualitative and quantitative data submitted by AIHA to USAID on a quarterly basis. According to the Mission, in all cases when inconsistencies or inaccuracies are revealed, AIHA is informed and required to provide clarification.

During our follow-up review, we confirmed that USAID/Russia and AIHA had revised the AIHA M&E plan in light of the concerns raised by the OIG audit. As part of this process, the Mission and AIHA developed Russia-specific performance indicators for which data was readily available and which corresponded to the major activities supported by USAID/Russia.

As a result of these efforts, AIHA and USAID/Russia implemented a revised quarterly reporting format which presented consistent and comparable data related to the new indicators. Our review of four quarterly reports from the period July 1, 2003 through September 30, 2004 showed that AIHA consistently used the agreed-upon indicators to report on activity progress.

We also reviewed selected USAID/Russia trip monitoring reports and found that Mission staff routinely checked and verified health program indicator data for compliance with USAID data quality standards. When data quality problems were identified, Mission staff expeditiously contacted AIHA to seek improvements. For example, following a site visit to AIHA-supported clinics in Samara, USAID staff noted that clinics were using different methodologies for collecting data on contraceptive use. Similarly, staff noted that the clinics were not consistently reporting the number of participants in patient education courses. Shortly after the completion of the monitoring trip, the Mission staff reported these and other data concerns to AIHA for correction.

Evaluation of Management Comments

In response to our draft audit report, USAID/Russia provided written comments that are included in their entirety in Appendix II. The Mission agreed with our findings.

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Scope and Methodology

Scope

The Regional Inspector General/Budapest conducted this audit in accordance with generally accepted government auditing standards except that the audit scope was limited to collecting sufficient information to determine if USAID/Russia took corrective actions to justify final action on Recommendation No. 2 of Audit Report No. B-118-03-002-P of April 9, 2003.

In planning and performing the limited scope audit, we considered relevant prior audit work completed in Russia. We did not assess management controls related to the activity or confirm, through an examination of source documentation, the validity of reported data.

We conducted the limited scope audit at USAID/Russia, located in Moscow, Russia. The audit fieldwork was conducted from October 4 through December 22, 2004.

Methodology

To answer the audit objective, we obtained and reviewed AIHA's revised Monitoring and Evaluation Plan and related correspondence. We evaluated changes to the reporting format and reviewed revised quarterly reports from the period July 1, 2003 through September 30, 2004 to determine if the new reporting format was being consistently used. We also obtained and reviewed selected USAID/Russia trip monitoring reports to determine if Mission staff verified health program indicator data for compliance with USAID data quality standards. Finally, we obtained and reviewed correspondence to determine if identified data problems were being communicated to AIHA for appropriate action.

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Management Comments

United States Agency for International Development

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February 14, 2005

TO: Regional Inspector General, Budapest, Nancy Lawton

FROM: Mission Director, USAID/Russia, Terry Myers /s/

SUBJECT: Follow-up Audit of Recommendation No. 2 from Audit Report No. B-118-03-002-P, Audit of USAID/Russia's Monitoring of American International Health Alliance's (AIHA) Performance (Report No. B-118-05-00X-P)

USAID/Russia agrees with the finding and thanks RIG/Budapest for its cooperation with the Mission's staff.

cc: USAID/Russia, Director, Office of Health, Betsy Brown
USAID/Russia, Project Management Specialist, Office of Health, Natalia Voziianova
USAID/Russia, Controller, Elizabeth Chambers
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