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**AUDIT OF
USAID/ECUADOR'S
POPULATION AND FAMILY PLANNING
PROJECT NO. 518-0026**

**Audit Report No. 1-518-90-011
June 8, 1990**

**Currently estimated at 35.4 per 1,000 population,
the overall project goal of decreasing Ecuador's
birth rate from 36.7 to 35.0 has almost been
accomplished.**

AGENCY FOR INTERNATIONAL DEVELOPMENT

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June 8, 1990

MEMORANDUM

TO: USAID/Ecuador Director, Frank Almaguer

FROM: RIG/A/T, Coinage N. Gothard, Jr. *Coinage N. Gothard*

SUBJECT: Audit of USAID/Ecuador's Population and Family Planning
Project No. 518-0026

The Office of the Regional Inspector General for Audit/Tegucigalpa has completed its audit of USAID/Ecuador's Population and Family Planning Project No. 518-0026. Five copies of the audit report are enclosed for your action.

The draft audit report was submitted to you for comment and your comments are attached to the report. The report contains five recommendations. Recommendations 1 and 3 are resolved and will be closed upon completion of planned or promised actions. Recommendations 2, 4, 5a and 5b are closed upon issuance of this report. Please advise me within 30 days of any additional actions taken to implement Recommendations No. 1 and 3.

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

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EXECUTIVE SUMMARY

With a population of 9.6 million (in 1986), one of the most serious development problems facing Ecuador is its high rate of population growth. The estimated growth rate in 1987 was around 2.8 percent. A high growth rate hampers the Government of Ecuador's ability to achieve its development goals because the public and private sector are unable to keep abreast of social demands for employment, education, health services, basic shelter, and adequate food production and distribution.

To help alleviate these problems A.I.D. authorized in 1981, a grant agreement with the Government of Ecuador to implement a Population and Family Planning Project. The project's goal, as originally designed, was to decrease the population growth rate in order to improve the quality of life of the majority of Ecuadorians. In 1987 the project was amended to extend the project assistance completion date to September of 1991, and to increase project funding from \$5.6 million to \$14 million. According to USAID/Ecuador Controller records about \$10.9 million of project funds had been obligated and \$7.2 million expended as of November 8, 1989.

From November 8 to December 21, 1989, the Office of the Regional Inspector General for Audit/Tegucigalpa audited Ecuador's Population and Family Planning Project in accordance with generally accepted government auditing standards.

Good progress was being made in achieving most project objectives. However, community based distributors should not provide contraceptives to new users without first referring these users to qualified medical personnel for evaluation. Also, in the rural sectors more visually oriented family planning material was needed to effectively reach the population. Finally, public-sector agencies needed further training and supplies before family planning services could be provided.

The system used to report participating agency statistics on new contraceptive users was overstated by 5 to 10 percent. A clearer definition of a "new user" was needed to correct this problem and accurately reflect project accomplishments.

USAID/Ecuador and participating agencies had systems in place for verifying project expenditures. However, external audits were not required to follow U.S. Government Auditing Standards and USAID/Ecuador had not established an audit recommendation follow-up system.

This report includes five findings. Finding 1 discusses the need to stop distributing oral contraceptives without first determining the degree of health risk through doctor consultations. Finding 2 deals with the use of

more appropriate audiovisual material to promote family planning in rural areas. Finding 3 discusses public-sector delays in implementing family planning activities. Finding 4 deals with the inaccurate reporting of project statistics for new contraceptive users. And lastly, finding 5 deals with the need for improved compliance with audit requirements and follow-up on audit recommendations.

The report recommends that 1) USAID/Ecuador and private voluntary organizations develop and implement a program to provide additional education and training to community based distributors and better coordinate activities with private health practitioners, 2) USAID/Ecuador assure that more appropriate visual family planning information be provided to the project's rural sector, 3) USAID/Ecuador with the Ecuadorean Social Security Institute initiate training of public-sector urban personnel and provide equipment and supplies to the entire public-sector component, 4) USAID/Ecuador provide a clear definition of a "new user" in order to obtain valid results for project outputs, and 5) active project agreements include the requirement for periodic audits which meet government auditing standards and a recommendation follow-up system be established.

We provided Mission officials with a draft of this report for comment. In response to the draft report, USAID/Ecuador agreed with the findings and recommendations and Mission officials noted that they had already begun addressing the problems. The Mission's comments (less attachments) are presented in Appendix 1.

Office of the Inspector General

Office of the Inspector General
June 8, 1990

GLOSSARY

APROFE	Asociacion Pro Bienestar de la Familia Ecuatoriana (Association for the Well-being of the Ecuadorean Family)
CBD	Community Based Distributors
CEMOPLAF	Centro Medico de Orientacion y Planificacion Familiar (Medical Center for Family Orientation and Planning)
CEPAR	Centro de Estudios de Poblacion y Paternidad Responsable (Center for Research on Population and Responsible Parenthood)
IESS	Instituto Ecuatoriano de Seguridad Social (Ecuadorean Social Security Institute)
IPPF	International Planned Parenthood Federation
PHP	Private Health Practitioner

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PART I - INTRODUCTION

A. Background

With a population of 9.6 million (in 1986), one of the most serious development problems facing Ecuador is its high rate of population growth. The estimated growth rate in 1987 was around 2.8 percent. A high growth rate hampers the Government of Ecuador's ability to achieve its development goals because the public and private sector are unable to keep abreast of social demands for employment, education, health services, basic shelter, and adequate food production and distribution.

To help alleviate these problems A.I.D. authorized in 1981, a grant agreement with the Government of Ecuador to implement a Population and Family Planning Project. The project's goal, as originally designed, was to decrease the population growth rate in order to improve the quality of life of the majority of Ecuadoreans. In 1987 the project was amended to extend the project assistance completion date to September of 1991, and to increase project funding from \$5.6 million to \$14.0 million. According to USAID/Ecuador Controller records about \$10.9 million of project funds had been obligated and \$7.2 million expended as of November 8, 1989, (Exhibit 1).

The project, as amended, was to be carried out by public and private-sector institutions. Implementation details were noted in individual agreements with the institutions. The International Planned Parenthood Federation (IPPF) was responsible for coordinating private institution activities (except for those activities of the Catholic Church). Private institutions included the Asociacion Pro Bienestar de la Familia Ecuatoriana¹ (APROFE), the Centro Medico de Orientacion y Planificacion Familiar (CEMOPLAF), the Centro de Estudios de Poblacion y Paternidad Responsable (CEPAR), and the Catholic Church. The public sector was represented by the Instituto Ecuatoriano de Seguridad Social (IESS) (Exhibit 2). Activities to be carried out by the different institutions were coordinated

¹ See report glossary for English translation of Spanish names.

through USAID/Ecuador's population office. Exhibit 3 gives a detailed breakdown of project accomplishments by institution to September 30, 1989.

B. Audit Objectives and Scope

The Office of the Regional Inspector General for Audit/Tegucigalpa conducted an audit of Ecuador's Population and Family Planning Project. The specific audit objectives were to determine:

- the extent to which the project's objectives had been achieved and identify any factors which could adversely affect the implementation of private- and public-sector institutions,
- if the systems used to accurately report project statistics reflected the number of new contraceptive users, and
- if USAID/Ecuador and participating institutions had adequate systems for verifying project expenditures and for assuring that audits were performed as required.

In determining the level of achievement of the project's objectives we collected statistical data from USAID/Ecuador, the implementing agencies, and outside sources and compared this data against intended results noted in the project paper and the multiple agreements under this project. We selectively verified the statistical information collected. We conducted interviews with USAID/Ecuador, host government, and nonprofit family planning personnel in order to verify project progress and identify implementation problems. The audit team observed project operations in cities and towns throughout Ecuador. Locations visited were Quito, Guayaquil, Cuenca, Mapasique, La Troncal, Ambato, Azogues, Riobamba, Latacunga, Pujili, Cajabamba, and Gualaceo. These locations were judgmentally selected to include both sites previously visited by USAID/Ecuador personnel and sites never visited. We visited 17 clinics (8 APROFE, 6 CEMOPLAF and 3 IESS), four private health practitioners, and eight community based distributors.

In evaluating the systems for reporting project statistics we selectively verified the statistics collected and reported by individual clinics with those statistics maintained by the private-organization central offices and USAID/Ecuador.

To determine the adequacy of systems used to verify project expenditures we reviewed USAID/Ecuador's and other participating agencies' procedures for disbursing funds and reviewed documentation supporting selected disbursements. We also reviewed the project paper and agreements for

compliance with audit requirements. Finally, we reviewed audit reports issued on the project and evaluated USAID/Ecuador's audit follow-up tracking system.

The audit covered A.I.D. expenditures of \$7.2 million for the period June 16, 1981 through November 8, 1989. We tested \$5.7 million or about 80 percent of project expenditures. Although our review of expenditures covered the entire period, our review of project effectiveness and systems primarily concentrated on those activities taking place since the July 27, 1987 project amendment. Our review of public-sector activities included only those activities involving IESS as the activities of other public organizations had either been terminated, completed, or were about to be completed.

This audit was the first Inspector General audit of the project and was performed from November 8, 1989 through December 21, 1989. Our audit was made in accordance with generally accepted government auditing standards.

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PART II - RESULTS OF AUDIT

Good progress was being made in achieving most project objectives. However, community based distributors should not provide contraceptives to new users without first referring these users to qualified medical personnel for evaluation. Also, in the rural sectors more visually oriented family planning material was needed to effectively reach the population. Finally, public-sector agencies needed further training and supplies before family planning services could be provided.

The system used to report participating agency statistics on new contraceptive users was overstated by 5 to 10 percent. A clearer definition of a "new user" was needed to correct this problem and accurately reflect project accomplishments.

USAID/Ecuador and participating agencies had systems in place for verifying project expenditures. However, external audits were not required to follow U.S. Government Auditing Standards and USAID/Ecuador had not established an audit recommendation follow-up system.

As many as 400 women per day receive family planning services from this clinic in Guayaquil.



According to the latest available statistics, the overall project goal of decreasing Ecuador's birth rate from 36.7 to 35 per 1,000 population by 1991 has almost been accomplished. With less than two years remaining in the project, the estimated rate is currently 35.4. In addition, private-sector activities have been implemented effectively and efficiently, contributing to the overall positive attitude toward family planning found throughout the country.

Because of the current positive environment, we believe A.I.D. should take a higher profile approach to family planning in order to receive full credit for its efforts (Other Pertinent Matters).

This report includes five findings. Finding 1 discusses the need to stop distributing oral contraceptives without first determining the degree of health risk through doctor consultations. Finding 2 deals with the use of more appropriate audiovisual material to promote family planning in rural areas. Finding 3 discusses public-sector delays in implementing family planning activities. Finding 4 deals with the inaccurate reporting of project statistics for new contraceptive users. And lastly, finding 5 deals with the need for improved compliance with audit requirements and follow-up on audit recommendations.

Under other pertinent matters we discuss not only the issue of A.I.D. taking a higher profile in the project but also the possible discontinuance of support to a private organization which is duplicating the promotional efforts of other private organizations.

The report recommends that USAID/Ecuador: (1) together with the private agencies develop and implement a program to better coordinate activities of community based distributors and private health practitioners, (2) assure that more appropriate visual contraceptive information is provided to rural components, (3) in coordination with Ecuador's Social Security Office (IESS) initiate training of urban personnel and provide needed equipment and supplies to the entire public sector, (4) provide a clearer definition of what a "new" contraceptive user is to participating agencies, and (5) incorporate the audit requirement into the project agreements which states that audits are to be performed in accordance with the Comptroller General's Government Auditing Standards and establish an audit recommendation follow-up system.

A. Findings and Recommendations

1. Community Based Distributors Should Not Provide Oral Contraceptive Services to New Users Without Prior Doctor Consultations

Medical evaluations are recommended prior to the use of most contraceptives because some contraceptives may present a health hazard to certain users. Community based distributors providing contraceptive services to marginal urban and rural populations were not referring clients to qualified medical personnel prior to distributing oral contraceptives to new users. Community based distributors did not understand the need and importance of medical evaluations prior to oral contraceptive use and did not understand their role in coordinating activities with project medical personnel, specifically private health practitioners. As a result, the lack of coordination between community based distributors and private health practitioners has reduced project effectiveness and possibly could result in a potential health hazard to a project user.

Recommendation No. 1

We recommend that USAID/Ecuador, in conjunction with the private voluntary organizations, APROFE and CEMOPLAF, develop and implement a program to provide additional education and training to community based distributors. This program should emphasize both the need for medical evaluations by qualified doctors prior to the distribution of oral contraceptives to new users and the need to better coordinate activities with private health practitioners.

Discussion

In 1987, as a means of reaching the marginal urban and rural areas with family planning services, A.I.D. decided to expand the project's community based distribution (CBD) component and to initiate a private health practitioner (PHP) component. Under this expansion CBDs were not only to sell contraceptives but also to refer customers to PHPs (selected trained doctors and nurse/midwives) for services not available at distribution points. These services included the medical evaluations of new contraceptive users prior to the prescription of oral contraceptives.

Evaluations should be conducted as a precautionary measure to avoid possible medical complications resulting from the use of oral contraceptives. For example, oral contraceptives may be inappropriate for a woman with high blood pressure.

Despite the potential health hazard, we found it was not uncommon for CBDs to distribute oral contraceptives to new users without the benefit of a medical evaluation. Our review found that of the eight CBDs we interviewed, all eight were distributing oral contraceptives to new users without first referring them to qualified medical personnel. According to the PHPs interviewed, the CBDs misconstrued their role as being similar to that of the PHPs. As a consequence, the PHPs felt there existed a feeling of rivalry and competition for clients rather than cooperation as was intended by the project.

CBDs were distributing oral contraceptives without first referring them to qualified medical personnel.

Also, contributing to the problem of client referral is the lack of qualified doctors working in the marginal urban and rural areas, areas in which CBDs are located. Although A.I.D. in the July 1987 Project Amendment programmed the hiring of 70 to 80 new PHPs, it was March 1989 before the first PHP was hired. As of November 1989 only approximately one-half of the programmed PHPs had been hired. Thus, only recently have some CBDs had ready access to professional medical assistance. Nevertheless, even with access to a PHP, practice of distributing oral contraceptives to new users without medical evaluations continues.

Oral contraceptives distributed in this manner may create a potential health hazard and if such medical complications were to occur to a project user, the resulting negative publicity could jeopardize the community based distribution program. Better understanding and coordination between CBDs and PHPs is essential if the project is to effectively expand family planning into marginal urban and rural areas.

Management Comments

USAID/Ecuador management is currently reviewing various possibilities for improving coordination of CBD workers with other private and commercial family planning programs. On April 24, 1990 USAID/Ecuador sent letters to the various organizations supporting CBD programs pointing out the problem cited in the draft audit report. These letters requested the organizations to take and report on specific actions to improve coordination with clinics and PHPs and ensure that physicians examine patients before CBD workers provide oral contraceptives. The actions planned will be reviewed and approved by USAID/Ecuador.

Office of Inspector General Comments

Management's plan of action is responsive to the recommendation. Recommendation 1 is resolved based on this action plan and will be closed upon receipt of documentation showing implementation of the plan.

2. Information, Education, and Communication Services for the Rural Sector Should Be More Visually Oriented

The media used to promote project concepts, such as contraception and family planning, should be appropriate for the intended audience so that the concepts can be easily understood and readily accepted. The promotional media used by rural promoters were inappropriate because a large percentage of the rural population was unable to fully comprehend the written messages presented. Audiovisual media would be more easily understood and accepted by this population segment and result in a more effective rural family planning program.

Recommendation No. 2

We recommend that USAID/Ecuador take action to assure that more appropriate contraceptive information is developed and provided to the project's rural sector.

Discussion

Reaching rural areas was a major emphasis of the project's information, education, and communication component (IEC) under the 1987 Project Amendment. Because of the unique attributes of the rural areas such as, cultural and linguistic differences; the amendment noted that special problems not existing in other more urban localities, may have to be addressed. Our review substantiated this belief. Moreover, we found not only cultural and linguistic differences in the rural areas but also a more illiterate population.

Although there was the need to develop special promotional material on family planning for the rural sector, we found that no new promotional material had been specifically developed for the rural areas. The material used for urban areas was also used for rural areas. The idea of using promotional material written in the local language had been discussed by the participating agencies but dismissed because the majority of the Indian population was illiterate and would not be able to read their own language.

Reaching the illiterate rural population is not an easy task and audiovisual material would seem to be the preferred medium. During our review of the ten clinics, management at seven stated that they had requested audiovisual material be provided. By presenting the idea of family planning orally or visually--preferably both--the level of acceptance should be much greater.

Although A.I.D. had recognized the potential problems of promoting family planning in the rural areas of Ecuador they did not take action to address

these problems. As a result, the project's rural family planning message has not reached the rural sector as effectively as possible.

Management Comments

USAID/Ecuador management agreed that the communications program should be strengthened. Management stated that after more than a year of trying to obtain the Bureau for Science and Technology, Directorate for Population's support, they now have received the needed technical assistance. As a result, a plan has been developed "to hold a training workshop on the communications process for local organizations and to initiate research directed at better understanding consumer profiles. This will be a major effort over the next year and should substantially improve communications programs. The local organizations are committed to this plan of action, and the Mission is finalizing arrangements." Based on this plan of action USAID/Ecuador requested closure of Recommendation 2.

Office of Inspector General Comments

Management's plan of action is responsive to the recommendation and should provide for the development and dissemination of appropriate contraceptive information to the project's rural sector. Recommendation 2 is closed with the issuance of this report. However, RIG/A/T would appreciate USAID/Ecuador transmitting a copy of the resulting communications program and plan of implementation when it becomes available.

3. Training, Equipment, and Supplies Need To Be Provided to the Project's Public Sector

Without adequately trained staff and available equipment and supplies the project cannot accomplish its goal of decreasing population growth by increasing contraceptive usage. The project's public-sector component, comprised of the Ecuadorean Social Security Institute (IESS), was not accomplishing its goal of expanding family planning services to both the urban and rural sectors because not all training had been provided and none of the programmed supplies and equipment had been delivered. Past political problems have caused unavoidable project delays; however, with the current more positive political environment and less than two years remaining in the project's life, immediate action must be taken if the project's public sector is to accomplish its goal of expanding family planning services.

Recommendation No. 3

We recommend USAID/Ecuador in coordination with the Ecuadorean Social Security Institute, initiate training of the public-sector urban personnel and provide needed equipment and supplies to both the urban and rural sectors of the public-sector component.

Discussion

Decreasing population growth by increasing demand for family planning services is the primary goal of Ecuador's population and family planning project. Increasing the number of hospitals, clinics, and dispensaries participating in the project, as well as expanding services, are major project outputs. In order to achieve these project results A.I.D., in both the project paper and agreements, planned to provide extensive training, equipment, and supplies to the various project components.

Representing the public-sector component, the IESS planned to expand family planning services in both its urban and rural sectors. By the end of the project, 150 urban hospitals and health units and 900 rural clinics were planned. In addition, over 1,500 IESS personnel were to receive family planning training and approximately \$380,000 was to be spent on equipment and supplies.

Of the above projections only 380 rural sector personnel had received family planning training, no training had been provided to those urban sector personnel having actual contact with clients. Moreover, neither sector had received urgently needed supplies and equipment. During our site visits we found the lack of supplies created a morale problem with rural sector personnel because these people although trained in family planning

techniques were unable to provide the services they were promoting. As a result, the project has lost an opportunity to reach a large portion of the rural population by using the 457 operating dispensaries of the rural IESS component.

The current rural sector difficulties originated in 1985 when a change in the Ecuadorean government caused a negative attitude toward the family planning program and, as a result, the discontinuance of family planning activities. This political attitude ended the public-sector's promotional activities and most of the contraceptives previously received had to be destroyed. In 1987, with another change in government and attitude, the program was reactivated. Notwithstanding this new support, we found, two years later, that little had been accomplished.² Unless A.I.D. takes control of the situation, the project will end, in September 1991, without accomplishing its goal of developing Ecuador's public-sector family-planning capability.

Management Comments

Management stated that as of April 30, 1990, two of the eight regions' public sector urban personnel had received training, with the balance to be provided by the second week of May. With respect to the provision of needed equipment and supplies, USAID/Ecuador provided certain information showing supplies received and to be received by the public sector component.

Office of Inspector General Comments

Management's accomplishments to date are responsive to the recommendation. Based on action achieved and planned Recommendation 3 is resolved. In order to close Recommendation 3 RIG/A/T needs documentation showing that supplies and equipment have actually been received by USAID/Ecuador and distributed to the Ecuadorean Social Security Institute in accordance with Project Agreement requirements.

² USAID/Ecuador management noted that "Even though the Peasants' Social Security FP program reactivation started in July 1987, efforts through August 1988 were slowed by the election and change of Administration. Therefore, serious program implementation was actually begun by the new Government beginning 1989,..."

4. Reported Project Outputs are Overestimated

In order to determine if the project was achieving its goal of decreasing population growth, USAID/Ecuador established the total number of "new users" reached as one of its measurable indicators of project progress. Participant agencies maintained and reported statistics on the number of "new users" reached. USAID/Ecuador then used this information to report the project's progress. However, participant agencies have not had a clear definition as to what a "new user" is. This unclear definition has caused a 5 to 10 percent overstatement in reported outputs as compared to those actually achieved.

Recommendation No. 4

We recommend that USAID/Ecuador provide a clear definition of a "new user" to all participant agencies in order to obtain more valid results for project outputs. This definition should avoid the reporting of the same user by different clinics and agencies.

Discussion

In order to determine if participating agencies were achieving the intended results, USAID/Ecuador established measurable indicators. These indicators include the total number of "new users" reached by each participating agency. A "new user" was considered to be a person who had not previously used any type of contraception. However, this definition of "new user" was modified to: a new user is a person who goes to a clinic for the first time regardless of whether this person has previously used any type of contraceptive or gone to another clinic. USAID/Ecuador is currently using this modified definition to measure a participating agency's accomplishments. This modified definition caused the overstatement of "new users" in both the public- and private-sector participants.

At the beginning of the project in 1982, there were three public-sector agencies providing family planning services as part of the population project: the Ministry of Health, the Ecuadorean Social Security Institute, and the Ministry of Defense. However, activities in these agencies were discontinued for different reasons.

All of the above participating agencies had reached a number of new users. For example, the Ministry of Defense had about 40 clinics that were providing family planning services to about 79,000 new users. When this agency's activities were discontinued, private-sector participating agencies took over some of the clinics and users. Although these users had been included in statistics previously reported by the Ministry of Defense the private clinics once again reported these people as "new users"--an obvious

double counting. Private clinics have also double counted IESS contraceptive users. For instance, when contraceptives are unavailable at IESS clinics, clients are referred to private clinics for needed services. Although these people are normally IESS users they are also considered "new users" by the private clinics.

The private-sector part of the project is carried out by two private voluntary agencies that provide family planning services through about 35 clinics located throughout the country. These clinics give an identification card to each user to whom the services are provided. Every time the user goes to the clinic, the user has to show the identification card so that her record can be obtained. In this way, every clinic maintains a history of each user. However, we found that when a user moves to or visits another town and seeks family planning services from the private clinic in the area, this user is considered as a "new user" by that clinic and reported as such.

We discussed this issue with International Planned Parenthood Federation's (IPPF) representative in Ecuador (The IPPF is the institution responsible for coordinating private-sector activities). This representative indicated that this modified method of recording "new users" inflates by 5 to 10 percent the statistical information reported by the participating agencies.

In our opinion, the definition of a "new user" should be only those individuals who had not previously used any type of contraception. To this end, all clinics should require and honor identification cards used by other agencies.

In order to accurately reflect the project's accomplishments and avoid the double counting of contraceptive users, USAID/Ecuador needs to establish a clearer definition of a "new user".

Management Comments

On April 20, 1990 management sent a letter to IPPF requesting that APROFE and CEMOPLAF include collection and reporting of statistics on the definition of a new user as suggested in the audit report.

Office of Inspector General Comments

Management actions are responsive to the recommendation. Accordingly Recommendation 4 is closed upon the issuance of this report.

5. Need for Audits of Project Funds Was Not Evaluated

Our review disclosed that neither the original project paper, nor the 1987 amendment contained an evaluation of the need for audit coverage. A listing of audits made on the project's participating organizations showed that not all organizations were being audited periodically as required. In addition, those audits which were made did not meet the Comptroller General's generally accepted government auditing standards as required. Finally, USAID/Ecuador had not established, as required, a reliable system to follow up on recommendations resulting from audits made. Management officials had failed to implement audit requirements. As a result, USAID/Ecuador did not have the required level of assurance that A.I.D. funds were being used for agreed upon purposes.

Recommendation No. 5

We recommend that USAID/Ecuador:

- a. require periodic audits which meet government auditing standards for all organizations receiving federal funds. When necessary, funds should be budgeted for these audits, and
- b. establish an audit recommendation follow-up system.

Discussion

Our review disclosed that project documentation did not contain an evaluation for the need of audit coverage and required audits had not been performed. A review of all audit reports obtained showed that most audits did not meet the Controller General's government auditing standards as required. Moreover, a recommendation follow-up system was not established.

Audit Coverage Was Not Evaluated Nor Were Audits Performed As Required - According to Payment Verification Policy Statement No. 6, issued in 1983, USAID missions are to include in the project papers, an evaluation of the need for audit coverage and, when needed, project funds should be budgeted for independent audits. Although the original 1981 project paper was not subject to the 1983 Payment Verification Policy requirements, the 1987 project amendment was. However, our review showed the required audit evaluation was not done. The need for audit coverage at this time was especially relevant because the amendment increased funding by \$8.4 million and added new private-sector components. In light of potential risks, USAID/Ecuador should have included an evaluation of the need for audits and described planned audit coverage by host government, A.I.D., and/or public accounting firms.

During our audit, we made a listing of all audits and financial reviews for project participating institutions which had been performed. Our review showed that of the 12 participating agencies, USAID/Ecuador had audits and/or reviews for only 4 agencies. For example, USAID/Ecuador files contained no audits for public-sector institutions and the only audits found for private-sector institutions were: external audits for 1987 and 1988 activities for two private voluntary organizations, CEPAR and CEMOPLAF (four reports), and financial reviews for 1989 for the churches of Cuenca and Esmeraldas (two reports) performed by the Financial Analysis Section of the USAID/Ecuador's Controller Office.

Three additional audits, one for APROFE's 1988 activities and two for IPPF's 1987 and 1988 activities, were provided to the audit team by the IPPF and the Regional Office of the Inspector General for Audit/Washington respectively. USAID/Ecuador did not have copies of these audits.

External Audits Did Not Meet Required Standards - The Inspector General Act of 1978, Office of Management and Budget (OMB) circular A-73, and the Agency's Latin American and Caribbean Bureau require that audits of recipients of federal assistance follow government auditing standards issued by the Comptroller General. Our review disclosed that the standard provisions attached to agreements under this project--with the exception of the agreement with the IPPF which did not contain an audit requirement at all--indicated that audits of federal fund recipients were to be made in accordance with generally accepted auditing standards and not the required Comptroller General's government auditing standards.

As a result, the audits did not meet the various required standards. For example, the external audits for the private voluntary organizations' activities in 1987 and 1988 did not contain a review of compliance with agreement terms and conditions. Furthermore, the 1988 external audit for APROFE included neither a review of compliance nor a review of APROFE's internal control systems. According to APROFE's representatives, the external auditors believed that APROFE was a model institution and that there was no need to evaluate its internal controls. The Comptroller General's government auditing standards require that external auditors report on both compliance and internal controls; while generally accepted auditing standards, prior to 1989, did not require reports on these areas.

Follow-up Activities - OMB Circular A-50 requires each agency to establish an "audit follow-up" system to assure the prompt resolution and implementation of audit recommendations.

Audit follow-up is an integral part of good management as corrective action taken by management is essential to improving the effectiveness and efficiency of A.I.D. operations. Although management officials stated they

had planned to establish a follow-up system we found that USAID/Ecuador had not established a system to see that audit recommendations were complied with. In fact, three issued audit reports on participating private-sector organizations could not even be found at USAID/Ecuador. On December 30, 1989 the Agency reaffirmed the importance of audit follow-up and resolution by issuing a new policy and procedure paper. Based on this we feel USAID/Ecuador should establish an audit recommendation follow-up system as soon as possible.

In conclusion, by not performing external audits meeting the Comptroller General's government auditing standards on all project participating organizations and not having an audit recommendation follow-up system USAID/Ecuador did not have the required level of assurance that A.I.D. funds were being used properly.

Management Comments

In reference to part a of Recommendation 5, the Mission organized a training session on the Comptroller General's government auditing standards for all interested Ecuadorean accounting firms and staff auditors from the Ecuadorean Controller General's Office. The Mission sent a model audit scope-of-work to all counterpart institutions reiterating the requirement for annual audits to meet the Comptroller General's standards.

Regarding part b of Recommendation 5, the Mission developed an office procedure to track counterpart audit recommendations. This procedure requires project officers to report monthly on actions taken on audit recommendations.

Office of Inspector General Comments

Management's actions address the intent of the recommendation and as such Recommendation 5 parts a and b are closed upon issuance of this report.

B. Compliance and Internal Control

Compliance

The review of compliance was limited to the findings in this report. Two compliance exceptions--both related to external audits--were disclosed during our review. First, external audits were not conducted on all participating organizations and project agreements did not require external audits to be made in accordance with Comptroller General's government auditing standards. Second, USAID/Ecuador had not established an audit recommendation follow-up system to track the implementation of audit recommendations (Finding 5).

Internal Control

Our review of internal controls was limited to the weaknesses reported. We found internal control weaknesses in that USAID/Ecuador had no assurance that external audits were made on the project's participating agencies and had not established an audit recommendation follow-up system (Finding 5).

C. Other Pertinent Matters

The following two issues should be considered by USAID/Ecuador prior to the signing of any future project agreements for Population and Family Planning activities.

First, although the private-sector portion of the project has been extremely successful, USAID/Ecuador has received little or no credit for its efforts. When the project originated in 1981 the political situation in Ecuador was considered to be too sensitive for USAID/Ecuador to be openly associated with family planning activities. For this reason USAID/Ecuador stated they had obtained a waiver of the requirement to identify A.I.D. purchased materials with the A.I.D. symbol. USAID/Ecuador also decided it would be better to maintain a low profile and use the International Planned Parenthood Federation as the project's private-sector administrator.

USAID/Ecuador's decision to maintain this low profile may have been appropriate when the project first started but today this is certainly not the case. Family planning advertising is common on radio, television, and billboards throughout the country and the level of acceptance of family planning has grown tremendously. The time has come for the U.S. Government to receive some recognition for its efforts.

Secondly, our review identified a duplication of effort in the area of information, education, and communication among the project's private-sector agencies. The private organization called CEPAR was supposed to assist the two other private organizations (APROFE and CEMOPLAF) in producing appropriate advertising material; however, CEPAR's services were not used because the other organizations could produce material more cheaply and more in line with their individual needs. The benefits derived from CEPAR's information, education, and communication efforts were difficult to determine. Based on the decision of the other private organizations to not use CEPAR's services and their success in producing their own, A.I.D. should look closely at the need to continue the funding of information, education, and communication activities under CEPAR.

**AUDIT OF
USAID/ECUADOR'S
POPULATION AND FAMILY PLANNING
PROJECT NO. 518-0026**

PART III - EXHIBITS AND APPENDICES

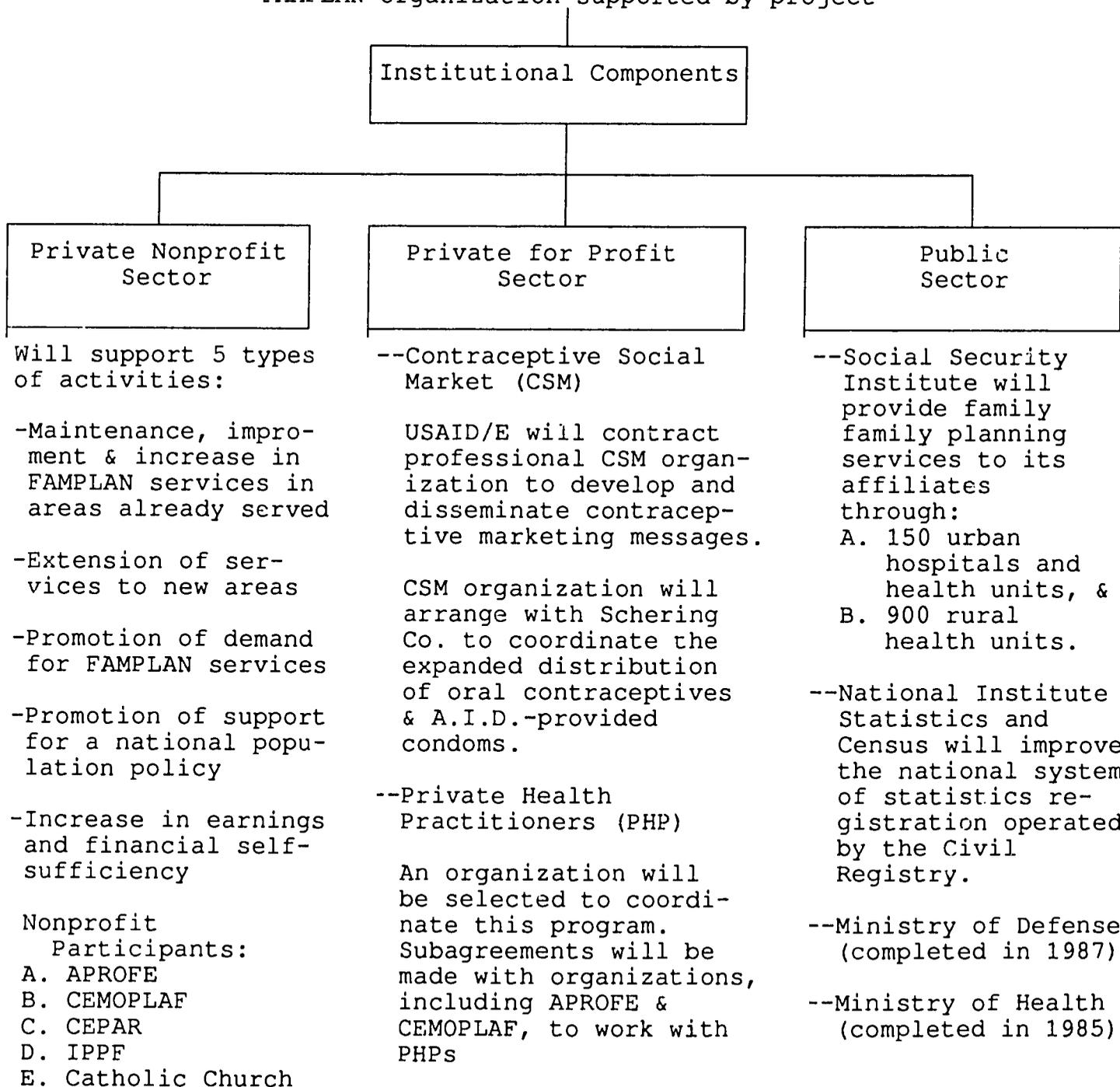
EXHIBIT 1**AUDIT OF USAID/ECUADOR
POPULATION AND FAMILY PLANNING
PROJECT NO. 518-0026****PROJECT FINANCIAL STATUS TO 11/89**

	<u>Estimated Cost</u>	<u>Total Obligations</u>	<u>Amount Committed</u>	<u>Total Expenditures</u>
<u>Public Sector</u>				
Ministry of Health ¹	\$ 143,966	\$ 143,966	\$ 143,604	\$ 132,391
Ministry of Defense ²	540,687	540,687	540,687	540,687
National Institute of Statistics and Census	284,200	230,000	227,689	158,631
EISS Urban	315,900	216,100	192,857	56,856
EISS Rural	784,800	495,000	205,221	37,684
Technical Assistance ²	191,936	191,936	191,936	191,936
TOTAL PUBLIC SECTOR	\$ 2,261,489	\$ 1,817,689	\$ 1,501,994	\$1,118,185
<u>Private Sector</u>				
IPPF-WHR	\$ 9,582,300	\$ 8,090,910	\$ 8,090,910	\$5,720,359
CEPAR	182,496	182,500	182,496	129,185
SOMARC	1,000,000	189,000		
Church of Cuenca	307,600	307,600	307,600	125,648
Church of Esmeraldas	90,000	90,000	90,000	20,456
Church of Guayaquil	69,000	69,000	66,537	66,537
Technical Assistance	192,000	192,000	189,000	0
TOTAL PRIVATE SECTOR	\$11,423,396	\$ 9,121,010	\$8,926,543	\$6,062,185
Unprogrammed Balance	\$ 315,115			
GRAND TOTAL	\$14,000,000	\$10,938,699	\$10,428,537	\$7,180,370

¹ Contract terminated² Contract completed³ Expenditures to 9/30/89

**AUDIT OF USAID/ECUADOR
POPULATION AND FAMILY PLANNING
PROJECT NO. 518-0026**

PROJECT PURPOSE:
To increase demand for & availability of FAMPLAN services, encourage development of national population policy & increase self-sufficiency of private, non-profit FAMPLAN organization supported by project



**AUDIT OF USAID/ECUADOR
POPULATION AND FAMILY PLANNING PROJECT 518-0026**

**SELECTED PROJECT EXPECTED OUTPUTS VS ACTUAL ACCOMPLISHMENTS
TO SEPTEMBER 30, 1989**

PROJECT GOALS OR OUTPUTS	INDICATORS	INDICATORS	ACTUAL OUTPUTS
	ORIGINAL PROJECT PAPER	PROJECT PAPER AMENDMENT	AS OF SEPTEMBER 30, 1989
	DATED JUNE 12, 1981	DATED JULY 27, 1987	
To decrease the population growth rate so as to improve the quality of life.	Decrease in birth rate.	Decrease the crude birth rate from 36.7 in 1986 to 35.0 by 1991.	Reliable statistics on birth rate were not available, but estimates for the period 1985-90 indicate a crude birth rate of 35.4.
To expand demand for and availability of family planning information/services to low income populations.	Increase access to family planning services by target populations of each institution.	Increase in active family planning users from 44% of women in union in May 1987 to 48% by the end of 1991.	According to the 1989 CEPAR survey, women in union using contraceptives increased to 53% as of 1989.
To encourage the development of a national population policy.		Develop a national population policy.	Population policy was issued in October 1987; however, this policy has not been implemented.
To increase the self-sufficiency of project supported non-profit family planning organizations.		Increase annual earned income of non-profits (by 1991): APROFE from \$85,000 to \$100,000 per year; CEMOPLAF from \$45,000 to \$65,000 per year; CEPAR from \$10,000 to \$20,000 per year.	There has been a substantial increase in income earned by private non-profits; however, due to local currency devaluations, reported income has not reached set indicators.

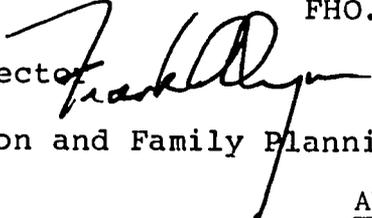
PROJECT GOALS OR OUTPUTS	INDICATORS	INDICATORS	ACTUAL OUTPUTS
	ORIGINAL PROJECT PAPER	PROJECT PAPER AMENDMENT	AS OF SEPTEMBER 30, 1989
	DATED JUNE 12, 1981	DATED JULY 27, 1987	
Clinics and health posts will be increased in rural areas and coverage will expand in both urban and rural areas.	<p>Increase family planning users per participating institution:</p> <p>1) Increase IESS/MP mobile brigades from 16 to 32.</p> <p>2) Provide family planning services at all 290 IESS/Campesino health posts.</p> <p>3) Expand family planning coverage of 3 existing APROFE clinics.</p> <p>4) Establish 3 new CEMOPLAF clinics.</p> <p>5) Initiate new CRS program.</p>	<p>1) Increase family planning facilities from 25 to 50 by PACD, CYP increase to 49,375 CYP by 1991 (40,300 new users).</p> <p>2) Outlets will increase from 450 to 900 by PACD, CYP increase to 42,160 by 1991 (70,200 new users).</p> <p>3) Expand coverage in 12 existing clinics and establish 1 new clinic. Increase CYP to 78,123 by 1991 (186,000 new users).</p> <p>4) Family planning and pap smear services in 3 labs and 6 clinics. Increase CYP to 44,529 by 1991 (113,000 new users).</p> <p>5) The 3 church program will provide natural family planning services in 10 locations serving 8,000 clients.</p>	<p>1) No family planning activities have been implemented by the urban IESS (see Finding 3).</p> <p>2) Activities under the rural IESS have been limited to training. Planned outlets to 1991 were 623.</p> <p>3) APROFE has 18 clinics providing family planning services. As of July 30, 1989, 150,627 new users were reported.</p> <p>4) CEMOPLAF has 8 labs in operation. All 17 clinics provide family planning and pap smear services. As of October 30, 1989, 87,135 new users were reported.</p> <p>5) The Church of Cuenca is actively promoting natural family planning services in 3 clinics. As of July 30, 1989, 1,149 new users were reported. The Church of Esmeraldas is also promoting family planning activities.</p>

PROJECT GOALS OR OUTPUTS	INDICATORS	INDICATORS	ACTUAL OUTPUTS
	ORIGINAL PROJECT PAPER	PROJECT PAPER AMENDMENT	AS OF SEPTEMBER 30, 1989
	DATED JUNE 12, 1981	DATED JULY 27, 1987	
Increase in community based distributors and private health practitioners providing contraceptives and family planning services.		<p>1) Increase in CBDs from 722 in 1986 to 1,240 by 1991.</p> <p>2) A total of 210 PHPs and midwives providing family planning and basic health care in their offices for 12,000 CYP (17,100 new users).</p>	<p>1) As of September 30, 1989 APROFE and CEMOPLAF reported a total of 1,131 CBDs actively working under the program.</p> <p>2) As of September 30, 1989 there were 43 PHPs working under the program with APROFE and CEMOPLAF.</p>
A unified approach to family planning information, education, and communication efforts and keyed to public understanding and cultural acceptance resulting in more effective promotion of family planning program.		Formation of the I.E.C. Coordinating committee. Committee should be active with participation of the project's implementing agencies.	A committee with representatives from all implementing agencies had been formed but no activities had taken place. Education and communication at the rural level needed improvement (see Finding 3).

memorandum

FHO.300.90

DATE: April 30, 1990

REPLY TO
ATTN OF: Frank Almaguer, USAID/Ecuador Director 

SUBJECT: Audit of USAID/Ecuador's Population and Family Planning,
Project No. 518-0026

TO: Coinage Gothard, RIG/A/T

APPENDIX 1
Page 1 of 7

1. The Mission has reviewed the draft of the subject audit report. What follows are our general comments regarding project achievements to date, and a description of specific actions already taken to address the draft recommendations. We are also providing a few minor clarifications in Annex 1, as well as numerous attachments in support of a request that the majority of the recommendations be closed upon issuance of the final report.

We believe that recent survey results described in Quito 2334 (attachment 1) substantiate the fact that the Ecuadorian population program and project has been extremely successful in achieving substantial increases in the national contraceptive prevalence rate (CPR). As of October, 1989, 53% of all married couples of reproductive age were using some means of fertility control. This is five percentage points above the final project goal of 48%, originally planned for achievement two years later in 1991. Preliminary survey results and analysis of previous calculations in Ecuador indicate that a CPR of 53% correlates with a Total Fertility Rate of 3.8 children. Such a rate would be consistent with a crude birth rate (CBR) of 29 live births per 1000 population which is six points less than the project goal of 35. This would also indicate a population growth rate of 2.5%.

We have attached various preliminary reports and analysis which support these findings - attachment 2. We would appreciate the audit report giving more emphasis to this data, which provides a basis for a strong positive statement about the overall success of the project. The data indicate that there has been far more than "satisfactory progress" as indicated in the report. We believe the data to be consistent with the personal observations of the audit team, as related to the Mission during the exit conference.

Specific comments and plans for addressing recommendation No. 1 follow, as well as a request and justification for closure of recommendations 2, 3, 4, and 5 with the issuance of the final report.

Recommendation 1

The Mission is reviewing various possibilities for improving coordination of CBD workers with other private and commercial family planning programs as part of the design process for the new project. We have sent letters (attachment 3) to the various organizations supporting CBD programs -APROFE, CEMOPLAF, IPPF, Pathfinder, and FPIA- pointing out problems cited in the draft audit report related to coordination and pill provision without a Doctor's examination. We have asked the organizations to take and report on specific actions to improve coordination with clinics and PHPs and ensure that physicians examine patients before CBD workers provide oral contraceptives. Once the organizations' plans have been reviewed and approved by the Mission, we will forward a copy to RIG/A/T with a request that this recommendation be closed.

For the record, please note the following three important related points: (i) the recommendation should only be for oral contraceptives (OCs); medical check-ups are not necessary for barrier methods; (ii) the number of women using OCs provided by CBD workers is only 1,562. Almost all these users have received medical consultations from APROFE and CEMOPLAF medical staff. The medical teams have identified very few problems; and (iii) before providing OCs, CBD workers routinely screen all OC users with a basic checklist to avoid use of OCs by high risk women.

Recommendation No. 2

Each of the organizations has its own communications program. Efforts have been made to minimize duplication, with APROFE working in the coast, CEMOPAF in the highlands, and CEPAR with non-family planning leadership groups. APROFE believes its written materials are appropriate and understood on the coast. CEMOPLAF is using audio materials in Quichua for radio broadcast and written and illustrated materials for Indian fairs. The evidence is mixed about the relative impact of visual and audio communications programs on the rural population. The recent National Demographic and Health Survey indicates that radio may be more effective than print in reaching rural populations. Thus we do not believe that there is a particular need to focus improvements in communication activities on visuals.

However, we agree that the communications program should be strengthened. After more than a year of trying to obtain ST/POP support, we have now received the needed technical assistance. A plan (attachment 4) has been developed to hold a training workshop on the communications process for local organizations and to

initiate research directed at better understanding consumer profiles. This will be a major effort over the next year and should substantially improve communications programs. The local organizations are committed to this plan of action, and the Mission is finalizing arrangements.

We are confident that the planned course of action will result in an improved communications program, and accordingly, will satisfy the intent of this recommendation. Questions regarding the most appropriate means of communicating with the target groups will be considered in detail during the training workshop and consumer research, and the most effective mechanisms will be agreed upon and implemented. The Mission believes this action to be appropriate, and accordingly, requests closure of recommendation No. 2.

Recommendation No. 3

We believe that given accomplishments to date and plans under the Social Security's Annual Plan for training, supplies, and equipment that this recommendation can be closed at this time. A list of accomplishments and plans follows:

Training

To date, two urban regions' personnel out of eight have received training. The balance will be covered by the second week of May. A national norms seminar was carried out last December.

Under the Peasants' Social Security Program, all physicians, nurses and social workers in each of the eight regions have been trained, as have the auxiliary nurse personnel in seven of the regions. The Loja region auxiliary personnel will receive training in May 1990.

Contraceptives supplies

I Peasants' Social Security

	<u>Contrac.</u>	<u>year</u>	<u>amount</u>	<u>status</u>
i)	condoms	90)	228,000	received from CEMOPLAF 3/90
		91)	30,000	to be received from APROFE 5/90
		90)	48,000	received from FPIA 3/90
	TOTAL		<u>306,000</u>	
ii)	CT38	90)	21,400	to be provided by AID ASAP. State 107049
	IUDs	91)	12,000	to be provided by AID on 5/91
		90)	2,000	received from FPIA 3/90
			<u>35,400</u>	

	<u>Contra.</u>	<u>year</u>	<u>amount</u>	<u>status</u>
iii)	LFMP	90)	264,000	to be provided by AID ASAP. State 107049
	orals	91)	99,600	to be provided by AID on 5/91
	TOTAL		<u>363,600</u>	
iv)	VFTP	90)	171,600	to be provided by AID 3/90. State 107049
	Vaginal Tbts.	90)	48,000	received from FPIA 3/90
			<u>219,600</u>	
II National Social Medical Directorate				
i)	condoms	90)	312,000	received form CEMOPLAF 3/90
		91)	150,000	to be received from APROFE 5/90
	TOTAL		<u>462,000</u>	
ii)	CT38	90)	6,200	to be provided by AID 5/90. State 107049
	IUDS	91)	5,000	to be provided by AID 5/91
			<u>11,200</u>	
iii)	LFMP		32,400	received from CEMOPLAF 3/90
	orals		21,600	to be provided by AID 5/91. State 107049
	TOTAL		<u>54,000</u>	

The above number of contraceptives will meet all projected needs for CY90 and CY91, as per attachment 5.

Other materials and equipment

- a. 52% of clinical and audiovisual items were received by the Peasant's Social Security, which is 33% of total budget allocated for these items.
- b. NSMD commodities will be requested by June.

Note: Even though the Peasants' Social Security FP program reactivation started in July 1987, efforts through August 1988 were slowed by the election and change of Administration. Therefore, serious program implementation was actually begun by the new Government beginning 1989, and the training abroad for Peasants' Social Security personnel was carried out in May 1989. Therefore, we believe that the statement: "1987 was the year of program reactivation" is incorrect (Page 19).

Recommendation No. 4

In response to recommendation 4, the Mission has sent a letter (attachment 6) to IPPF requesting that APROFE and CEMOPLAF include collection and reporting of statistics on the additional definition of a new user, that is, a new user of contraception as suggested in

the audit report. This would be in addition to the new user data currently collected which defines a new user as any user which is new to a specific clinic. We believe that this satisfies recommendation 4. We would like to note, however, that there is some question whether or not this will be helpful, in that the Mission (1) has traditionally used survey data rather than clinic service statistics as the most important measure of project success and progress, and (2) the current practice regarding service statistics here is common worldwide, and useful if one recognizes specifically what it does or does not include. Based on the above action, the Mission requests that RIG consider closing recommendation no. 4.

Recommendation No. 5

Part (a.) of this recommendation suggests that AID amend the Project Agreement to include the requirement for periodic audits meeting government auditing standards for all organizations receiving federal funds. The original grant does, in fact, include language requiring annual audits (attachment 7), but as stated on page 26 of the draft report, compliance with the Comptroller General's government auditing standards was not included. However, the requirement that host country contracted audits meet GAO standards was only recently formalized and communicated to the field (1989) with the issuance of the Inspector General's pamphlet, Understanding Audit in A.I.D.

In response to the above publication, the Mission organized an afternoon training session on the GAO audit standards for all interested Ecuadorian accounting firms (attachment 8). The session was presented by a member of the RIG/A/T staff, and a videotape was subsequently shown to 20 staff auditors from the Ecuadorian Controller General's Office. The Mission then wrote letters to all of our counterpart institutions providing them with a Spanish version of the Inspector General's pamphlet (attachment 9), while stressing the requirement that annual audits be performed in accordance with GAO standards. The letter also provided the names of those firms which sent representatives to the above-mentioned training session, and requested confirmation of the latest audits performed, as well as plans for subsequent audits.

Subsequent to the above actions, the Mission sent Spanish and English versions of a model scope-of-work, which incorporates the AID audit requirements and GAO standards, to all of our counterpart institutions (attachments 10 and 11). These letters again reiterated the requirement for annual audits which meet GAO standards. We also provided all local audit firms and the Comptroller General's Office with copies of the GAO standards (yellow book).

The Mission is now actively tracking audit compliance. We believe that the issuance of the letters mentioned above, the materials we have provided our counterpart institutions, and our current audit compliance tracking system, satisfy the intent of part (a.) of this recommendation. The Mission therefore requests that it be closed upon issuance of the final audit report.

Part (b.) of this recommendation requests that the Mission establish an audit recommendation follow-up system. The Mission concurs with the importance of this recommendation, and was in the process of developing such a system when the audit field work was being done. The first step was an inventory of audit compliance, which has been completed and is reflected in the attachment 12 tracking report. Obviously, we have not yet reached 100% compliance, but our commitment to reaching that goal is supported by the steps described in the previous paragraphs.

In order to track counterpart efforts to address successfully audit recommendations, the USAID Controller's Office has developed an Office Procedure (attachment 13) which provides for a monthly memorandum to project officers describing the counterpart audits and recommendations, and requesting information on the status of all related actions taken during the previous month. The responses will be included in a monthly status report which will be provided to Mission and project management. Every recommendation will be tracked through ultimate resolution.

Based on the above actions, and the Mission's commitment to carry through with the tracking system, we request that recommendation 5.b. be closed upon issuance of the final audit report.

Summary

The Mission would appreciate RIG/A/T's concurrence with our proposal to close recommendations 2, 3, 4, and 5 upon issuance of the final audit report, and with our plan of action for closing recommendation no. 1.

We thank you and your staff for the excellent work that went into this audit, and assure you that we will follow through, and continue to work closely with our counterparts in addressing the important issues which have surfaced. This report will assist us in further improving the project, and ensure that it is being implemented in the most effective manner possible.

Regards.

Annex 1

Clarifications:

- Page i) Population at 1986: 9.6 million
Population at 1989: 10.5 million
- Page iii) Last paragraph should only recommend medical visits
for orals not for "most"
- Page 2 Church programs are not part of IPPF agreement.

Exhibit 2

- 1) Public Sector A. PP shows 50 urban units to provide FP services not 150.
- 2) Private Sector. Financial self-sufficiency should not cover IPPF.

Exhibit 3

- Page 2 No. 1, IESS Incorrect statement. FP services within urban IESS started in 1965.
- Page 2 No. 2, GOE has decided to establish only 623 family planning service units.
- Page 2 No. 5, CRS program was not to be organized by the church. Esmeraldas' church is also actively promoting FP activities.
- Page 3 N. 2, PP shows goals of 70 to 80 PHPs.

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APPENDIX 2

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