

Audit of USAID/Peru's Family Planning Program

Audit Report No. 1-527-01-009-P

July 27, 2001

Regional Inspector General / San Salvador



U.S. Agency for
INTERNATIONAL
DEVELOPMENT

RIG/San Salvador

July 27, 2001

MEMORANDUM

FOR: USAID/Peru Director, Thomas L. Geiger

FROM: Regional Inspector General/San Salvador, Timothy E. Cox

SUBJECT: Audit of USAID/Peru's Family Planning Program (Report No. 1-527-01-009-P)

This memorandum is our report on the subject audit. In finalizing the report, we considered your comments on the draft report. Your comments on the draft report are included in Appendix II.

The report contains no recommendations for your action.

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

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Summary of Results

The House of Representatives' Committee on Appropriations directed the Office of Inspector General to perform an audit of USAID/Peru's family planning program with respect to the Tiahrt amendment. Therefore, the Regional Inspector General/San Salvador conducted an audit to determine whether USAID/Peru adhered to Tiahrt amendment provisions (see page 5).

The following four provisions of the Tiahrt amendment apply to USAID/Peru:

1. Family planning service providers shall not implement or be subject to quotas.
2. Family planning projects shall not pay incentives to family planning providers nor to family planning service users.
3. Family planning projects shall not deny benefits or services to individuals who do not choose to participate in family planning activities.
4. Family planning projects shall provide family planning users with comprehensible information on health benefits and risks of the family planning method chosen (see page 4).

For the items tested, USAID/Peru adhered to Tiahrt amendment provisions. We visited 32 health facilities and interviewed 158 patients and 32 family planning providers. We found no exceptions to Tiahrt amendment provisions. Furthermore, we found that all 32 establishments displayed information on informed consent (see page 5).

In order to adhere to Tiahrt amendment provisions, the mission utilized the following management controls:

- Compliance surveys of users of family planning services.
- Incident reports from the Peruvian Human Rights Ombudsman.
- Assignment of a full-time USAID employee to monitor Tiahrt compliance.
- Establishment of a senior management committee to oversee Tiahrt-related issues.
- Training for health care providers.
- Standard provisions in agreements with Peru's Ministry of Health (MOH) and with other organizations requiring Tiahrt compliance (see pages 5-7).

In addition, the Peruvian Ministry of Health has issued family planning standards that incorporate the restrictions included in the Tiahrt amendment (see page 7).

Mission officials concurred with the findings and conclusions of our audit. There were no recommendations requiring corrective action (see page 10).

Background

Beginning with fiscal year 1999, legislation funding foreign assistance activities has included several stipulations that are collectively known as the Tiahrt amendment. This amendment contains several provisions designed to prohibit the use of federal funds in coercive family planning programs.

The Tiahrt amendment states that voluntary family planning projects shall meet the following requirements:¹

1. Family planning service providers shall not implement or be subject to quotas.
2. The project shall not pay incentives to family planning providers nor to family planning service users.
3. The project shall not deny benefits or services to individuals who do not choose to participate in family planning activities.
4. The project shall provide family planning users with comprehensible information on health benefits and risks of the family planning method chosen.

USAID also is required to report to congressional committees any violation not less than 60 days after the Administrator of USAID determines that a violation has occurred.

USAID/Peru's family planning program is part of its strategic objective entitled "Improved Health for Peruvians at High Risk." The mission provides family planning assistance through the Ministry of Health, which has family planning services at approximately 6,200 establishments throughout the country. The mission also provides funding to seven non-governmental organizations (NGOs). These NGOs operate 30 permanent establishments in Peru.

The mission's fiscal year 2001 family planning expenditures through June 30, 2001 were \$6.6 million, according to USAID/Peru.

¹ An additional requirement that experimental contraceptive drugs and devices and medical procedures be provided only in the context of a scientific study in which participants are advised of potential risks and benefits is not applicable for USAID/Peru since the mission does not have any programs dealing with experimental contraceptive drugs and devices and medical procedures.

Audit Objective The House of Representatives' Committee on Appropriations directed the Office of Inspector General to perform an audit of USAID/Peru's family planning program with respect to the Tiahrt amendment. Therefore, the Regional Inspector General/San Salvador conducted an audit to answer the following audit objective:

- Did USAID/Peru adhere to Tiahrt amendment provisions?

Appendix I describes the audit's scope and methodology.

Audit Findings **Did USAID/Peru adhere to Tiahrt amendment provisions?**

For the items tested, USAID/Peru adhered to Tiahrt amendment provisions.

To determine if there were any violations of the four Tiahrt amendment provisions noted in the background section above, we interviewed 158 patients and 32 family planning providers at 32 hospitals and health centers throughout Peru. We found no exceptions. In other words, for the persons we interviewed, production quotas were not used, no incentives or financial rewards were offered, no rights or benefits were denied, and comprehensible information on the benefits and risks was provided.

In order to adhere to the Tiahrt amendment provisions, the mission utilized the following management controls:

- Compliance surveys of users of family planning services.
- Incident reports from the Peruvian Human Rights Ombudsman.
- Assignment of a full-time USAID employee to monitor Tiahrt compliance.
- Establishment of a senior management committee to oversee Tiahrt-related issues.
- Training for health care providers.
- Standard provisions in agreements with Peru's Ministry of Health (MOH) and with other organizations requiring Tiahrt compliance.

The mission has contracted with the Population Council to conduct surveys in order to detect Tiahrt amendment violations. These surveys included interviews with family planning service providers and users as well as anonymous site visits. In

2000, eight violations were found which USAID/Peru reported in accordance with the Tiahrt amendment. The Population Council is finalizing a second report on year 2000 activities which will be issued in August 2001. Results will be followed up, and if the mission determines that a violation occurred, the mission will report the violation to the Congress as required.

Peru's Constitution has established an independent Human Rights Ombudsman, an organization with the broad mandate of defending constitutional rights, ensuring that the government complies with its duties, and overseeing the provision of public services to Peruvians. The Human Rights Ombudsman has received USAID funding since 1996, and according to the mission, USAID/Peru has trained Ombudsman staff on Tiahrt amendment requirements. Specifically, in the area of reproductive rights, the Ombudsman educates the population on women's reproductive rights, investigates abuses, and seeks to uncover unlawful practices through health center visits. In previous problem-prone areas, it has disseminated posters and pamphlets, held workshops, and communicated via other mass media outlets. The Human Rights Ombudsman reports to the mission on its investigations and activities. In the event that the Ombudsman confirms a violation, it has been instructed to notify the mission immediately. According to the Ombudsman's Special Defender of Women's Rights, no complaints to the Ombudsman from July 1, 2000 to March 31, 2001 have been substantiated as Tiahrt violations.

The mission has hired a full-time employee to monitor Tiahrt compliance. Her work plan originally included making site visits to health facilities, interviewing providers and patients, giving workshops, and working with the Peruvian Human Rights Ombudsman. Since she did not find any violations after visiting 20 sites over two months, her duties have more recently been focused on working with the Population Council, following up on issues with the Human Rights Ombudsman and assisting the MOH on quality of care issues.

The mission has created a task force composed of senior mission officials. They meet on an as-needed basis to follow up on Tiahrt-related issues. For example, they meet to assess the effectiveness of monitoring activities, to pursue additional options for gathering information on Tiahrt violations, and to discuss issues pending with the Population Council and the Human Rights Ombudsman.

The mission has a program called "Coverage with Quality" that provides training to MOH health care providers on family planning methods including providing comprehensible information and obtaining informed consent before providing services. The program started in September 1996 and is scheduled through September 2003. During fiscal year 2001, \$1.3 million has been spent on this program.

The mission has included in its agreements and contracts with the MOH and with other organizations a standard provision to help ensure that they comply with Tiahrt amendment provisions.

In addition, the MOH has issued family planning standards that incorporate the restrictions included in the Tiahrt amendment. For example, the standards require “the informed and personal consent of the user.” The standards further stipulate that:

- incentives will not be offered to persuade a person to use any contraceptive method;
- deceit or hiding information is prohibited;
- all forms of pressure, coercion, violence, or manipulation are prohibited;
- quotas or goals will not be used;
- incentives, bonuses, or sanctions will not be given;
- other services will not be denied users who do not choose to participate.

The MOH’s initiative to inform family planning providers and patients of their rights was evident in that all 32 establishments we visited had a copy of the MOH’s family planning standards. We observed that all the facilities had posters illustrating the principle of informed consent. Posters were also displayed showing a variety of family planning options. In addition, family planning services were segregated from other services provided at the establishments.

The mission also complied with the Tiahrt amendment requirement that the Administrator report any violation and the corrective action taken within 60 days to the Congress. In December 2000, the mission learned of eight violations. In January 2001, as required by the Tiahrt amendment, the Administrator sent a report to Congress describing the violations and the corrective actions taken.

Management Comments and Our Evaluation

Mission officials concurred with the findings and conclusions of our audit. There were no recommendations requiring corrective action. Mission comments are attached in their entirety as Appendix II.

**Scope and
Methodology**

Scope

The Regional Inspector General/San Salvador conducted an audit, in accordance with generally accepted government auditing standards, to determine if USAID/Peru adhered to Tiahrt amendment provisions.

We reviewed the management controls used by the mission to monitor compliance with Tiahrt amendment provisions. Major controls included surveys of users of family planning services, incident reports from the Peruvian Human Rights Ombudsman, a full-time USAID employee to monitor Tiahrt compliance, and a senior management committee to oversee Tiahrt-related issues.

We visited 31 of approximately 6,200 Ministry of Health (MOH) facilities and 1 of 30 non-governmental organization (NGO) facilities.

The audit was conducted at USAID/Peru and at health facilities throughout Peru from June 28, 2001 through July 13, 2001.

Methodology

In answering the audit objective, we ascertained whether the mission had developed a structure to receive information about Tiahrt violations and to act on that information.

In order to test these aspects of the mission's monitoring system, we interviewed officials and reviewed and tested documentation at USAID/Peru. Such documentation included cooperative agreements, work plans, employee agreements, Human Rights Ombudsman reports, compliance survey reports, Tiahrt committee meeting minutes, and MOH Family Planning Standards.

We randomly selected 12 hospitals for visits from a list of locations which we weighted based on MOH family planning usage statistics. Hospitals in Arequipa, the region affected by an earthquake on June 23, 2001, were excluded from the list of possible sites. Of the original 12 selections, two were excluded due to logistical difficulties and time constraints on the audit. The two sites that were excluded were replaced by two additional random selections. An additional 19 MOH health facilities (two hospitals and 17 neighborhood clinics) and one NGO clinic were judgmentally selected based on timing (ability to arrive during peak working hours) and proximity to the randomly selected hospitals. At all facilities, we interviewed the health care provider on duty and judgmentally selected patients receiving services at the time of our visit. We approached patients either as they were waiting for services or as they were leaving their consultation and asked if they would be willing to participate in a survey. In summary, we

conducted surveys at 32 health facilities. We used this sample design in order to cover as many locations as possible while completing the audit work in time to issue the final audit report by July 31, 2001.

In the Human Rights Ombudsman's office, the Special Defender of Women's Rights briefed us regarding investigations related to previous years' complaints and on-going activities to promote reproductive rights.

The Population Council briefed us regarding the methodology used to survey for Tiahrt violations.

In determining compliance with Tiahrt provisions, we employed a materiality threshold of zero exceptions. In other words, one violation would be considered significant and would cause us to modify our answer to the audit objective.

**Management
Comments**



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July 25, 2001

Mr. Tim Cox
Regional Inspector General
San Salvador

Dear Mr. Cox:

Thank you for the opportunity to comment on the draft “Audit of USAID/Peru’s Family Planning Program”.

We agree with the report’s conclusion that USAID/Peru and the Peruvian Ministry of Health have adhered to the Tiahrt Amendment requirements. This conclusion reinforces similar findings from our own internal control mechanisms and the conclusions of a recent GAO audit (GAO-01-3, October 2000).

We would like to add that USAID has made an effort to comply with Congressional report language requesting detailed reporting on the situation of the USAID-supported family planning program in Peru. In addition to the formal Tiahrt violation report sent to Congress in January 2001, USAID sent a biannual report to Congress on July 16, 2001, with an update on Peru. In addition, USAID/Peru staff members have traveled to Washington twice in the last fourteen months to report in detail to interested members on Congress and staffers.

With USAID support, the Government of Peru has made dramatic strides in terms of protecting family planning clients’ rights to voluntarism and informed consent. The Government of Peru is doing this not simply because our law requires it, but because they are convinced that it is the right thing to do. In short, the Government of Peru has learned from the problems of the past and is now committed at all levels to providing high quality voluntary family planning services to the clients who seek them.

Sincerely,

Thomas L. Geiger
Director