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OFFICE OF INSPECTOR GENERAL

AUDIT OF USAID/INDIA'S IMPLEMENTATION OF THE PRESIDENT'S EMERGENCY PLAN FOR AIDS RELIEF

AUDIT REPORT NO. 9-910-07-006-P
May 30, 2007

WASHINGTON, DC

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USAID
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Office of Inspector General

May 30, 2007

MEMORANDUM

TO: USAID/India Mission Director, George Deikun

FROM: IG/A/PA Director, Steven H. Bernstein /s/

SUBJECT: Audit of USAID/India's Implementation of the President's Emergency Plan for AIDS Relief (Report No. 9-910-07-006-P)

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

This report includes five recommendations for USAID/India to improve its implementation of the President's Emergency Plan for AIDS Relief. For Recommendation Nos. 2, 3, 4, and 5, the Mission provided evidence that corrective actions have been implemented. Accordingly, we consider Recommendation Nos. 2, 3, 4, and 5 to have received final action upon issuance of this report. For Recommendation No. 1, the Mission provided agreement, a corrective action plan, and a target completion date. Therefore, we consider that a management decision has been reached for Recommendation No. 1. Please provide the Office of Audit, Performance, and Compliance Division (M/CFO/APC) with evidence of final action in order to close this recommendation.

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

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SUMMARY OF RESULTS

This audit is the first in a series of audits of the President's Emergency Plan for AIDS Relief (Emergency Plan) in non-focus countries. The audit was conducted to determine whether USAID/India's Emergency Plan prevention, care, and treatment activities achieved expected planned results in its grants, cooperative agreements, and contracts. USAID allocated \$16.1 million of Child Survival and Health (CSH) funds for HIV/AIDS prevention and care programs in India and received an additional \$4.4 million from the Global HIV/AIDS Initiative (GHAI) account for fiscal year 2005. (See pages 2 and 3.)

USAID/India's Emergency Plan prevention and care activities achieved its expected planned results in its grants, cooperative agreements, and contracts (see page 4). We did not audit any treatment activities because these activities were being carried out by the Government of India and other donors. However, we determined that USAID/India did not perform a data quality assessment on one of its largest prime recipients, performed a data quality assessment only by phone on another of its largest prime recipients which is not in accordance with USAID policy, and did not have written procedures or a mission order that provided detailed instructions for implementing the Automated Directives System requirements for data quality assessments. Also, the audit found USAID/India did not have a data monitoring and documentation process for use by its Cognizant Technical Officers; one recipient did not monitor the validity of the data reported to them by its subrecipients in accordance with agreement terms; and two recipients claimed that they did periodically test source documentation to reported data, but were not aware of the requirement to document their monitoring activities and, therefore, could not provide supporting evidence to substantiate their claims. (See pages 4-8.)

This report includes five recommendations to assist USAID/India in improving its efforts to provide proper accountability for its Emergency Plan activities. Specifically, USAID/India needs to (1) perform data quality assessments on its two largest prime recipients, (2) develop Mission-specific procedures to ensure future data quality assessments are conducted on a timely basis, in accordance with USAID policy, and include recipients with significant Emergency Plan funding, (3) develop Mission-specific procedures and include, in the trip reporting format, a requirement that Cognizant Technical Officers review documentation during their site visits to prime recipients to determine if the prime is properly monitoring data quality, (4) require one prime recipient to develop procedures that provide consistent data accumulation and reporting for all its subrecipients, and require testing of output source documents to reported data during site visits to its subrecipients, and (5) require two prime recipients to document their testing of output source documents to reported data during site visits to subrecipients. (See pages 6 and 8.)

For Recommendation Nos. 2, 3, 4, and 5, the Mission provided evidence that corrective actions have been implemented. Accordingly, we consider Recommendation Nos. 2, 3, 4, and 5 to have received final action upon issuance of this report. For Recommendation No. 1, the Mission provided agreement, a corrective action plan, and a target completion date. Therefore, we consider that a management decision has been reached for Recommendation No. 1. (See page 9.)

BACKGROUND

Recognizing the global HIV/AIDS pandemic as one of the greatest challenges of our time, the Congress enacted legislation to fight HIV/AIDS internationally through the President's Emergency Plan for AIDS Relief (Emergency Plan) – the largest international health initiative in history by one nation to address a single disease. The \$15 billion, 5-year program provides \$9 billion in new funding to speed up prevention, care, and treatment services in 15 focus countries.¹ The Emergency Plan also devoted \$5 billion over five years to bilateral programs in more than 100 non-focus countries and increased the U.S. pledge to the Global Fund² by \$1 billion over five years. Of the non-focus countries, India is the largest recipient of the Emergency Plan funds.

According to the 2006 Report on the Global AIDS Epidemic published by the United Nations, approximately 5.7 million people were living with HIV/AIDS in India in 2005, the largest number of any country in the world. The adult prevalence rate is estimated at 0.9 percent. Sexual transmission accounts for the vast majority of HIV infections in India. Prostitution is a driving factor of the epidemic. In the Northeast and increasingly in major cities, injecting drug use is also fueling the epidemic.

USAID allocated \$16.1 million of Child Survival and Health (CSH) funds for HIV/AIDS prevention and care programs in India and received an additional \$4.4 million from the Global HIV/AIDS Initiative (GHAI) account for fiscal year 2005. Historically, USAID/India's primary objective has been to focus on HIV prevention and containment of the epidemic. Because of India's size, USAID has focused on the states with the highest adult prevalence. Through its implementing partners, United States Government programs contribute to the goal of the third Government of India National AIDS Control Plan to saturate coverage of high-risk populations and expand programs for other vulnerable populations.

The three goals of USAID's strategic plan for India are increased access to HIV prevention services, increased access to community-based care and support, and an improved enabling environment related to HIV/AIDS.

President Bush and Congress have set aggressive goals for addressing the worldwide HIV/AIDS pandemic. The goals over 5 years are to provide treatment to 2 million HIV-infected people, prevent 7 million HIV infections, and provide care to 10 million people infected by HIV/AIDS, including orphans and vulnerable children.

The Emergency Plan is directed by the Department of State's Office of the U.S. Global AIDS Coordinator (AIDS Coordinator). The AIDS Coordinator reports directly to the Secretary of State. To ensure program and policy coordination, the AIDS Coordinator manages the activities of the U.S. Government agencies responding to the pandemic.

¹ Twelve countries in Africa (Botswana, Cote d'Ivoire, Ethiopia, Kenya, Mozambique, Namibia, Nigeria, Rwanda, South Africa, Tanzania, Uganda, and Zambia), and three other countries (Guyana, Haiti and Vietnam).

² The Global Fund is a public-private partnership that raises money to fight AIDS, tuberculosis and malaria.

The Emergency Plan is implemented collaboratively by in-country teams made up of staff from USAID, the Department of State, the Department of Health and Human Services, and other agencies. The Bureau for Global Health has general responsibility for USAID's participation in the Emergency Plan. More specifically, the Director of Global Health's Office of HIV/AIDS provides the technical leadership for USAID's HIV/AIDS program.

AUDIT OBJECTIVE

This audit was conducted at USAID/India as part of the Office of Inspector General's annual audit plan. This is the first in a series of audits of the Emergency Plan's non-focus countries. The audit was conducted to answer the following question:

- Did USAID/India's Emergency Plan prevention, care, and treatment activities achieve expected planned results in its grants, cooperative agreements, and contracts?

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

AUDIT FINDINGS

USAID/India's Emergency Plan prevention and care activities achieved its expected planned results in its grants, cooperative agreements, and contracts. There were no treatment activities in fiscal year (FY) 2005. All treatment activities were being carried out by the Government of India and other donors.

The following table represents the results of our audit and details of USAID/India's achievement of six of its outputs in its grants, cooperative agreements, and contracts for FY 2005.

Outputs	Target	Actual Tested	Percentage Achieved
Number of Peer Educators Trained	531	503	95
Number of Condoms Distributed	538,272	480,541	89 ³
Number of People Living with HIV/AIDS Accessing Services	3,482	4,605	132 ⁴
Number of Individuals Provided Psychosocial Support	950	943	99
Number of One to One Interactions	50,990	50,520	99
Number of Orphans and Vulnerable Children Reached	650	632	97

However, despite the achievement reported by the recipients and subrecipients, the audit found that USAID/India needs to strengthen its internal and external monitoring of the data quality reported by the prime recipients and subrecipients.

³ In our judgment, a one percent variance for one of six outputs audited was not significant enough to change our answer to the audit objective from a positive to a qualified opinion (see materiality threshold criteria in Appendix I).

⁴ Mission officials stated that there could be several unknown factors that contributed to this increase in the numbers reached.

USAID/India Needs to Perform Data Quality Assessments

Summary: USAID policy mandates that data reported to USAID/Washington for Government Performance and Results Act reporting purposes, or externally on Agency performance, must have a data quality assessment at some time within the three years prior to submission. Operating Units may choose to conduct data quality assessments more frequently if needed. USAID/India did not conduct data quality assessments on one of its largest prime recipients and performed a data quality assessment only by phone on another of its largest prime recipients which is not in accordance with USAID policy. The two major recipients received almost \$7.2 million in Emergency Plan funds for fiscal year 2005. This occurred because Mission officials had a different interpretation of the Automated Directives System (ADS) requirements for data quality assessments and did not have written procedures for implementing the requirements. As a result of not conducting data quality assessments, reported data may not provide an accurate reflection of whether the Emergency Plan is achieving its objectives, and target-setting and results reporting may be developed using invalid and unreliable data.

According to ADS 203.3.5.2, the purpose of a data quality assessment is to ensure that the Operating Unit and Strategic Objective Team are aware of the strengths and weaknesses of the data as determined by applying the five data quality standards⁵ provided in ADS 203.3.5.1, and are aware of the extent to which the data integrity can be trusted to influence management decisions. USAID guidance emphasizes the importance of data quality when that data is used to make management decisions. The guidance also mandates that data reported to USAID/Washington for Government Performance and Results Act reporting purposes, or externally on Agency performance, must have a data quality assessment at some time within the three years prior to submission.

USAID allocated \$16.1 million of Child Survival and Health (CSH) funds for HIV/AIDS prevention and care programs in India and received an additional \$4.4 million from the Global HIV/AIDS Initiative (GHAII) account for fiscal year 2005. AIDS Prevention and Control,⁶ and Avert Society⁷ have been implementing partners of USAID/India for more than three years, and, for fiscal year 2005, they received \$7.2 million, or 35% of that funding (see Appendix III for details of the levels of funding for FY 2005). The Mission did not conduct a data quality assessment on Avert Society and performed a data quality assessment only by phone on AIDS Prevention and Control which is not in accordance with USAID policy. The data quality assessment was conducted by telephone without making site visits to physically verify whether data reported accurately reflected what was occurring in the field.

This occurred because Mission officials had a different interpretation of the ADS

⁵ The five data quality standards in ADS 203.3.5.1 are (1) validity, (2) integrity, (3) precision, (4) reliability, and, (5) timeliness.

⁶ AIDS Prevention and Control is an entity that implements HIV/AIDS activities through a network of non-governmental organizations.

⁷ Avert Society is entity that implements HIV/AIDS activities through a network of non-governmental organizations.

requirements for data quality assessments.

Without proper data quality assessments, USAID/India will not be able to reliably determine if program activities were meeting their objective or make well-supported programmatic and funding decisions. In addition, USAID/India will incur the risk of using unreliable information and inaccurate data in major publications such as the USAID Annual Report and the Emergency Plan's Report to Congress.

The Emergency Plan emphasizes data quality because the Emergency Plan is explicitly evidence-based and results-oriented. More specifically, the Emergency Plan's emphasis on evidence and on results places data quality at the center of a program in which target setting and results reporting are closely linked together. In order for targets to be meaningful and realistic, the quality of data on which they are based must meet minimum standards of acceptability. Similarly, progress reports will offer a concise and accurate reflection of whether the Emergency Plan is "working" if the supporting data are of high quality. To ensure that mission managers have accurate and reliable data for reporting outputs to USAID/Washington, the Office of U.S. Global AIDS Coordinator, the Congress, and the public, we are making the following recommendations:

Recommendation No. 1: We recommend that USAID/India conduct data quality assessments on data reported by AIDS Prevention and Control, and Avert Society.

Recommendation No. 2: We recommend that USAID/India develop Mission-specific procedures to ensure future data quality assessments are conducted on a timely basis, in accordance with USAID policy, and include recipients with significant⁸ Emergency Plan funding.

USAID/India's Cognizant Technical Officers Need to Monitor Data Quality Reported by Recipients

Summary: USAID policy requires Cognizant Technical Officers to monitor and evaluate the recipient's performance during the award in order to facilitate the attainment of program objectives by maintaining contact, including site visits and liaison, with the recipient. Cognizant Technical Officers are making site visits and preparing very detailed trip reports, however, these trip reports did not indicate if they were conducting data quality monitoring activities. This occurred because the Cognizant Technical Officers thought that data monitoring activities during their field visits was not a required responsibility. Insufficient monitoring of its prime recipients could negatively impact the quality of the program data reported to the Mission.

The tools of assessing, learning, and sharing are interrelated through the concept of performance management. Performance management, as defined in ADS 200.6, is the systematic process of monitoring the results of activities; collecting and analyzing

⁸ Significant is defined as 5% or more of USAID Emergency Plan funds, minus central Management and Staffing costs.

performance information to track progress toward planned results; using performance information to influence program decision-making and resource allocation; and communicating results achieved, or not attained, to advance organizational learning and tell USAID's story. This represents the commitment of USAID to manage programs with greater accountability for the most advantageous development outcomes. Along with this commitment, responsibilities of the Cognizant Technical Officers are very specific and involved in the management of grants, cooperative agreements, and contracts.

ADS 303.2.f states that the Cognizant Technical Officer is responsible for ensuring that USAID exercises prudent management of assistance awards and for making the achievement of program objectives easier by monitoring and evaluating the recipient and its performance during the award, by maintaining contact, including site visits and liaison with the recipient, reviewing and analyzing reports, and verifying timely performance, including monitoring reporting requirements.

Notwithstanding the Cognizant Technical Officers' review of recipients' programs and site visits, the trip reports we reviewed did not indicate that documentation was reviewed to determine if the prime recipients were properly monitoring data quality as required by USAID policy.

This occurred because the Cognizant Technical Officers thought that data monitoring activities during their field visits was not a required responsibility. However, according to ADS 202.3.6, monitoring the quality and timeliness of outputs produced by implementing partners is a major task of Cognizant Technical Officers.

The documentation of data monitoring on site visit reports is an important management control for ensuring that management decisions are appropriate and accurate results are being reported in USAID's Annual Report and the Emergency Plan's Report to Congress. The practice of Cognizant Technical Officers conducting site visits with recipients without documenting their monitoring activities during these visits is of limited value and does not meet the requirements of the ADS.

A related problem that surfaced during our audit involved the need for Cognizant Technical Officers to review their recipients' procedures for testing output source documentation to reported data during site visits to their subrecipients. For example, Family Health International did not monitor the validity of the data reported to them by its subrecipients in accordance with agreement terms. Our testing of 18 indicators at the offices of its four subrecipients determined that the source documentation for 13 of the 18, or 72%, did not agree with the information reported to Family Health International. In addition, there was no consistency of data collection among its subrecipients. This lack of consistency in data collection contributed to the incorrect data reporting. On the other hand, two other USAID/India recipients, AIDS Prevention and Control, and Avert Society, claimed that they did periodic testing of source documentation to reported data, but could not provide supporting evidence.

Sound decisions require accurate, current, and reliable information, and the benefits of this results-oriented approach substantially depend on the quality of the performance information available. Good data are needed to inform the designs of interventions and to monitor and evaluate the Emergency Plan's quantitative progress toward pre-determined prevention, care, and treatment targets. Ultimately, if the effectiveness of

the Emergency Plan is evaluated on the basis of numbers, then any doubt about those numbers makes the entire Program vulnerable to discrepancies. Therefore, we are making the following recommendations:

Recommendation No. 3: We recommend that USAID/India develop Mission-specific procedures and include, in the trip reporting format, a requirement that Cognizant Technical Officers review documentation during their site visits to prime recipients to determine if the prime is properly monitoring data quality.

Recommendation No. 4: We recommend that USAID/India require Family Health International to develop procedures that provide consistent data accumulation and reporting for all its subrecipients, and require testing of output source documents to reported data during site visits to its subrecipients.

Recommendation No. 5: We recommend that USAID/India require Avert Society, and AIDS Prevention and Control to document their testing of output source documents to reported data during site visits to subrecipients.

EVALUATION OF MANAGEMENT COMMENTS

For Recommendation Nos. 2, 3, 4, and 5, the Mission provided evidence that corrective actions have been implemented. Accordingly, we consider Recommendation Nos. 2, 3, 4, and 5 to have received final action upon issuance of this report.

For Recommendation No. 1, the Mission provided agreement, a corrective action plan, and a target completion date. Therefore, we consider that a management decision has been reached for Recommendation No. 1. In its additional comments (comment 1) to the draft report, the Mission indicated that while the data quality assessment performed on AIDS Prevention and Control in November 2005 did not include a field review, the Automated Directives System (ADS) was open to interpretation as to whether a field review is required. However, in a response on April 29, 2006, to questions by USAID/India regarding data quality assessments, the Asia and Near East Bureau made the following comment regarding the verification of reported data:

“In many cases, Operating Units can compare central office records and the records kept at field site(s). Operating Units should consider visiting a broad range of sites; the point is to assess whether reports accurately reflect what occurs in the field.”

Therefore, we maintain our position that the AIDS Prevention and Control data quality assessment, conducted only by phone in November 2005, was not performed in accordance with ADS requirements.

We discussed the additional comments 2 and 3 with responsible Mission officials and made appropriate revisions to the final report to address the estimation of percentages for partners and definition of significant funding; and data monitoring responsibilities of Cognizant Technical Officers.

SCOPE AND METHODOLOGY

Scope

The Office of Inspector General's Performance Audits Division conducted this audit in accordance with generally accepted government auditing standards. The purpose of the audit was to determine if USAID/India's Emergency Plan prevention, care and treatment activities achieved expected planned results⁹ in its grants, cooperative agreements, and contracts for fiscal year (FY) 2005, the most current and complete set of data available for review. The audit was conducted in New Delhi and Mumbai, India from January 29 through February 17, 2007.

In planning and performing the audit, we assessed the Mission's controls related to the Emergency Plan. The management controls identified included the Mission's Annual Report, the Mission's data quality assessments, the Mission's annual self-assessment of management controls as required by the Federal Managers Financial Integrity Act, trip reports to document field visits by the Cognizant Technical Officers, program progress reports, and day-to-day interaction between Mission staff and program implementers.

In order to test whether output targets were achieved, we reviewed pertinent documents of Avert Society and Family Health International. These two recipients received 36% of USAID/India's FY 2005 funding of \$20.5 million (see Appendix III for details of the levels of funding for FY 2005). We conducted site visits at recipient and subrecipient offices in New Delhi and Mumbai, India to verify and test data quality, observe program activities, and examine the quality of outputs. We also reviewed participatory site visit reports to determine if another recipient—AIDS Prevention and Control—was performing any data monitoring activities during FY 2005. We did not conduct any site visits of its subrecipients.

Methodology

To answer this audit objective, we met and interviewed USAID/India staff in the Office of Population, Health, and Nutrition to gain an understanding of the subject matter. We reviewed relevant documentation produced by USAID/India such as grants, cooperative agreements, and contracts including contract amendments and addendums, Mission correspondence, internally used worksheets for measuring results, the Mission Performance Plan, quarterly, semi-annual and annual reports, field trip reports and participatory site visit reports by Mission staff with recipients and subrecipients.

In addition, we interviewed USAID/India HIV officials responsible for Emergency Plan monitoring and implementation. We reviewed their pertinent documents which included, but were not limited to, trip reports, and semi-annual and annual reports which helped determine the levels of monitoring being carried out and also to determine if progress towards outputs had been achieved. In addition, site visits were carried out to observe day-to-day program operations of actual activities that were being carried out in the field by the

⁹ Our audit of results was limited to outputs (a tangible, immediate, and intended product or consequence of an activity within USAID's control). The cut-off date for measuring achievement of selected outputs was September 30, 2006.

various subrecipients and visits to the offices of the prime recipients. In part, these site visits included testing data found in progress reports, annual reports and observing program operations.

We judgmentally selected key outputs for each selected partner and compared those output percentages against the audit threshold criteria to determine if planned outputs were achieved. Based on the source documents and the amount of data reported, we judgmentally selected either (1) a specific month for review or (2) the annual reporting period for a specific output. In selecting results for review, we judgmentally selected important results that were most closely related to the Emergency Plan goals.

The materiality threshold criteria were as follows:

- 1) If at least 90 percent of the selected key outputs have been achieved,¹⁰ the answer to the audit objective would be positive.
- 2) If at least 80 percent but less than 90 percent of the selected key outputs have been achieved, the answer to the audit objective would be qualified.
- 3) If less than 80 percent of the selected key outputs have been achieved, the answer to the audit objective would be negative.

While we have these threshold criteria, we also used auditor judgment to determine the applicability of the threshold percentages, taking into consideration other factors such as significance of the various outputs, environmental aspect, and timeliness of funds distribution.

Testing output data consisted of comparing and tracing the reported information to supporting source documentation such as log books, daily diaries, monthly reports and observing program operations.

¹⁰ The audit team considered an output to be achieved if the partner completed at least 90 percent of the expected (planned) output.

MANAGEMENT COMMENTS

May 15, 2007

MEMORANDUM

TO: IG/A/PA Director, Steven H. Bernstein

FROM: USAID/India Mission Director (Acting), Beth Hogan /s/

SUBJECT: Audit of USAID/India's Implementation of the President's Emergency Plan for AIDS Relief (Report No. 9-910-07-XXX-P)

REFERENCE: Steven H. Bernstein/George Deikun memo dated April 19, 2007

The Mission agrees with all five draft recommendations and lists our plan for corrective actions, with target completion dates, below. We are confident these actions will ensure that we maintain an ongoing system for documentation and data quality review. Following our plan for corrective action, we have listed some comments on statements in the text of the draft report that we think need further clarification.

Summary Table

Recommendation/Comment	Completion Date	Related Annexes
<i>Rec.1: DQA on APAC and Avert</i>	August 31, 2007	1
<i>Rec.2: Develop Mission-specific procedures on DQAs</i> <i>Rec.3: Include requirement that CTOs document in trip reports their reviews of data reporting systems during site visits</i>	Completed April 13, 2007 Mission Order issued 4/13/07 PHN trip report issued 2/26/07	2,3,4,5
<i>Rec.4: FHI to develop procedures for data accumulation and reporting and require testing of data in site visits</i>	Completed: April 30, 2007	5,6
<i>Rec.5: Avert and APAC document testing of data to source documents during site visits</i>	Completed: April 26, 2007	7,8,9
<i>Comments</i>		10,11,12,13,14,15

Recommendation No. 1: *We recommend that USAID/India conduct data quality assessments (DQA) on AIDS Prevention and Control and Avert Society.*

Action Taken: Immediately following the completion of the audit, the Mission drew up a Scope of Work (Annex 1) for a data quality assessment on Emergency Plan indicators for the AIDS Prevention and Control Project (APAC) and the Avert Society (Avert).

A Request for a Task Order proposal was issued to Price Waterhouse Coopers under their Blanket Purchase Agreement with the Mission, and a contract to complete the DQA

is currently under negotiation. The DQA SOW specifies a field review with both prime partners and with a range of their sub-partners. It is planned to complete the assessment by the end of August, 2007.

Target Completion Date: August 31, 2007.

Recommendation Nos. 2 and 3: As the corrective actions for these recommendations overlap, they are discussed together in the following text.

Recommendation No. 2: *We recommend that USAID/India develop Mission specific-procedures to ensure future data quality assessments are conducted on a timely basis, in accordance with USAID policy, and include recipients with significant Emergency Plan funding.*

Recommendation No. 3: *We recommend that USAID/India develop Mission-specific procedures and include, in the trip reporting format, a requirement that Cognizant Technical Officers (CTOs) review documentation during their site visits to prime recipients to determine if the prime is properly monitoring data quality.*

Action Taken: A new Mission Order on Performance Reporting (MO203.2) was issued on April 13, 2007 (Annex 2). The Mission Order provides guidance on conducting Data Quality Assessments (DQAs), requiring that DQAs follow ADS procedures. Further, the Mission Order states that “data which is reported to Washington under Operational Plans and PEPFAR Country Operational Plan processes will be assessed at least once in three years”. The Mission Order also requires activity managers and Cognizant Technical Officers to conduct field visits, and prescribes a field trip template that documents the verification of the accuracy and quality of data at the field level (Annex 3). To ensure an ongoing check on the timeliness of future data quality assessments, the template also requires that activity managers note when a formal DQA was last taken, and when the next one is due. This Mission Order was effective immediately and is already being implemented.

The HIV/AIDS Division, Office of Population, Health, and Nutrition (PHN) adapted this template to include information on the timing of past and future DQAs for identified partners. The PHN Office Director circulated this template to the HIV/AIDS Division on February 26, 2007, requesting that each traveler complete the section on performance and data quality monitoring in their trip reports (Annex 4). The trip reports completed after site visits to Family Health International in April 2007 (Annex 5) include this information on the timing of specific DQAs.

As noted above, an immediate DQA is planned for APAC and Avert. These two organizations receive a significant amount (36%) of the total of USAID's HIV/AIDS funding for field programs¹¹. Other organizations with planned DQA dates noted in the PHN trip report format are the University of Manitoba, Population Services International, and Family Health International, all of whom receive significant funding.

Action Completed: April 13, 2007.

¹¹ See the comment on page 5 below on the definition of significant funding. The amount of 36% for APAC and Avert's percentage of the total funding is calculated according to PEPFAR guidelines used for the COP. Those guidelines calculate the percentage of total funds going to each partner on a basis of combined agency and Global HIV/AIDS Initiative (GHAI) funds, minus the central management and staffing costs.

Recommendation No. 4: *We recommend that USAID/India require Family Health International to develop procedures that provide consistent data accumulation and reporting for all its sub-recipients, and require testing of output source documents to reported data during site visits to its sub-recipients.*

Action Taken: In response to the audit findings, Family Health International (FHI) sent an action memo from the Country Director to the staff outlining a plan of action to address the audit findings (Annex 6). This included the development of annual plans and targets for sub-partners; standardization of all reporting formats; strengthening the recording and reporting systems at sub-partner level; introduction of data quality systems, including a data quality checklist to assess data accuracy, integrity, and reliability; and formatting of the trip reports of FHI managers' field visits to include a section on data quality monitoring with recommendations and a follow-up action plan. The action memo was also shared with the USAID/IG auditor for his review and comment.

This was followed by an action Memo to the sub-partners from FHI outlining the plan for data quality management. A workshop was organized in mid- March to standardize formats and provide a uniform understanding of PEPFAR definitions and indicators among sub-partners. FHI has also ensured that project coordinators of sub recipients include dedicated days for random field visits for data quality assessments once in a week and FHI managers include specific and random field visits for the same once every month. Joint visits with USAID will be conducted once every quarter for the specific purpose of matching primary data with reported data. Performance counseling checklists of field staff now include mentoring for assessing data quality during site visits. All trip reports related to data quality assessments will be filed separately by FHI to ensure that there are two such reports every month at the field level and one such report every month at FHI-level.

The USAID CTO has made site visits to four NGOs since the development of this system and confirms that rigorous data reporting systems are now in place. In these visits, she physically tested output source documents to reported data for each of the PEPFAR indicators applicable to the four NGO sub-recipients from the period October 2006-March 2007. She also randomly picked up individuals from tracking sheets to match the services received (for OVC programs) and vice-versa for trainings. In addition, she used data quality checklists to assess the rating for various parameters to ensure validity, accuracy, reliability and integrity of data. These trip reports are attached (Annex 5).

Joint visits by staff of USAID/India's Regional Financial Management Office and the visiting PEPFAR Strategic Information Advisor are also documented. Overall, the progress and expected outputs of implementation of the audit recommendations is well documented. Consistent data accumulation and reporting for all FHI's sub-recipients as well as testing of output source documents to reported data during site visits was satisfactory and of high quality.

Action Completed: April 30, 2007

Recommendation No. 5: *We recommend that USAID/India require Avert Society and AIDS Prevention and Control to document their testing of output source documents to*

reported data during site visits to sub-recipients.

Action Taken: USAID/India developed guidelines on Data Quality Monitoring that were sent to all partners on March 5, 2007 in the form of a memorandum (Annex 7). The memo highlighted the need for the partners to undertake data quality verification and to document data quality monitoring systems and practices both at the prime and sub-partner level. A key point in the memo was the importance of the consistency of the data reported by the prime partners with source documents at the sub-partner level. Documentation of all actions is a priority. An illustrative list of possible actions for data quality improvement was also given to the partners.

Based on this memo, both APAC and Avert have taken action to implement the guidelines. Examples of actions taken include: the APAC Director sent a circular to all program managers asking them to review their current data monitoring systems and initiate actions to improve them (Annex 8), determining the roles of staff in data quality assurance, reviewing all reports for ensuring reporting on data quality systems and measures to improve them, making a requirement that all field visits to the sub-partners include data quality verification and documenting data quality checks in the trip reports of the staff, proposed revisions in participatory site visits for including data quality checks and discuss systems for improvement, orientation of consultants, including data quality as a section in relevant scope of work to be developed in future, and reviewing the software at APAC for compilation and analysis of sub-partner data. Guidance was also sent to all sub-partners on data monitoring procedures.

The Avert project has taken similar actions to ensure compliance with the guidance in the USAID memo. These include an office order issued by the Project Director making it a requirement that Project Officers check data quality during field trips (Annex 9), and revision of the trip report format to include a section on data quality verification. The project also initiated data quality monitoring during the regular participatory site visits, and experience sharing and review meetings (ESRM). The project has developed a data quality monitoring system which will be presented in the ESRM. At the prime partner level, the project has developed a system to ensure quality in data entry and collation.

Other large USAID-supported projects have initiated similar actions to strengthen the data monitoring systems at the prime partner and sub-partner level. We are confident that these ongoing systems will ensure the completeness, validity and accuracy of the data reporting process from sub-partners to prime partners and finally to USAID.

Action Completed: April 26, 2007

Additional Comments

Comment 1: Mission DQAs

We are concerned that the initial summary in the Audit Report (Summary of Results, paragraph 2, line 4) states that no data quality assessment was performed on either recipient, APAC or Avert.

A following statement in the report (Audit Findings, USAID/India Needs to Perform Data Quality Assessments, paragraph 3, line 5), that, although the Mission “believed that a data quality assessment was performed in 2005 ... it was not performed in accordance

with ADS 203.3.5.2.” The Mission did carry out a DQA for APAC in November 2005, though this did not include a field review. We consider that the guidance in ADS 203.3.5.2 is open to interpretation as to whether a field review is required or may be undertaken if the Mission chooses to do so.

We are also concerned about the statement that Mission officials were not fully aware of ADS requirements and did not have written procedures or a Mission order that provided detailed instructions for implementing the ADS.

ADS 203.3.5.2 states: “Data reported to USAID/Washington for Government Performance and Results Act (GPRA) reporting purposes or for reporting externally on Agency performance must have had a data quality assessment at some time within the three years before submission...Operating Units are not required to conduct data quality assessments for data that are not reported to USAID/Washington.” In compliance with this guidance, the Mission has annually conducted data quality assessments on all indicators before reporting to Washington. In the Designation Memos (Annex 10) which designate indicators each year from the PMP for reporting, the PS office clearly states that DQAs will be performed on the selected indicators prior to reporting. Each year, an external consultant has been engaged to conduct DQAs according to the scopes of work that are developed by the PS office, on selected performance indicators from the PMP – example attached (Annex 11). The Program Support Office has also shared the findings of DQAs with technical offices, outlining next steps on follow-up to recommendations and findings (Annex 12). We would also be happy to provide the DQA reports from the past three years as evidence of the Mission’s consistent efforts in conducting DQAs in compliance with ADS 203.

In relation to the interpretation of the ADS to determine what constitutes a DQA, the Mission has been informed on numerous occasions and at various fora from senior management in Washington that a DQA need not be a cost-intensive and elaborate field-based exercise. For example, to quote Asia Near East Bureau guidance in a video conference in 2005: “The data quality assessment does not have to be a big formal process in order to report data in the Annual Report.... Data quality assessments are often done as a routine part of managing projects. It can be a more formal evaluation and assessment process, but data quality assessments are valid as long as the Mission is checking its data by talking with partners, looking at their files, going to project sites and verifying results, etc...” (Annex 13).¹² In another communication, the ANE Monitoring and Evaluation expert explained, “ADS (203.3.5.3) provides the guidance on data quality assessments. While the ADS specifies that the performance data in the PMP for each SO meet five data quality standards – Validity; Integrity; Precision; Reliability; and Timeliness – it is not specific as to what format the DQA should take.” (Annex 14)

Therefore, we request that two comments in the summary and full text be reconsidered to emphasize the advisability of conducting a field review as part of the DQA, especially for organizations that receive substantial funding, rather than the statements that no DQA was conducted on either major recipient and that the DQA was not performed in accordance with ADS 203.3.5.2.

¹² The Mission accepts that its documentation of staff verification of data and results at field level should be strengthened (see Recommendation No. 5).

Comment 2: Estimation of Percentages for Partners and Definition of Significant Funding:

We note a confusion in estimating the percentage of USAID/India's FY05 HIV/AIDS funding used by APAC and Avert. The \$16.1 million cited in the report as the basis for these estimates¹³ was USAID's FY 05 CSH funding for HIV/AIDS, however the total of USAID/India's HIV/AIDS FY 05 funds included both CSH and GHAI allocations and was \$20.5 million (of which \$500,000 was for management and staffing). Both GHAI and CSH funds are used to support USAID's field partners. If total PEPFAR non-staff funds (\$20 million) are taken as the base, APAC and Avert received 36% of the total amount available for HIV/AIDS programs.

We suggest changing the references to USAID's allocation of funds for HIV/AIDS prevention to avoid confusion about the percentage of funding for APAC and Avert:

1. In the Background section (para. 3, line 1, the text: "USAID allocated \$16.1 million for HIV/AIDS prevention and care programs in India", could be changed to "USAID allocated \$16.1 million of CSH funds for HIV/AIDS prevention and care programs in India and received an additional \$3.9 million from the Global HIV/AIDS Initiative (GHAI) for HIV/AIDS in fiscal year 2005."
2. The text under Audit Findings (USAID/India Needs to Perform DQA, para. 3, line 1) could be similarly changed to reflect total USAID FY05 funding of \$20 million for HIV/AIDS programs. In the following sentence, which refers to APAC and Avert funding, the statement "...for FY 2005, they received \$7.2 million or almost 45% of that funding..." could be changed to "36% of that funding."
3. There is also a reference (Appendix 1, Scope, para. 3) to the total funding for the Avert Society and Family Health International. This could be changed to "these two recipients received 39% of USAID/India's fiscal year 2005 HIV/AIDS program funding of \$20 million."¹⁴

We attach a revised table (Annex 15) that gives corrected percentages of HIV/AIDS FY05 funds for USAID's prime partners, based on the total GHAI and CSH funding of \$20 million for HIV/AIDS program costs for USAID/India in fiscal year 2005. The could be substituted for the table in Appendix III of the Audit Report.

We also suggest that "significant" Emergency Plan funding is defined as 5% or more of USAID Emergency Plan funds, minus central Management and Staffing costs.

Comment 3: Data Monitoring Responsibilities of CTOs: The report notes "the belief of the Cognizant Technical Officers that data monitoring activities are not their responsibility." It would be more accurate to say that the CTOs thought that *documenting* data monitoring activities during their field visits was not a *required* responsibility." CTOs have been monitoring data processes in the field, but not providing standardized documentation as recommended by the IG auditor. We agree with the need to document the data monitoring activities in a standardized format, and request the text be changed as suggested above.

¹³ See Background, para.3; and Audit Findings, USAID/India Needs to Perform DQAs, para.3.

¹⁴ As noted above, this does not include \$500,000 budgeted for central staffing.

General Comments

We do not have data that explains the reason why we exceeded the target for the number of people with HIV/AIDS accessing services, so we suggest dropping Footnote 4 (see the Audit Findings section of the Draft IG Audit Report). Several factors could be contributing to this increase in the numbers reached.

In paragraph 3 of the Background section, please change the statement: “The goal is to stabilize, or even reduce, HIV transmission by focusing on behavior change among vulnerable populations and by curtailing the spread of the epidemic to low-risk and rural populations” to read: “USG programs contribute to the goal of the third Government of India National AIDS Control Plan to saturate coverage of high-risk populations and expand programs for other vulnerable populations.” The latter statement is taken from the USG HIV/AIDS Strategy, 2006-10.

Level of Funding

Prime Recipient	Life of Grant	FY 2005 Funding (In Dollars)	As a Percentage of FY 2005 (\$20,500,000)
AIDS Prevention and Control	Oct. 2005 to Sept. 2006	4,100,000	20%
Avert Society	Oct. 2005 to Sept. 2006	3,100,000	15%
Family Health International – Impact	Oct. 2005 to Sept. 2006	2,500,000	12%
Family Health International – Youth Net	Oct. 2005 to Sept. 2006	1,900,000	9%
Other Projects	Oct. 2005 to Sept. 2006	8,382,000	41%
Administrative Expenses	Oct. 2005 to Sept. 2006	518,000	3%
Total		20,500,000	100%

Source: Mission data as of September 30, 2006. Unaudited.

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