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90848

# Report of Audit

Performance Audits

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AUDIT OF THE BUREAU  
FOR GLOBAL PROGRAMS, FIELD SUPPORT  
AND  
RESEARCH'S POPULATION ACTIVITIES

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Report No. 9-000-96-006  
August 15, 1996



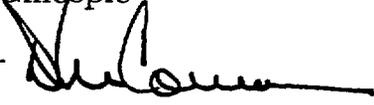
**OFFICE OF INSPECTOR GENERAL  
U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT**



U.S. AGENCY FOR  
INTERNATIONAL  
DEVELOPMENT

August 15, 1996

MEMORANDUM FOR DAA/G/PHN, Duff G. Gillespie

FROM: IG/A/PA , David M. Conner 

SUBJECT: Audit of the Bureau for Global Programs, Field Support and  
Research's Population Activities  
(Audit Report No. 9-000-96-006)

This is our report on the subject audit. We considered your comments on the draft report and have included them as an appendix to this report (See Appendix II). Based on your comments, the recommendation is considered unresolved. Please notify our office within 30 days of actions planned or taken to resolve the recommendation.

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

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## Background

USAID's goal in the population sector is to stabilize world population growth. To assist the Agency in accomplishing this goal, the Bureau for Global Programs, Field Support and Research (Global Bureau) has adopted a strategic objective of increasing the use of voluntary contraception. The Global Bureau has many activities supporting this objective and has developed a strategic plan and an action plan designed to improve the availability, quality, and use of key population interventions.

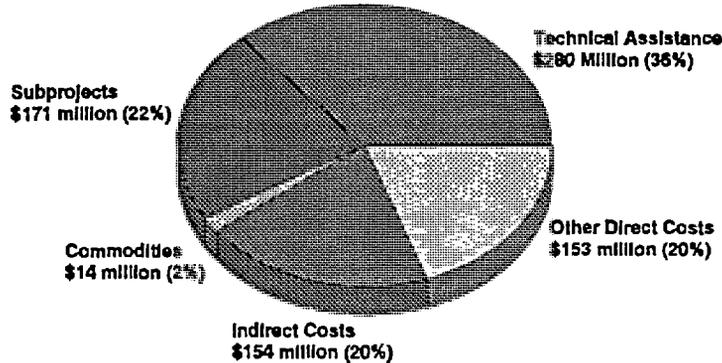
The Global Bureau's 25 population activities (projects) totaled \$1.1 billion in obligations and \$772 million in expenditures, as of December 31, 1995<sup>1</sup>. These funds were spent as follows.

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<sup>1</sup>Our audit universe included Global Bureau population projects with completion dates subsequent to September 30, 1995 and expenditures in excess of \$1 million as of June 30, 1995. It excluded the Central Contraceptive Procurement project which is limited to the purchase of contraceptives.

# Types of Expenditures

As of 12/31/95



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## Audit Objectives

We performed this audit as part of the Office of Inspector General's worldwide Audit of USAID's Population Activities. It was designed to answer the following questions:

1. What progress has the USAID Bureau for Global Programs, Field Support and Research made towards achieving its strategic objective for Population?
2. Has the USAID Bureau for Global Programs, Field Support and Research progressed towards output targets for Population activities as intended in its Project Papers?

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## Audit Findings Relating to Objective No. 1

### **What progress has the USAID Bureau for Global Programs, Field Support and Research made towards achieving its strategic objective for Population?**

We found that it was too early to determine whether the Global Bureau had progressed towards its strategic objective for Population of "increased use by women and men of voluntary practices that contribute to reduced fertility". The Bureau finalized its strategic plan and developed the baselines used to measure progress towards its strategic objective in December 1995. Because 1995 was the beginning of the measurement period, it was too soon to determine whether the Global Bureau has progressed towards that strategic objective.

However, while assessing the Global Bureau's performance monitoring system, we did determine that key components of the Bureau's system met the

requirements of USAID's Directive on Setting and Monitoring Program Strategies (Directive)<sup>2</sup>. For example, the Directive defines a strategic objective as a significant development result which can be achieved or toward which substantial progress can be made and for which the operational unit is held accountable. The Global Bureau's strategic objective fulfills this definition.

Similarly, the Directive defines a program outcome as a measurable outcome of one or more activities which, in turn, contribute to a higher-order strategic objective. The Global Bureau has four program outcomes related to its Population strategic objective, each of which contributes towards increasing the voluntary use of contraception. For instance, Program Outcome No. 1.1 calls for new and improved technologies and approaches for contraceptive methods and family planning to be identified, developed, tested, evaluated and disseminated. The development and dissemination of new and improved contraceptives should lead to increased contraceptive use by both women and men. We found that the Global Bureau's performance indicators, targets and baselines also met the requirements of the Directive.

Finally, because Demographic and Health Surveys (DHS) were identified as sources for performance information to be used in assessing progress towards the Global Bureau's strategic objective, we obtained a general understanding of the quality controls used in conducting these surveys. We determined that the DHS contractor used the following techniques to enhance the quality of the DHSs.

- Host country interviewers and supervisors are trained in statistical gathering techniques and demographics.
- The surveys are translated into the indigenous language and pretested in each country.
- Regional coordinators visit teams in the field and check the quality of data being collected.
- A computerized survey program checks for and corrects a variety of errors.

The above are sound procedures to enhance the quality of DHS results.

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<sup>2</sup>The Directive was issued May 27, 1994. It was replaced by USAID's new Automated Directive System (ADS), which was effective on October 1, 1995. The requirements of the ADS are similar to those of the Directive.

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## **Audit Findings Related to Objective No. 2**

**Has the USAID Bureau for Global Programs, Field Support and Research progressed towards output targets for Population activities as intended in its Project Papers?**

### **The Global Bureau Has Made Significant Progress In Meeting Targets For Most Outputs**

Our audit determined that the Global Bureau has met or exceeded anticipated results for the majority of key outputs. Additionally, the reporting of that progress by cooperating agencies has generally been accurate. However, the Global Bureau could strengthen its targets for, and progress reporting on, certain of those outputs.

Appendix 3K of USAID's Handbook 3, which addresses project assistance, was in effect during the period audited and required that projects contain output targets<sup>3</sup>. We examined 8 Global Bureau projects representing \$421 million, or 55 percent, of Global Bureau Population expenditures. For these projects, we reviewed the progress towards and the accuracy of reporting on 23 outputs that the cognizant USAID project officers identified as being significant for determining the progress of their activities. As indicated in Table I of this report, the Global Bureau had targets for most of these outputs and had made significant progress towards most of those targets. Furthermore, the Global Bureau has exceeded several of its anticipated targets as presented below.

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<sup>3</sup>Handbook 3, Appendix K is now a supplementary reference to the ADS.

<b>Project/Output</b>	<b>Planned (Note 1)</b>	<b>Progress Per Audit (Note 2)</b>
<b><u>Project No. 936-3023</u></b>		
Surveys Planned and Underway	20	22
<b><u>Project No. 936-3030</u></b>		
Asia and the Near East Region - Subprojects	20 - 40	55
Asia and the Near East Region - Training Workshops	8 - 11	23
Latin America and the Caribbean Region - Subprojects	33 - 43	61
Africa Region - Workshops for Researchers	6	9
<b><u>Project No. 936-3038 (Note 3)</u></b>		
Contraceptive Procurement Tables - 1994 - 1995	250/year	253 280
Technical Assistance Visits - 1994 - 1995	60/year	73 66
<b><u>Project No. 936-3041</u></b>		
Research Publications	175	228
<b><u>Project No. 936-3048</u></b>		
Subprojects	40 - 50	52
<b><u>Project No. 936-3052</u></b>		
Need Assessments	8-13	16

**Notes:**

1. Planned outputs are drawn from project papers and contracts, as available. When necessary, we derived interim targets from the outputs planned for the life of the projects/contracts.
2. The progress per audit was determined by reviewing information available at U.S.-based cooperating agency headquarters.
3. 1995 contraceptive procurement tables and technical assistance visits per audit are as of November 3, 1995 and November 8, 1995, respectively.

## **Output Targets Should Be Established For Those Outputs Lacking Targets**

Although, as required by Handbook 3 Appendix 3K, the Global Bureau established targets for the majority of its key outputs, in some cases targets for these outputs had not been specified in either the project papers or related contracts and cooperative agreements. Without end-of-project output targets, it is difficult to determine whether sufficient outputs have been achieved to accomplish the purpose of the project. To illustrate:

- The project officers for Project No. 936-3030 (Strategies for Improving Service Delivery) identified technical assistance activities and informational workshops as significant outputs for the Africa Region and the Latin America and Caribbean Region, respectively. However, neither the project paper nor contracts specified the planned number of workshops or technical assistance activities.
- Similarly, although Popline<sup>4</sup> database records and searches performed on the database were key outputs for Project No. 936-3052 (Population Communication Services), neither the anticipated number of records nor searches were identified in the project paper or the original cooperative agreement. The cooperative agreement, which was amended in 1992 to include database activities, did not include the anticipated number of records and searches until a subsequent amendment in 1995.
- The number of contraceptive sales, as measured by couple years of protection, was a significant indicator of progress for Project No. 936-3051 (Contraceptive Social Marketing). Nonetheless, neither the project paper nor the contract related to this project specified anticipated sales. Global Bureau officials reported that they were assessing project reporting and it was very likely that reporting requirements for output indicators would be expanded.

Moreover, we found that even when end-of-project output targets were specified in project papers, contracts or cooperative agreements, these documents did not identify interim targets. Establishing final and interim targets for significant outputs is important because they help project officers and others to determine whether activities are proceeding as expected and are contributing to intermediate results. Such analysis is now required by Section 203.5.5c of USAID's Automated Directive System (ADS).

According to some Global Bureau officials, neither final nor interim targets for certain significant outputs were established because they wanted to maintain flexibility as to their activities. For example, they believe that technical assistance activities are often ad hoc and cannot be predicted in advance. Furthermore, the

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<sup>4</sup>Popline is a population database containing citations and informative abstracts to scientific articles, reports, books, and papers.

Global Bureau's Office of Population did note that Population projects underwent mid-term evaluations and periodic management reviews which assessed project progress. Additionally, the Global Bureau requires that contractors and cooperating agencies provide annual work plans and reporting on their progress, which often consists of narrative descriptions of project activities. While such procedures may provide feedback on progress, setting overall and interim targets for significant outputs would provide an objectively verifiable measure that USAID project officers, management, and independent parties could use to assess project progress as required by Section 203.5.5c of the ADS.

**Recommendation No. 1: We recommend that the Global Bureau:**

- 1.1 For the audited activities, establish the anticipated final and interim output targets for significant outputs lacking such targets;**
- 1.2 Determine whether final and interim output targets should be developed for those activities not audited.**

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## **Management Comments and Our Evaluation**

Management stated that our recommendation is well taken, particularly in light of its need to report annually on important results. Management also described a number of actions it is taking to link output targets to the results for which it is held accountable. However, rather than establishing final and interim targets for all activities lacking such targets, Management indicated it would forego setting interim and final targets for certain activities. Instead, Management intends to rely on annual workplans to track progress on those activities. We believe that final and interim output targets should be established for the significant outputs of all activities.

## SCOPE AND METHODOLOGY

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### Scope

The Inspector General's Performance Audit Division examined the progress made by the Global Bureau's Population activities. This audit was conducted in accordance with generally accepted government auditing standards and was performed at USAID/Washington and U.S.-based cooperating agencies. Our fieldwork was conducted from September 1995 through March 1996 and included review of eight of the Global Bureau's twenty-five Population projects. Our audit universe excluded the Central Contraceptive Procurement project which is limited to the purchase of contraceptives. The projects reviewed totaled \$421 million in expenditures and constituted 55 percent of the Bureau's Population expenditures. We also examined the Global Bureau's strategic plan and gained an understanding of the quality controls built into the USAID-financed Demographic and Health Surveys (DHS). Our audit tests were limited to analyzing information at USAID and cooperating agency offices in the United States.

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### Methodology

#### Audit Objective One

This audit objective was to determine what progress the Global Bureau has made towards achieving its strategic objective for Population. In doing this, we assessed the Global Bureau's strategic plan and reviewed DHS quality controls.

#### Audit Objective Two

This audit objective was to determine whether the Global Bureau has progressed towards output targets for Population activities as intended in its Project Papers. We assessed both reported versus actual progress and planned versus actual progress to date. In doing this, we held discussions with project officers to gain an understanding of the internal controls surrounding significant project outputs. We also reviewed documentation, conducted interviews, and made visits to cooperating agencies.

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U.S. AGENCY FOR  
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JUL 19 1996

MEMORANDUM

TO: IG/A/PA, Henry L. Barrett (Acting)

FROM: DAA/G/PHN, Duff Gillespie *DG*

SUBJECT: G/PHN Response to Audit of the Bureau for Global Programs, Field Support and Research's Population Activities

REF: Draft Audit Report No. 9-000-96-XXX

Below is our response to the referenced draft audit report. We appreciate the collaborative approach your staff have used in the conduct of this audit. We anticipate that the one recommendation can be closed given the actions we are taking as described below. We also note that a number of concerns raised by Global regarding the earlier draft report and discussed with your staff in a meeting with us on April 9, 1996 have been taken into account in the draft final report; however, we have a number of additional comments that we think would make the report more accurate.

Response to Audit Recommendation No. 1.

The audit recommends that the Global Bureau: 1) for the audited activities, establish the anticipated final and interim output targets for significant outputs lacking such targets; and, 2) determine whether final and interim targets should be developed for those activities not audited.

The draft audit report's recommendation on strengthening output targets and establishing interim targets is well-taken, particularly in light of the need by the Office of Population and the Center for Population, Health, and Nutrition to report annually on important results. The Center and, more specifically, the Office of Population, are taking the following steps to address their needs in this regard; these steps also address this recommendation:

- Developed with the Cooperating Agencies (CAs) a process for phasing in the preparation and presentation of annual work plans and semi-annual reporting in line with the Center results framework, with specific emphasis on Strategic Objective #1.

- Sent a letter to the CAs requesting that they initiate this process with their next annual workplans; the letter includes an updated results framework and sample work plans that link with key results.

- Established committees to review and revise the indicators and targets for the key results in the framework; these revisions will affect, in some cases, the key outputs and reporting needed from the CAs.

- Will conduct a portfolio review in August-September 1996 to review activities, progress and problems, and future activities for all projects, and cooperative agreements and contracts. A key element of this review will be to assess how each agreement supports the achievement of key results and the indicators and procedures being used to monitor performance. During this review we will assess and determine:

- for the audited activities, whether additional overall and interim output targets need to be established;

- for the activities which were not audited, whether overall and interim output targets need to be established; and,

- for activities where overall and/or interim output targets are needed, the timetable and deadlines for establishing them.

We believe that by linking the establishment of output targets to the results against which the Population Program and Center are being held accountable we will not only comply with the directives and address this audit recommendation, but also strengthen our management of the Population Program.

In addition, as the Center develops new activities, they are explicitly linked to the Center's results framework, with outputs and targets which are consistent with those being pursued and tracked by the Center. This approach was initiated last year with two results packages and will continue over the next year with the development of approximately seven additional results packages. Within three years, all activities will have been designed within this framework.

As indicated on page 6 of the report and Table 1, there are three areas of outputs among the audited activities for which the auditors determined that targets had not been specified in the project papers or related contracts or cooperative agreements. Specific responses to these are presented below.

- For Project No. 936-3052 (Population Communication Services), POPLINE database records and searches in the database are key outputs. However, neither the project paper nor the original cooperative agreement set targets for the

anticipated number of database records or searches. In the April, 1995 amendment to the project paper which covers the remainder of the project to the year 2001, this omission was rectified in the logframe, which sets as the objectively verifiable indicators that the database will have more than 250,000 citations, and more than 5000 searches. These targets should be incorporated into Table 1 in the draft report. When the Cooperative Agreement for this portion of the project is formally extended next year, these indicators will be incorporated into the new agreement. In the interim period, the Population Communication Services staff are reporting quarterly on these indicators.

- For Project No. 936-3051 (Contraceptive Social Marketing) a key output and indicator of progress is couple-years-of-protection afforded by product sales. The implementing contract with The FUTURES Group International does not include specific CYP targets as a contract deliverable. Given the need for each social marketing program to be responsive to the needs and conditions in the country and to work towards contraceptive impact and sustainability objectives simultaneously, the contract was written to permit flexibility; it structures monitoring and tracking by the CTO through the approval of annual work plans and review through progress reports. The SOMARC Annual Work Plan includes sales projections and CYP targets by method worldwide and by country and region. Semi-annual progress reports include data on these indicators. This approach allows more detailed tracking of progress (by country, by year, and by method) than would be possible through the setting of overall project CYP targets and interim targets as proposed in the draft audit report.

- For Project No. 936-3030 (Strategies for Improving Service Delivery), informational workshops were identified as key outputs for the Latin America and Caribbean Region and technical assistance activities were identified as key outputs for the Africa Region. The draft audit report notes that neither the project paper nor the contracts specify numerical targets for these activities.

The levels of technical assistance under the Africa Operations Research/Technical Assistance contract (Project No. 936-3030) provided must be kept flexible in terms of what is targeted in the project paper and the contract to be responsive to USAID/Missions and host country needs for assistance in institutionalizing OR in their programs. More importantly, the technical assistance inputs are monitored through review of the annual workplans, where technical assistance plans are presented (in terms of numbers and relationships with country strategies), and semi-annual reports which present accomplishments, in terms of the results of technical assistance and other activities supported by the contractor. Where substantial technical assistance

inputs are planned, the CTO also approves a scope of work which describes the results anticipated and their relationship with the overall plan for support to the country program.

For the Latin America and Caribbean Region Operations Research Contract (INOPAL), workshops are conducted typically to support initiation of an OR activity/study and at the end to support the dissemination of results. Thus the number and timing of such workshops is left flexible in the project paper and the contract. Tracking of the number of workshops and their contribution to the results of the contract has not been as closely monitored and tracked through the work plan and semi-annual reporting process as desired. We will request that the contractor amend the most recent annual work plan to include targets for workshops; we will also request reporting on workshop completion and contribution to contract results in the semi-annual reports.

**Additional, Specific Comments on the Draft Audit Report**

On p.1. Introduction. The Global Bureau's strategic objective related to population should be stated as: "increasing the use by women and men of voluntary practices that contribute to reduced fertility. (See p. 2 under Audit Findings Related to Objective No. One.)

p. 3. first para. The Global Bureau has four not "several" program outcomes related to its population strategic objective.

p. 4. The final sentence of the second paragraph is incorrect as stated; it should read, "Furthermore, the Global Bureau has exceeded most (or all) of its anticipated targets as presented below." An even more accurate statement would be: "Furthermore, as indicated in the listing below, the Global Bureau has exceeded its anticipated targets in many areas."

pp.6-7. Comments on the discussion under the section "Output Targets Should be Established for Some Targets" are provided in our response to the audit recommendation above, and we do not re-iterate them here.

Planned Versus Audited Progress Towards Outputs

Project/Output (Note 1)	Planned (Note 2)	Progress Per Audit	Variance
<b>936-3023</b>			
Surveys Planned and Underway	20	22	2
Preliminary and Final Reports	27	17	-10 (Note 3)
<b>936-3030</b>			
Asia and the Near East Region - Subprojects	20 - 40	55	Exceeded Planned Outputs
- Training Workshops	8-11	23	Exceeded Planned Outputs
Latin America and the Caribbean Region - Subprojects	33 - 43	61	Exceeded Planned Outputs
- Workshops	Unspecified	24	Indeterminate
Africa Region - Subprojects	8 - 16	15	Met Planned Outputs
- Technical Assistance Activities	Unspecified	20	Indeterminate
- Research Station	1	1	0
- Training Workshops	6	9	3
<b>936-3038 (Note 4)</b>			
Contraceptive Procurement Tables - 1994	250/year	253	3
- 1995		280	30
Technical Assistance Visits - 1994	60/year	73	13
- 1995		66	6
<b>936-3041</b>			
Research Studies	150	383	233
Research Publications	175	228	53

131

Planned Versus Audited Progress Towards Outputs

Project/Output (Note 1)	Planned (Note 2)	Progress Per Audit	Variance
<b>936-3046</b>			
RAPID Presentations	13	13	0
Regional Training Workshops	6	6	0
<b>936-3048</b>			
Subprojects	40 - 50	52	Exceeded Planned Outputs
Long Term Technical Advisors	4 - 6	16	Indeterminate (Note 5)
Long Term Program/Policy Advisors	Up to 15		
<b>936-3051</b>			
Couple Years of Protection Distributed	Unspecified	1,930,243	Indeterminate
<b>936-3052</b>			
Need Assessments	8 - 13	16	3
Database Records (Note 6)	250,000	211,624	Indeterminate
Database Searches (Note 6)	5,000	4,901	Indeterminate

Notes:

1. The cognizant USAID project officers identified the above outputs as key indicators for assessing project progress.
2. Planned outputs are drawn from project papers, contracts and cooperative agreements. When necessary, we derived interim targets from the outputs planned for the life of the projects/agreements.
3. At the time of audit, the contractor had subagreements and on-going activities which will ultimately result in an additional 13 reports. Accordingly, we do not believe this is a significant variance.
4. 1995 contraceptive procurement tables and technical assistance visits per audit are as of November 3, 1995 and November 8, 1995, respectively.
5. The contractor did not distinguish between the two types of advisors for reporting purposes. The overall number of advisors provided appears reasonable.

**Planned Versus Audited Progress Towards Outputs**

6. This project started in 1990 and is scheduled to end in the year 2001. The project's Fiscal Year 1994 report indicated that 211,624 records had been added and 4,901 searches performed through September 30, 1994. Since USAID did not establish targets for the number of database records and database searches until March 1995, we consider the variance to be indeterminate.

-15