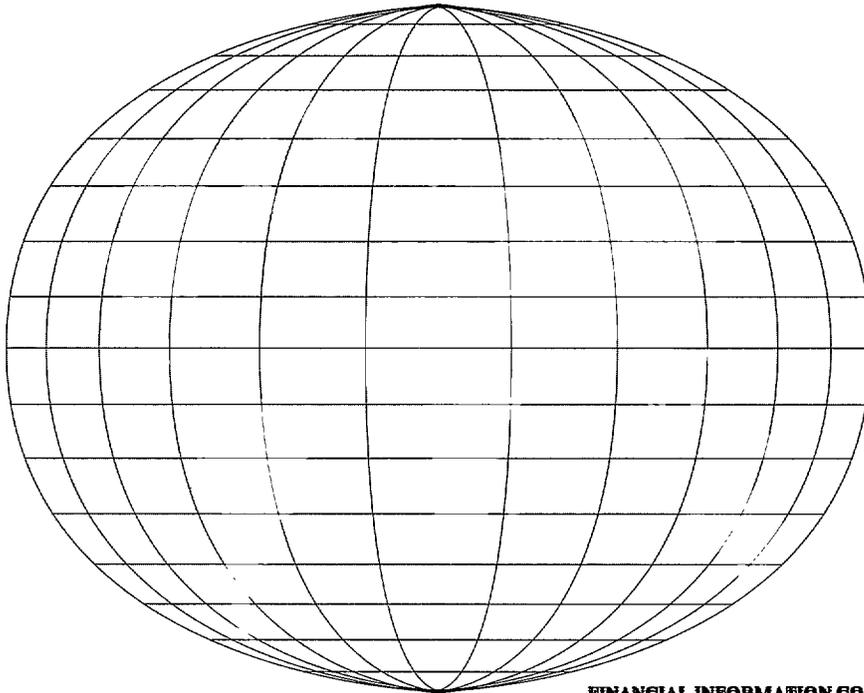


Report of Audit

**Report on Agreed-Upon Procedures Related to Resources
Provided to the Regional Center for Training Under
USAID/Egypt's Population and Family Planning III
Project No. 263-0227**

**Report No. 6-263-00-005-N
March 21, 2000**



**FINANCIAL INFORMATION CONTAINED
IN THIS REPORT MAY BE PRIVILEGED.
THE RESTRICTION OF 18 USC 1905 SHOULD
BE CONSIDERED BEFORE ANY INFORMATION
IS RELEASED TO THE PUBLIC.**

**Regional Inspector General
Calro, Egypt**

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



CAIRO, EGYPT

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

Report No. 6-263-00-005-N
March 21, 2000

MEMORANDUM

TO: DIRECTOR USAID/Egypt, Richard M. Brown
FROM: RIG/Cairo, Darryl T. Burris *DB*
SUBJECT: Report on Agreed-Upon Procedures Related to Resources Provided to the Regional Center for Training Under USAID/Egypt's Population and Family Planning III Project No. 263-0227

The attached PriceWaterhouseCoopers report, transmitted on March 1, 2000, on the Regional Center for Training (Center), presents the results of the application of agreed-upon procedures related to the design and implementation of the Center's information system. This system provides reasonable assurance of the accuracy of the reported outputs financed by USAID/Egypt through Project Implementation Letter (PIL) No. 7B under the Population and Family Planning III Project. The role of the Center was to provide training to family planning physicians, nurse trainers and service providers, and to provide technical assistance for other family planning training activities in Egypt. USAID/Egypt provided funding to the Center through a series of disbursements made upon verified attainment of specific performance outputs.

We engaged PriceWaterhouseCoopers to perform agreed-upon procedures and (1) report on the Center's internal control structure relating to the reporting of outputs upon which USAID pays the Center and verify the accuracy of those reported outputs and (2) determine whether the Center complied with the relevant agreement terms and applicable laws and regulations. The agreed-upon procedures relate to the outputs financed by USAID/Egypt under PIL No. 7B for the period July 1, 1996 to December 31, 1998. These procedures do not constitute an audit conducted in accordance with generally accepted auditing standards, and accordingly the attached report does not express an opinion on any of the Center's operations.

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USAID
Zahraa El-Maadi
Maadi, Cairo, Egypt

PriceWaterhouseCoopers found no matters involving the Center's internal control structure and its operation that were considered reportable conditions under standards established by the American Institute of Certified Public Accountants. Based on the procedures applied, PriceWaterhouseCoopers found that supplemental documents existed to support outputs achieved and reported to USAID/Egypt, and that the Center had complied in all material respects with relevant agreement terms and applicable laws and regulations.

Thank you for the cooperation and assistance extended to the staff on this engagement.

Attachment: a/s

**Report On Agreed-Upon Procedures
Related To USAID/Egypt Resources Provided To
The Regional Center For Training Through
Project Implementation Letter Number 7b
Under The Population And Family Planning III
USAID/Egypt Project Number 263-0227**

For The Period From July 1, 1996 Through December 31, 1998

**"FINANCIAL INFORMATION CONTAINED IN THIS REPORT MAY BE PRIVILEGED. THE
RESTRICTION OF 18 USC 1905 SHOULD BE CONSIDERED BEFORE ANY INFORMATION IS
RELEASED TO THE PUBLIC."**

**Report On Agreed-Upon Procedures
Related To USAID/Egypt Resources Provided To
The Regional Center For Training Through
Project Implementation Letter Number 7b
Under The Population And Family Planning III
USAID/Egypt Project Number 263-0227**

For The Period From July 1, 1996 Through December 31, 1998

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March 1, 2000

Mr. Darryl Burris
Regional Inspector General
for Audit/Cairo
United States Agency for
International Development

Dear Mr. Burris:

This report presents the results of our agreed-upon procedures related to USAID/Egypt resources provided to the Regional Center for Training through Project Implementation Letter Number 7B under the Population and Family Planning (PFPP) III, USAID/Egypt Project Number 263-0227 for the period from July 1, 1996 through December 31, 1998.

Background

The grant from USAID/Egypt to the Arab Republic of Egypt for the PFPP originated on June 30, 1983. Its objective is to reduce the rate of Egyptian population growth in accordance with the Population and Family Planning Policy of the Government of Egypt ("GOE"), which is outlined in the "National Strategy Framework for Population, Human Resource Development, and the Family Planning Program."

The PFPP's primary purpose is to assist in strengthening further nationwide family planning systems to deliver effective contraceptive services to increasing numbers of married couples. Specifically, assistance is offered in the following areas:

- private and public sector service delivery systems,
- training programs,
- community population development programs,
- measurement and analysis activities, and
- in efforts to make people at all levels of society aware, informed and motivated to limit family size through a comprehensive information, education, and communication program.

Several USAID/Egypt-sponsored population projects, one of which is the RCT, assume the responsibilities for the grant agreement's activities. RCT was established in November 1988 under the Ain Shams University. RCT's role in the PFPP is to provide quality training to family planning physicians and nurses (both trainers and service providers). RCT also provides technical assistance to other family planning clinical training activities in Egypt.

USAID/Egypt provided funding and management guidance to RCT through PILs and their amendments beginning June 1990 with PIL Number 29. A program that started in conjunction with Johns Hopkins Program for International Education in Reproductive Health defined RCT's technical responsibilities. The program and funding was consolidated with the National Population Council under a host country letter of agreement on April 30, 1994. Finally, USAID/Egypt provided funding under PIL Number 7B through a series of discrete disbursements made upon verified attainment of specific performance outputs. PIL Number 7B, dated April 20, 1994, was effective on April 1, 1994.

Engagement objectives and scope

The objective of this engagement was to apply agreed-upon procedures relating to the design and implementation of the information system at RCT to provide reasonable assurance of the reported outputs financed USAID/Egypt. Specific objectives were to:

1. Review and report on RCT's internal control structure relating to the reporting of outputs upon which USAID pays RCT and verify the accuracy of those reported outputs.
2. Determine whether RCT complied, in all material respects, with the relevant agreement terms and applicable laws and regulations.

The agreed-upon procedures were performed to satisfy the above objectives as they relate to the outputs financed by USAID/Egypt through PIL No. 7B under USAID/Egypt Project Number 263-0227, for the period from July 1, 1996 to December 31, 1998.

Preliminary planning and review procedures began in September 1999 and consisted of discussions with personnel from the Office of the Regional Inspector General for Audit in Cairo and RCT, and a review of the project documents and PIL No. 7B. Fieldwork commenced in September 1999 and was fully completed in January 2000.

Findings

Based on the procedures we applied, we found no matters involving the internal control structure and its operation that we consider being reportable conditions under standards established by the American Institute of Certified Public Accountants.

Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the organization's ability to record, process, or summarize, and report financial data consistent with the assertions of management in valuing of activities, pricing outputs, allocating costs, and reporting to USAID/Egypt.

Management comments

Management comments are included in Appendix A of this report.

Independent accountants response

Our response is included in Appendix B.

Mission response

The mission response is included in Appendix C.

This report is intended for the information of RCT's management and the United States Agency for International Development. However, this report is a matter of public record and its distribution is not limited.

January 15, 2000

Mr. Darryl Burris
Regional Inspector General
for Audit/Cairo
United States Agency for
International Development

INDEPENDENT ACCOUNTANTS REPORT ON APPLYING AGREED-UPON PROCEDURES

This report presents the results of agreed-upon procedures performed related to USAID/Egypt resources provided to the Regional Center for Training through Project Implementation Letter Number 7B under the Population and Family Planning III USAID/Egypt Project Number 263-0227 for the period from July 1, 1996 through December 31, 1998.

We have performed the procedures enumerated below, which were agreed to by USAID/Egypt, solely to assist USAID/Egypt in:

1. Review and report on RCT's internal control structure relating to the reporting of outputs upon which USAID pays RCT and verify the accuracy of those reported outputs.
2. Determine whether RCT complied, in all material respects, with the relevant agreement terms and applicable laws and regulations.

This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

On the following pages describe the relevant procedures performed and our findings related to the two objectives listed above:

Procedure 1: Verify the existence of supplemental documents in support of the outputs achieved and reported to USAID/Egypt.

Finding 1(a):

No exceptions were found as a result of applying the procedure.

* * * * *

Procedure 2: Determine whether RCT complied, in all material respects, with the relevant agreement terms and applicable laws and regulations.

Finding 2(a):

No exceptions were found as a result of applying the procedure.

* * * * *

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of opinions on the: 1) RCT's compliance with the relevant agreement terms and applicable laws and regulations, and 2) RCT's maintaining of documents in support of the outputs achieved and reported to USAID/Egypt. Accordingly, we do not express such opinions. Had we performed additional procedures, other matters might have come to our attention that would have been reported to USAID/Egypt.

This report is intended solely for the use of USAID/Egypt and the management of RCT, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.



CAIRO, EGYPT

**UNITED STATES OF AMERICA
AGENCY FOR INTERNATIONAL DEVELOPMENT
OFFICE OF REGIONAL INSPECTOR GENERAL**

March 21, 2000

MEMORANDUM

TO: PPC/CDIE/DIO, Lawrence P. Tanner

FROM: RIG/C, Darryl Burris *(Signature)*

SUBJECT: Report No. 6-263-00-005-N dated March 21, 2000, Report on Agreed-Upon Procedures Related to Resources Provided to the Regional Center for Training Under USAID/Egypt's Population and Family Planning III Project No. 263-0227

Attached is one copy of the subject report for your information.

Attachment a/s

**U.S. Mailing Address
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Fax(RIG/I): (202)516-5316**

**USAID
Zahraa El-Maadi
Maadi, Cairo, Egypt**

The Regional Center For Training Through
Project Implementation Letter Number 7b
Under The Population And Family Planning III
USAID/Egypt Project Number 263-0227

For The Period From July 1, 1996 Through December 31, 1998

MANAGEMENT COMMENTS

<p>REGIONAL CENTER FOR TRAINING IN FAMILY PLANNING AND REPRODUCTIVE HEALTH</p>	<p>IRCT المرکز الإقليمي للتدريب على تنظيم الأسرة والصحة الإنجابية</p>
<p>Ms. Exa Snow Manager Coopers & Lybrand Cairo - Egypt</p>	
<p>March 1, 2000</p>	
<p>Dear Ms. Exa:</p> <p>I received the report of the agreed-upon procedures relate to USAID/Egypt resources provided to the Regional Center for Training through Project Implementation Letter Number 7B under the population and family planning III, USAID/Egypt project number 263-0227 for the period from July 1, 1996 through Dec. 31, 1998.</p> <p>No findings were reported in the above-mentioned document, so we would like to be waived of the exit conference.</p> <p>Thank you for your great cooperation.</p> <p> Dr. Safa El-Baz Executive Director</p>	
<p>C.C. Dr. Ayman Abdel Mohsen Population Office - USAID</p>	

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**The Regional Center For Training Through
Project Implementation Letter Number 7b
Under The Population And Family Planning III
USAID/Egypt Project Number 263-0227**

For The Period From July 1, 1996 Through December 31, 1998

INDEPENDENT ACCOUNTANTS RESPONSE

Based on management's comments, included in Appendix A, we have no further comments.



UNITED STATES AGENCY for INTERNATIONAL DEVELOPMENT

CAIRO, EGYPT

MEMORANDUM

DATE: March 9, 2000

TO: Michael Clinebell, A/RIG/Cairo

FROM: E. Cecile Adams, A/Controller

SUBJECT: Report on Agreed-Upon Procedures Related to USAID/Egypt Resources Provided to the Regional Center for Training (RCT) Through Project Implementation Letter Number 7B Under the Population and Family Planning III, USAID/Egypt Project No. 263-0227

The subject draft report, which covers the period from July 1, 1996 through December 31, 1998, was forwarded to the Mission to schedule an Exit Conference.

The report did not contain any findings.

On February 29, 2000, a copy of the report was forwarded to the RCT advising them of the results of the agreed-upon procedures.

On March 1, 2000, the RCT responded to the Certified Public Accountant Firm requesting them to waive the Exit Conference based on the fact that the report did not contain any findings.

As a result, the Mission hereby requests the RIG/Cairo to issue the report in final.

Should you have any questions, please do not hesitate to contact me.

Thank you for your continuous cooperation.

DISTRIBUTION:

AD/HDD : S. Brent
HDD/PH : A. Mohsen
HDD/PH : T. Noury
FM/FA : H. El-khodary
FA Reading file