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OFFICE OF INSPECTOR GENERAL

AUDIT OF USAID/BOLIVIA'S EFFECTIVENESS IN COMPLYING WITH TIAHRT REQUIREMENTS

AUDIT REPORT NO.1-511-07-004-P
DECEMBER 26, 2006

SAN SALVADOR, EL SALVADOR



USAID
FROM THE AMERICAN PEOPLE

Office of Inspector General

December 26, 2006

MEMORANDUM

TO: USAID/Bolivia Director, Michael Yates
USAID/Bolivia Contracting Officer, Ralph Koehring

FROM: Acting Regional Inspector General/San Salvador, Darren Roman /s/

SUBJECT: Audit of USAID/Bolivia's Effectiveness in Complying with Tiahrt Requirements (Report No. 1-511-07-004-P)

This memorandum transmits our final report on the subject audit. We have carefully considered your comments on the draft report in finalizing the audit report and have included your response in Appendix II of the report.

The report contains three recommendations intended to improve compliance with Tiahrt requirements. Based on your comments and documentation provided, final action has been taken on all three recommendations.

Again, I want to express my appreciation for the cooperation and courtesy extended to my staff throughout the audit.

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SUMMARY OF RESULTS

The Regional Inspector General/San Salvador conducted this audit to determine if USAID/Bolivia effectively implemented controls and procedures to ensure that USAID/Bolivia and its implementing partners are complying with Tiahrt requirements. The Tiahrt Amendment's provisions that are relevant to USAID/Bolivia and its implementing partners are as follows:

(1) Service providers or referral agents in the project shall not implement or be subject to quotas, or other numerical targets, of total number of births, number of family planning acceptors, or acceptors of a particular method of family planning (this provision shall not be construed to include the use of quantitative estimates or indicators for budgeting and planning purposes).

(2) The project shall not include payment of incentives, bribes, gratuities, or financial reward to an individual in exchange for becoming a family planning acceptor, or program personnel for achieving a numerical target or quota of total number of births, number of family planning acceptors, or acceptors of a particular method of family planning.

(3) The project shall not deny any right or benefit, including the right of access to participate in any program of general welfare or the right of access to health care, as a consequence of any individual's decision not to accept family planning services.

(4) The project shall provide family planning acceptors comprehensible information on the health benefits and risks of the method chosen, including those conditions that might render the use of the method inadvisable and those adverse side effects known to be consequent to the use of the method. (See page 3.)

USAID/Bolivia has implemented controls and procedures to ensure that the Mission and its partners complied with the requirements of the Tiahrt Amendment. For the items tested, we found no instances of noncompliance. Further, the controls and procedures we reviewed (except for areas of improvement indicated in our report) were designed and implemented to provide USAID/Bolivia with reasonable assurance that its implementing partners are complying with Tiahrt requirements. The Mission has a strong compliance environment to prevent violations of the Tiahrt Amendment. USAID/Bolivia communicated the Tiahrt requirements to its family planning partners. The Mission's partners had received training and had certified that they comply with the Tiahrt requirements. USAID/Bolivia implemented procedures to investigate, remedy and report violations. Moreover, all service providers were knowledgeable about the risks and benefits of the various family planning methods and placed emphasis on freedom of choice. All family planning clients interviewed indicated they had received information on the risks and benefits of the chosen family planning method. Finally, all the sterilization clients had signed an informed consent form. (See page 5.)

The auditors identified opportunities to ensure that contracts and the strategic objective agreement with the Government of Bolivia included Tiahrt requirements (see page 8) and to strengthen the Mission's monitoring and reporting procedures related to the Tiahrt requirements (see page 10).

The audit report contains three recommendations to better ensure compliance with Tiaht requirements. (See pages 9 and 11.)

USAID/Bolivia agreed with the conclusions and recommendations in our draft report and final action has been taken on all three recommendations. Our evaluation of management comments is provided after each finding and recommendation in the report. USAID/Bolivia's comments in their entirety are included in Appendix II.

BACKGROUND

The principles of voluntarism and informed choice are at the center of USAID's family planning assistance program. These principles were reaffirmed in an amendment to the FY 1999 Appropriation Act. The Tiahrt Amendment (named after its author, Representative Todd Tiahrt of Kansas) legislated specific requirements for international family planning service delivery projects supported by USAID.

The specific requirements of the Tiahrt Amendment apply to projects that receive USAID funds (money, technical assistance, or commodities) in support of family planning service delivery projects. The Tiahrt Amendment requires, *inter alia*, that in family planning projects:

1. Service providers or referral agents shall not implement or be subject to quotas or other numerical targets related to the number of births, the number of family planning acceptors, or the number of acceptors of a particular family planning method. (Quantitative estimates or indicators used for budgeting or planning purposes are permissible.)
2. No incentives shall be offered to individuals in exchange for becoming acceptors or to program personnel for achieving targets or quotas that consider the number of births, the number of acceptors of family planning services, or the number of acceptors of a particular family planning method.
3. Rights or benefits may not be withheld from persons who decide not to use family planning services.
4. Clients must be given comprehensible information on the health benefits and risks of a chosen family planning method, including the conditions that might make a chosen method inadvisable, and the known side effects.

The USAID/Bolivia-supported reproductive health program was implemented through eight partners: Programa de Coordinación en Salud Integral (PROCOSI), Protección a la Salud (PROSALUD), Centro de Investigación y de Educación Social (CIES), PROSALUD *Socios para el Desarrollo* (SOCIOS), the Manoff Group, John Snow International (JSI) and its Deliver Project, Engender Health (a USAID/Washington global field support); as well as Proyecto de Salud Integral (PROSIN II) project implemented by the Ministry of Health through a Strategic Objective Agreement. However, only two partners PROSALUD and CIES, provided direct family planning services. The other partners provided technical assistance to the Ministry of Health and Sports (MOH) and to nongovernmental organizations to improve access to quality family planning services and provided information/education related to family planning.

The USAID/Bolivia reproductive health and family planning strategy follows a three-pronged approach:

1. Promote behavior change and community empowerment.

2. Expand the delivery of quality, high-impact health services through health networks.
3. Strengthen institutional capacity with respect to sustainable health care management.

This audit was performed in conjunction with another audit to determine whether USAID/Bolivia's family planning activities achieved their planned results, which will be the subject of a separate report.

During the period covered by our audit, October 1, 2005 through September 30, 2006, USAID/Bolivia obligated \$15.4 million for its family planning implementing partners including \$6.5 million for population-related activities (including funds expended under Global Field Support). The amount expended in Bolivia totaled \$11.3 million. In addition, USAID donated \$430,980 in contraceptives.

AUDIT OBJECTIVE

In response to the discovery of non-compliance with the Tiahrt Amendment in Guatemala and in order to be responsive to Congressional interest in the matter, the Office of Inspector General decided to carry out a worldwide audit to assess USAID's compliance with the family planning-related requirements of the Tiahrt Amendment. To support this effort, the Regional Inspector General/San Salvador performed this audit to answer the following question:

- Has USAID/Bolivia effectively implemented controls and procedures to ensure that USAID/Bolivia and its implementing partners are complying with the Tiahrt Amendment requirements?

In order to respond to the audit objective, the auditors answered the following questions:

1. Have USAID/Bolivia or its partners violated the Amendment?
2. Has USAID/Bolivia communicated the Tiahrt Amendment's requirements to its family planning partners?
3. Has USAID/Bolivia, in response to the issues that arose in Guatemala, implemented controls and procedures that improve compliance? One of the controls we examined was the use of an informed consent form required by USAID's Policy Determination 3.
4. Has USAID/Bolivia implemented procedures to investigate, remedy and report violations?

Appendix I contains a discussion of the audit's scope and methodology.

AUDIT FINDINGS

Has USAID/Bolivia effectively implemented controls and procedures to ensure that USAID/Bolivia and its implementing partners are complying with the Tiahrt Amendment requirements?

USAID/Bolivia effectively implemented controls and procedures to ensure that the Mission and its implementing partners are complying with the Tiahrt Amendment. The Mission had a strong compliance environment in place due to the emphasis placed on compliance with the Tiahrt Amendment (and other statutory requirements). USAID/Bolivia annually provided training to its partners and their staff on the requirements of the Tiahrt Amendment. In addition, USAID/Bolivia required the staff of its partners to certify in writing that their activities complied with the requirements of the Tiahrt Amendment. However, two contracts and the strategic objective agreement with the Government of Bolivia omitted Tiahrt requirements (see page 8) and there are additional steps that could be taken to strengthen the Mission's monitoring and reporting procedures with regard to the Tiahrt Amendment (see page 10).

For the items tested, we found no instances of noncompliance. Further, the controls and procedures we reviewed (except for areas of improvement indicated in our report) were designed and implemented to provide USAID/Bolivia with reasonable assurance that its implementing partners are complying with Tiahrt requirements. Based on our review of relevant documents, visits to all USAID partners, visits to 36 health facilities, interviews with 56 medical staff providing family planning services, and interviews with 106 current family planning clients, including 25 sterilization patients, we concluded that USAID/Bolivia and its partners did not implement, nor were subject to, quotas, nor did they offer any incentives to individual or program personnel for achieving targets or quotas. In addition, no rights or benefits were denied to clients to induce them to accept family planning methods, and comprehensible information on the benefits and risks of the chosen family planning method was provided. All CIES and PROSALUD clients interviewed commended favorably the high quality of services received and the emphasis placed on freedom of choice.

Our interviews with sterilization clients found that the service providers had placed a strong emphasis on voluntarism including a thorough discussion on informed consent and that a comprehensible explanation of the risks and benefits of sterilization had been provided to the clients. None of the sterilization clients interviewed had received any gifts or rewards in return for undergoing sterilization, and all of them had signed an informed consent form prior to the procedure.

Our visits to 36 sites and interviews with 56 medical staff providing family planning services indicated that the partners' service providers were knowledgeable about family planning and were experienced in providing comprehensive and readily understood information to potential family planning acceptors. Their knowledge of the various family planning methods was accurate, consistent and included knowledge of the health benefits, risks, and side effects of each family planning method.



Photograph of a counselor at the Sucre Gineco-Obstetrico Hospital in Bolivia explaining different family planning methods to a client using informational materials. The photo was taken by an OIG auditor on September 25, 2006.

1. Have USAID/Bolivia or its partners violated the Tiahrt Amendment?

Based on our review of Cognizant Technical Officer reports and partner-produced documents, as well as interviews with USAID partners, sub-partners, service providers and family planning clients, USAID/Bolivia and its partners complied with the requirements of the Tiahrt Amendment.

In this regard, it should be noted that the Government of Bolivia, through the Ministry of Health and Sports (MOH) and its contraceptive norms and regulations, has established an environment in which violations of the requirements of the Tiahrt Amendment are unlikely to occur. (USAID/Bolivia assisted the MOH in developing these norms, and in designing the sterilization consent form so that the MOH complies with USAID regulations). The norms of the MOH do not allow any financial incentives or targets to be a part of family planning projects and require that patients receive counseling on all family planning methods available to them. The norms of the MOH also require that clients interested in undergoing sterilization receive information on the risks and benefits of the procedure, understand the irreversible consequences of the surgery, and sign a consent form at least 24 hours prior to the surgery. We reviewed the consent forms of the 25 sterilization patients interviewed as well as a sample of 228 consent forms of prior sterilizations performed; all of them appeared to have been completed and signed by patients. During our visits to health facilities we also found extensive educational materials, including posters, which presented family planning as a right and a personal decision.



A poster displayed in the waiting room of the Hospital Gineco Obstetrico de Sucre in the region of Chuquisaca, Bolivia, communicating that family planning is a right and a personal decision. It reads, "Your body, your sexuality, your fertility, your health, you choose. (It's) your right, your decision, your responsibility". The photo was taken by an OIG auditor on September 25, 2006. This poster was present in almost all MOH facilities.

For example, we interviewed one sterilization patient prior to the procedure being performed who later the same morning changed her mind and left. She had decided after discussing with her family members not to undergo the surgery. We also interviewed a woman, age 46 with 10 children, (3 delivered through Cesarean Sections), who had just been sterilized. She had asked for the procedure earlier. However, she had not been able to be sterilized earlier because she had not signed the consent form. Also, the sterilization register of one hospital we visited indicated that several women who had received counseling and signed the consent form during their pregnancy, had changed their mind at the time of delivery and decided not to have the surgery and to use other family planning methods instead.

2. Has USAID/Bolivia communicated the Tiahrt Amendment's requirements to its family planning partners?

Our review of Mission communications with partners, our interviews with the partners' headquarters-based personnel and with the family planning service providers indicated that USAID/Bolivia had communicated the Tiahrt requirements to its family planning partners. However, we noted omissions of the Tiahrt requirements in three of seven award documents.¹ We found that all partners were well aware of the Tiahrt Amendment and other relevant USAID regulations. USAID/Bolivia has provided training on the Tiahrt Amendment to all of its partners and its staff for many years and has created a strong compliance environment within the Mission and among its partners.

¹ Even though the Mission was working with eight partners, the Mission issued only seven awards because Engender Health worked through a USAID/Washington global field initiative.

In 2005, three mission staff participated in a USAID workshop where a training session was given on the Tiahrt Amendment. In addition, the Mission had been in touch with the Office of Global Health and has received extensive materials and technical assistance on all U.S. family planning statutory and policy requirements, including the Tiahrt requirements which assisted the Mission in updating their training course on the Tiahrt Amendment and making it more easily understood. Since 2004, more than 1,200 people had been trained on the Tiahrt Amendment, the Mexico City Policy and other relevant USAID regulations. During fiscal year 2006, 571 staff members of USAID/Bolivia's partners received training on the requirements of the Tiahrt Amendment and other relevant USAID regulations. Moreover, the participants were required to sign a form confirming that they have received a copy of the USAID Tiahrt regulations regarding the use of USAID funds and that they will comply with such regulations.

Even though the Mission communicated the Tiahrt requirements to its partners, we found that three of seven awards (see footnote 1) did not include the required Tiahrt Amendment requirements. This problem is discussed in the following section.

Some Awards Need Amendments to Include the Current Voluntary Population Activities Provision

Summary: Three of seven family planning implementing partners' awards did not include the Tiahrt requirements in their standard provisions. CIB-99-6, entitled *Voluntary Population Activities*, and guidance from USAID's Global Health Bureau require that all awards include the Tiahrt requirements in the standard provision. The omission of Tiahrt requirements in the awards was due to the fact that the AIDAR clause (752.7016) had not been updated to include the new Tiahrt requirements and Mission officials did not notice that the Tiahrt provisions were missing. Omission of the Tiahrt requirements in these awards would make it difficult for USAID/Bolivia to enforce these requirements should a violation be identified.

Although all eight partners had been informed of their responsibilities with regard to the Tiahrt Amendment, not all the implementing partners' awards included the required standard provision including the Tiahrt requirements. The awards to the Manoff Group, John Snow International and the Strategic Objective Agreement (SOAG) with the Bolivian Government through PROSIN II included a *Voluntary Population Activities* standard provision clause, but the clause did not contain the requirements of the Tiahrt Amendment.

Contract Information Bulletin (CIB) 99-6, entitled *Voluntary Family Planning – New Provisions to Implement the Tiahrt Amendment*, was issued by USAID on March 31, 1999 and mandated the replacement of the standard provision *Family Planning and Population Assistance Activities* (August 1986). This CIB provided the new contract clause and new standard provision on "Voluntary Population Activities" and incorporated the new requirements for voluntary family planning projects. The CIB also stated that the new provision must be included in its entirety in all new contracts, grants and cooperative agreements involving any aspect of voluntary population activities. It also provided amendment language that must be included in all existing contracts, grants, or cooperative agreements.

The underlying cause for the omission of the required 1999 Tiahrt requirements in the contracts, was that the AIDAR (752.7016) clause² had not been updated and the responsible Mission staff including the Regional Legal Advisor did not notice the omission. The AIDAR 752.7016 clause was not updated to include the new standard provision even though it was approved in March 1999 and the section on the regulation contains a cross-reference to CIB 99-6.

According to ADS 302.3.5, it is the Contracting Officer's responsibility to enter into, administer, and terminate USAID direct contracts in accordance with policy directives and required procedures. Furthermore, the Mission received additional guidance on monitoring compliance with family planning legislative requirements provided by the Office of Global Health in September 2005. The guidance provided states that USAID missions should include up-to-date versions of the standard provisions contained in CIB 99-6, in all appropriate agreements. It also stipulates that Regional Legal Advisors should confirm that appropriate and correct versions of all clauses are included in all relevant instruments.

Omission of the Tiahrt requirements in standard provisions in current and future family planning and voluntary population activity awards would make it difficult for USAID to enforce these requirements among its implementing partners should a violation be discovered.

Recommendation 1: We recommend that USAID/Bolivia review all awards that include any aspect of voluntary family planning for inclusion of the appropriate Tiahrt Amendment standard provision and amend as necessary.

Recommendation 2: We recommend that USAID/Bolivia establish a plan to ensure that future awards include the Tiahrt requirements.

Evaluation of Management Comments – In response to Recommendation No. 1, the Mission stated that two contracts have been amended and the SOAG modification has been signed by the Government of Bolivia. These modifications include all the Tiahrt requirements.

In response to Recommendation No. 2 (in the draft report, this recommendation was combined with Recommendation No. 1), USAID/Bolivia stated that for future awards, the Contract Office will verify the inclusion of the Tiahrt requirements as part of a standard procedure for new awards and contracts where the Tiahrt requirements are mandatory. The Mission will verify this for new SOAGs where the Tiahrt requirements are required under Agency policy.

Based on the information provided by USAID/Bolivia, we consider that final action has been taken on Recommendation Nos. 1 and 2.

² AIDAR 752.7016 is used as the standard USAID clause for Family Planning and Population Assistance Activities.

3. Has USAID/Bolivia, in response to the issues that arose in Guatemala, implemented controls and procedures that improve compliance?

USAID/Bolivia and its partners have not implemented sufficient controls and procedures to ensure the Tiahrt Amendment compliance in response to the violations found in Guatemala. However, USAID/Bolivia and its partners have established controls and procedures to improve compliance with the Amendment. Nevertheless, we found that additional improvements could be made to mission trip reports and checklists to address Tiahrt compliance - a weakness found in Guatemala.

The Mission had provided training and guidance to its partners and had established a good control environment to prevent violations of the Tiahrt Amendment. For example, CIES and PROSALUD, USAID/Bolivia's principal partners implementing family planning activities, had developed their own training materials on the requirements of the Tiahrt Amendment. Moreover, USAID/Bolivia required the staff of its partners to certify in writing that they comply with the requirements of the Tiahrt Amendment. At PROSALUD, the Tiahrt provisions were an integral part of the doctors' employment contract.

Even though the Mission had established a strong control environment, we found that ongoing monitoring for compliance with the Tiahrt Amendment needed improvement. This issue is discussed below.

Monitoring of Tiahrt Compliance Needs Improvement

Summary: The Mission, though it has established a good control environment and included compliance-related information in the standard monitoring report, needs to strengthen its Tiahrt Amendment compliance-related monitoring procedures. The Global Health office provides guidance to missions to ensure effective monitoring and reporting on USAID compliance with the Tiahrt requirements. Weaknesses in the Mission's monitoring procedures were due to the fact that Mission officials were not familiar with what we consider to be best practices for monitoring for compliance with the Tiahrt Amendment. Unless the Mission establishes additional compliance-related monitoring procedures, the Mission will be vulnerable to not discovering and reporting on violations of the Tiahrt Amendment.

USAID/Bolivia's monitoring activities provided general assurance of compliance even though improvements could be made to ensure compliance with the requirements of the Tiahrt Amendment. In September 2005, USAID's Global Health office sent all missions' Population, Health and Nutrition Officers information regarding its recently-established mechanism for developing stronger performance monitoring and information systems and effective monitoring and reporting on USAID compliance with U.S. policy and legislation concerning family planning programs, including the requirements of the Tiahrt Amendment. This mechanism is referred to as the Compliance Monitoring Unit and was established as a clearinghouse/repository of information and resource materials that Missions can access to support their own monitoring efforts. Some of the resources accessible from the unit include monitoring checklists, monitoring plans, questionnaires, interview guides, and other materials helpful for assessing adherence with the various

laws and policies. Additionally, in March 2006, USAID's Global Health office in Washington contacted a number of Latin America and Caribbean Missions to discuss monitoring compliance with family planning legislative requirements. Included in the information provided by the Global Health office was a list of questions for the Mission to answer regarding its family planning programs. USAID/Bolivia included these questions in its standard site visit trip report forms in an effort to continue to improve their Tiaht monitoring system. However, the Mission's monitoring procedures can be significantly improved by adding some additional compliance-related monitoring activities that can be implemented by Cognizant Technical Officers during visits to family planning service providers.

The Mission did not include the following compliance monitoring procedures in its regular monitoring visits: 1) review any new medical staff contracts to ensure there are no bonus payments, incentives, targets or quotas for a particular method of family planning, including sterilization; 2) conduct random interviews with family planning users to ensure they have/were given comprehensible information on the family planning method chosen as well as to ensure that the patients/clients were not pressured to accept a particular method of family planning by either the offer of an incentive or the denial of a benefit or right; 3) observe counseling on family planning to identify any informed choice issues and 4) conduct random reviews of sterilization patient consent forms to ensure timely completion and assent. Furthermore, the standard monitoring procedures should include the Mission's reporting any non-compliance or suspected non-compliance, and document compliance with the Tiaht requirements in trip reports.

Weaknesses in the Mission's monitoring procedures were not identified because Mission personnel were not familiar with some elements of monitoring for compliance with the Tiaht Amendment such as reviewing contracts to verify that no partner's staff were receiving any financial incentives tied to achieving targets.

Without additional compliance monitoring procedures in place, the Mission could be susceptible to not discovering and reporting violations of the Tiaht Amendment as required by the statute. These additional procedures should assist the Mission staff in detecting any violation, or possible violation, of the Tiaht Amendment's requirements. By identifying early on any possible compliance issues concerning the Tiaht requirements, the Mission would be able to immediately investigate the issue and, if required, apply corrective action to mitigate the impact of any non-compliance as quickly as possible. This would also allow the Mission to quickly comply with the non-compliance reporting requirement of the Tiaht Amendment, if necessary.

During the course of the audit, the Mission agreed to include additional procedures in its Tiaht compliance monitoring system and provide these to the auditors for review prior to the end of the audit field work. The Mission has prepared a monitoring schedule and developed a new field visit report including additional procedures to review contracts.

Recommendation 3: We recommend that USAID/Bolivia implement additional controls and procedures identified in this audit report to improve monitoring and compliance with the requirements of the Tiaht Amendment.

Evaluation of Management Comments – In response to Recommendation No. 3 (this recommendation was numbered as the second recommendation in the draft report), the Mission provided documentary evidence (questionnaires, checklists, and schedules) that

it has established new compliance monitoring procedures and reporting formats to 1) conduct random review of staff contracts of personnel providing family planning services to ensure there are no bonus payments, incentives, targets or quotas for a particular method of family planning, including sterilization; 2) conduct random interviews with family planning users to ensure they have/were given comprehensible information on the family planning method chosen as well as to ensure that the patients/clients were not pressured to accept a particular method of family planning by either the offer of an incentive or the denial of a benefit or right; and 3) observe counseling on family planning to identify any informed choice issues. The standard monitoring procedures also include procedures of what to do when issues or questions about compliance arise. The new procedures will be implemented by the Cognizant Technical Officers (CTOs) during visits to family planning service providers and incorporated into the trip reports, when visiting outside La Paz service providers. In addition, the Mission has prepared a monitoring schedule for FY07, and will prepare one on an annual basis for the following fiscal years.

Based on the information provided by USAID/Bolivia, we consider that final action has been taken on Recommendation No. 3.

4. Has USAID/Bolivia implemented procedures to investigate, remedy and report on violations?

During the course of the audit, USAID/Bolivia implemented additional procedures for investigating, remedying and reporting violations of the requirements of the Tiahrt Amendment. USAID/Bolivia reviewed and strengthened their procedures in an effort to ensure the timely discovery of, and reporting on, any violations of the requirements of the Tiahrt Amendment. These procedures included a detailed plan indicating staff responsibilities for compliance monitoring and reporting as well as the flow of non-compliance reporting through the Mission and to the appropriate USAID staff in Washington.

We consider the actions taken by the Mission prior to the end of the audit fieldwork regarding this matter as sufficient and we, therefore, are not making any audit recommendation on this issue.

SCOPE AND METHODOLOGY

Scope

The Office of Inspector General decided to carry out an audit to assess mission compliance with the family planning-related requirements of the Tiaht Amendment and the new policies and procedures promulgated by USAID/Washington. To support this effort, the Regional Inspector General/San Salvador performed this audit to determine USAID/Bolivia's effectiveness in complying with the requirements of the Tiaht Amendment. The Regional Inspector General/San Salvador conducted this audit in accordance with generally accepted government auditing standards.

In performing the audit, we identified and assessed the Mission's controls related to ensuring compliance with the provisions of the Tiaht Amendment. The management controls identified included performance monitoring plans, the Mission's Annual Report, the Mission's annual self-assessment of management controls as required by Federal Managers Financial Integrity Act, field visits conducted by Cognizant Technical Officers, progress reports, and day-to-day communications between the partners and USAID/Bolivia personnel.

The audit was conducted at the offices of USAID/Bolivia, the offices of the Mission's implementers, and at the Ministry of Health (MOH) and partner-managed health facilities throughout the country from September 6 to October 18, 2006. The audit covered the period from October 1, 2005 through September 30, 2006.

We judgmentally selected sites to visit to ensure a representative mix of partner sites and urban and rural communities throughout Bolivia. In total, we visited 36 health facilities in five of Bolivia's nine regions as shown in the table below.

Table 1: Sampled Sites

USAID Partner	Universe	Sample
CIES urban clinics	9	6
CIES rural projects (mobile unit)	7	1
PROSALUD	27	5
PROCOSI	30	2
SOCIOS	6	2
Ministry of Health assisted facilities	903	20
Total	982	36

We visited a higher percentage of CIES and PROSALUD facilities than other partners' sites because only CIES and PROSALUD are implementers of family planning service delivery projects. The Manoff Group is not included in Table Nos. 1 or 2 because this partner provided technical assistance to PROCOSI in project management but did not provide support to health sites. The following table lists the project sites visited and includes information on the region, the concerned implementer, and the number of interviews conducted.

Table 2: Health Facilities Visited and Interviews Conducted

Region	Partner	Site/Facility	Interviews with Medical Staff	Interviews with Family Planning Clients
Cochabamba	Engender Health	Hospital Materno Infantil German Urquidi	3	0
	PROSALUD	PROSALUD Referral Hospital	2	7
	CIES	CIES urban clinic	1	3
	PROSIN/JSI	Shinaota & Mariposas MOH health centers	3	0
	SOCIOS/PROCOSI	PROMUJER, a sub partner	1	0
Santa Cruz	Engender Health	Hospital Maternidad Percy Boland	2	7
	PROSALUD	Center La Madre and referral hospital	5	16
	CIES	CIES urban clinic	2	9
	Engender Health	Villa Paraiso and Paillon MOH health centers, Monterico MOH health post and Hospital San Ramon	2	0
	PROCOSI	CSRA an NGO, sub partner	1	0
Chuquisaca	Engender Health	Hospital Gineco-Obstetrico Sucre	1	10
	CIES	CIES urban clinic of Sucre and CIES rural project, Padilla	3	9
	PROSIN/EH/JSI	Hospital Tarabuco, Chuqui Chuqui, El Chaco, and Potolo MOH assisted health centers; and, Surima, La Palma, Imilla Huanusca MOH assisted health posts	8	6
	SOCIOS	CEDERTA and Esperanza Bolivia	2	0
Potosi	Engender Health	Hospital Daniel Bracamonte	1	4
	CIES	CIES urban clinic	2	5
	PROSIN/EH/JSI	Tiquipaya and Porco MOH health centers	4	0
La Paz	Engender Health	Hospital de la Mujer, La Paz	3	14
	PROSALUD	PROSALUD referral Hospital El Alto, and Villa Fatima health center	7	3
	CIES	El Alto Clinic	2	6
	CIES	La Paz Clinic	1	7
		TOTAL	56	106

During the period covered by our audit, October 1, 2005 through September 30, 2006, USAID/Bolivia obligated \$15.4 million for its family planning implementing partners including \$6.5 million for population-related activities (including funds expended under

Global Field Support). The amount expended in Bolivia totaled \$11.3 million. In addition, USAID donated \$430,980 in contraceptives commodities.

Methodology

The overall vision for answering the audit objective is to address the following four detailed questions:

1. Has USAID or its partners violated the Amendment?
2. Has USAID communicated the Amendment's requirements to its family planning partners?
3. Has USAID, in response to the problems that arose in Guatemala, implemented controls and procedures to improve compliance?
4. Has USAID implemented procedures to investigate, remedy and report violations?

The answer to the audit objective will be deemed to be positive if audit fieldwork provided answers to these questions have favorable outcomes (are positive). The answers to the questions will be deemed to be positive, if the auditors find,

- no violations to the amendment were detected;
- amendment requirements have been communicated to the mission and partners;
- controls and procedures have been implemented to address weakness found in Guatemala; and,
- reporting procedures have been implemented.

To fulfill the audit's objective, we visited 36 health care facilities, interviewed 56 medical staff providing family planning services, and interviewed 106 family planning clients. We conducted interviews with USAID/Bolivia officials and USAID/Bolivia's partners. We also reviewed documentation produced by USAID/Bolivia, its partners and by health facilities. The audit team developed separate interview questionnaires for service providers and clients to ensure consistency in the subjects covered during the field visits. The questionnaires were designed to determine if the requirements of the Tiaht Amendment were violated including if decisions made by clients were voluntary, and also if clients gave their informed consent prior to undergoing a sterilization procedure as required by USAID Policy Determination 3. We also verified if USAID/Bolivia's partners and their service providers had received training and guidance on the provisions of the Tiaht Amendment.

We interviewed all current family planning patients that were present at the clinics at the time of our visits. We approached patients after they had received a counseling session as they were waiting to receive health services or as they were leaving a facility.

In order to test aspects of the Mission's monitoring system we interviewed Mission Cognizant Technical Officers and other responsible officials and reviewed documentation produced by USAID/Bolivia. The documentation we reviewed included the Mission's training folders and files maintained by the Cognizant Technical Officers.

With regard to USAID/Bolivia's partners, we reviewed partners' agreements, contracts, documents, work plans, and progress reports as well as their reports on family planning activities. We reviewed the employment and service contracts of 38 partners' staff members to determine if bonuses had been paid for the achievement of family planning-related targets. We also reviewed all 25 consent forms of current sterilization recipients and a random sample of 228 consent forms associated with 1,549 sterilization recipients at the health facilities visited in order to verify that the consent form had been completed and signed by the recipient. We also conducted interviews with the accounting firms responsible for the financial audits of USAID local partners (CIES, PROSALUD, PROCOSI and PROSIN II) to determine if the auditors were familiar with the *Voluntary Population Activities* standard provision and verified compliance with these requirements. We also reviewed prior audit reports to verify that there was no compliance finding related to the Tiahrt Amendment.

In assessing compliance with Tiahrt provisions, we considered that a single violation would be considered to be significant and reportable.

MANAGEMENT COMMENTS

DATE: December 4, 2006

REPLY TO: Michael Yates, Mission Director, USAID/Bolivia

TO: Timothy E. Cox, RIG/San Salvador

SUBJECT: USAID/Bolivia's response to the draft report on audit of
USAID/Bolivia's Effectiveness in Complying with the Tiaht
Requirements (Report No. 1-511-07-0XX-P)

Under cover of this memorandum we are transmitting our response to the subject draft audit report, as requested in your memo of November 13, 2006. We have responded to the findings of the report and both of the recommendations. Please consider the information provided in order to address the closure of the recommendations. We are providing, as requested, a signed and unsigned electronic copy of this memorandum.

USAID/Bolivia once again thanks the RIG Audit team for its thoughtful audit of the Mission's compliance with the Tiaht requirements and express our appreciation for the extensive RIG field work, which permitted the audit to conclude that USAID/Bolivia and its implementing partners complied with the Tiaht Amendment, that service providers had placed a strong emphasis on voluntarism, and that the Mission had established a strong control environment. The audit team's observations and suggestions will assist the Mission in the proper management of our programs.

After careful review of the RIG draft audit report, the Mission agrees with the two audit recommendations. The Mission has implemented different actions suggested by the audit in order to strengthen internal management and controls for these important issues and for the closure of the recommendations. These actions are fully described in detail below.

Recommendation No. 1 [now Recommendation Nos. 1 and 2]:

We recommend that USAID/Bolivia review all awards that include any aspect of voluntary family planning for inclusion of the appropriate Tiaht Amendment standard provision and amend as necessary and establish a plan to ensure that future awards include the Tiaht requirements.

Closure request:

As noted in the draft audit report, the John Snow International and the Manoff Group contracts and the bilateral Strategic Agreement (SOAG) included the Voluntary Population Activities standard provision, but the provision did not contain the requirements of the Tiaht amendment. As of November 30, the two contracts have been amended and the SOAG modification is being sent to the GOB for countersignature. These modifications include all

the Tiahrt requirements. Enclosed please find the modifications as Annex 1, 2 and 3, respectively.

In future awards, the Contract Office will verify the inclusion of the Tiahrt requirements as part of a standard procedure for new awards and contracts where the Tiahrt requirements are mandatory. SOS will verify this for new SOAGs where the Tiahrt requirements are required under Agency policy.

On this basis, we kindly request that the recommendation be closed upon issuance of the final audit report.

Recommendation 2 [Now Recommendation 3]:

We recommend that USAID/Bolivia implement additional controls and procedures to improve monitoring and compliance with the requirements of the Tiahrt Amendment.

Closure request:

Mission monitoring procedures have been improved by developing revised reporting formats for field visits. These formats incorporate the Tiahrt-related compliance monitoring activities recommended by the draft audit report. As noted below, the Mission requests that audit findings related to Policy Determination 3 be included within the findings of the Mission's Family Planning Program Audit. The revised reporting formats are: 1) conduct random review of staff contracts of personnel providing family planning services to ensure there are no bonus payments, incentives, targets or quotas for a particular method of family planning, including sterilization; 2) conduct random interviews with family planning users to ensure they have/were given comprehensible information on the family planning method chosen as well as to ensure that the patients/clients were not pressured to accept a particular method of family planning by either the offer of an incentive or the denial of a benefit or right; and 3) observe counseling on family planning to identify any informed choice issues. The standard monitoring procedures also include procedures of what to do when issues or questions about compliance arise.

The new procedures will be implemented by the Cognizant Technical Officers (CTOs) during visits to family planning service providers and incorporated into the trip reports, when visiting outside La Paz service providers.

The Mission has prepared a monitoring schedule for FY07, and will prepare one on an annual basis for the following fiscal years.

With the new compliance monitoring procedures in place, the Mission considers it has proper procedures for discovering and reporting violations of the Tiahrt Amendment as required by the statute. The new procedures are enclosed as Annex 4, 5, 6, and 7.

On that basis, we kindly request that the recommendation be closed upon issuance of the final audit report.

The Mission also provides comments on the following specific aspects of the audit report:

Policies and Procedures Promulgated by Washington

The opening paragraph of the Audit Objectives states, “. . . the Office of Inspector General decided to carry out an audit to assess mission compliance with the family planning-related requirements of the Tiahrt Amendment and the new policies and procedures promulgated by USAID/Washington”. The Mission has discussed the matter with USAID/Washington, which indicated that although it continues to provide guidance and support on family planning requirements to all missions, it has not formally promulgated any new policies and procedures that missions are required to follow. For that reason, please enumerate the policies and procedures referred to in the final report.

Informed Consent for Sterilization and Policy Determination 3

Within the audit findings, information is included on the audit methodology of reviewing signed consent forms for sterilization patients. You also note that the Mission did not conduct random reviews of sterilization patient consent forms within its monitoring procedures in its regular monitoring visits. While the Mission recognizes the importance of including this as part of its monitoring activities, we note that the requirement to obtain written consent forms for voluntary sterilization patients is a requirement of Policy Determination 3 and not a requirement of the Tiahrt Amendment. We suggest that these findings be included within the findings of the Mission’s Family Planning Program Audit rather than within the findings of the Tiahrt audit.

Formal Family Planning Requirements Training from USAID/Washington

We would like to clarify that USAID/Bolivia did receive formal training on the U.S.G. family planning statutory and policy requirements, including the Tiahrt Amendment, from USAID/Washington representatives in the last two years. Mission representatives attended a Latin America and Caribbean regional training in March 2005 conducted by the Senior Policy Advisor from the Office of Population and Reproductive Health and an Assistant General Counsel from the Office of the General Counsel.

Monitoring of Tiahrt Compliance

Within the Audit Findings section of the report, a Summary Box on Monitoring of Tiahrt Compliance notes that the Mission was not familiar with, “. . . some of the required elements of monitoring for compliance with the Tiahrt Amendment.” The Mission has discussed the matter with USAID/Washington, which indicated that there are no **required elements** of monitoring. USAID/Washington indicated that it provides guidance on suggested monitoring activities, noting that each Mission’s family planning program is different and ultimately, each Mission is in the best position to determine its family planning program compliance activities. Thus, you may wish to rephrase this finding on the weaknesses of the Mission’s monitoring procedures.

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