

**Audit of USAID/Tanzania's Human
Resource Development Assistance
(HRDA) Program**

**Report No. 4-621-99-004-P
June 18, 1999**

REGIONAL INSPECTOR GENERAL/PRETORIA



Memorandum

*Regional Inspector General
Pretoria*

DATE: June 18, 1999

TO: Mission Director, USAID/Tanzania, Lucretia Taylor

FROM: Regional Inspector General/Pretoria, Joseph Farinella

SUBJECT: Audit of USAID/Tanzania's Human Resource Development Assistance (HRDA) Program, Report No. 4-621-99-004-P

This memorandum is our report on the subject audit. We have considered your comments on the draft report and have included them in their entirety in Appendix II.

This report contains two recommendations for your action. Based on your comments, we believe an acceptable management decision has been reached on each recommendation. Please advise the Office of Management Planning and Innovation (M/MPI) in Washington when final action is complete.

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

Background

USAID/Tanzania's Human Resources Development Assistance Program (HRDA) was created to strengthen the capability of Tanzania's development institutions and private sector entities to promote economic growth where the lack of adequately trained personnel was the primary constraint. HRDA's purpose was to provide a nucleus of qualified technical, scientific, and managerial personnel to strengthen African development institutions, enhance growth of the private sector, and increase the participation of women in development.

The program was designed as a high quality merit competition to strengthen the staff at Tanzanian universities, government institutions, and businesses. This was to be accomplished by providing graduate and professional training for a selected number of well-qualified students endorsed by their employers and scholastically capable of pursuing advanced study. Mission officials referred to this program as training the "best of the best."

Since inception of the HRDA program in 1988 USAID/Tanzania has obligated \$11 million

for short-term training in Tanzania, the United States, and third countries as well as \$4.1 million for long-term training in the United States. A total of 501 participants have been trained under the short-term training and 57 participants have been trained under the long-term. The program has been extended to September 30, 1999.

Audit Objective

This audit was conducted as part of the RIG/Pretoria fiscal year 1999 audit plan. Specifically, the audit was designed to answer the following two questions:

- 1. Did USAID/Tanzania monitor the Human Resources Development Assistance Program in accordance with USAID policies and procedures and Federal Regulations?**
- 2. Did USAID/Tanzania-financed inputs produce the intended results?**

Appendix 1 describes the audit's scope and methodology.

Audit Findings

- 1. Did USAID/Tanzania monitor the Human Resources Development Assistance Program in accordance with USAID policies and procedures and Federal regulations?**

USAID/Tanzania monitored the Human Resources Development Assistance Project (HRDA) in accordance with USAID policies and procedures and Federal regulations. The Mission monitored the progress of participants through Academic Enrollment and Term Reports (AETR) and other ongoing correspondence with the contractor. In addition the Mission ensured that participants received the required visas, medical examinations, and tests. Finally, USAID/Tanzania verified that participants returned to Tanzania upon completion of training and took proper action in those cases where the participant did not return.

USAID policies and procedures with regard to monitoring training for development are set forth in ADS Chapter 253. Chapter 253 provides guidance for monitoring such requirements as visas, medical examinations, and academic performance as well as procedures to follow in the case of non-returnees. Additional guidance for students attending U.S. colleges and universities under federal programs is found in Federal regulations 22 CFR 514. These criteria and the Mission's compliance therewith are discussed in the following three paragraphs.

We reviewed the files of 15 long-term participant trainees to determine if USAID/Tanzania was properly monitoring the progress of participants as set forth in ADS Chapter 253. ADS Chapter 253.5.6b requires a certification of medical eligibility for admission to the U.S. and to qualify

for Health and Accident Coverage (HAC) Insurance. In all cases of the files we reviewed, proper monitoring had ensured that required medical examinations were administered and the proper insurance coverage obtained. ADS Chapter 253.5.6a requires foreign nationals attending training in the U.S. to enter the U.S. on a J-1 visa. The J-1 controls the amount of time trainees can spend in the U.S. and also requires they return to their native country after a specific period of time. Our review showed all the sampled participants had been issued appropriate visas.

ADS Chapter 253 also requires the Mission to monitor the academic progress of students by reviewing the Academic Enrollment and Term Report (AETR). The AETR is issued by the academic institution after each term. The report contains the course results for the term. It also contains pertinent comments by the participant, the participant's academic counselor, and the Mission's contractor in the U.S. AETR's were present in all the files we reviewed providing the Mission with sufficient information to monitor the participant's academic progress and indicators of any problems which might arise.

ADS Chapter 253.5.2c requires the Mission to track participants for timely returns to their countries of origin. Non-returnees are to be reported by the Mission to USAID/W for referral to the United States Immigration and Naturalization Service (INS). Of the fifteen participants reviewed, three did not return to Tanzania upon completion of training. Although this rate of non-return may appear to be high, there were no systemic problems that were responsible for this condition. For example, in one case a participant stayed behind because her son, a U.S. citizen, required special medical care. In another example, a participant stayed behind to be with her husband who had received a scholarship from another non-USAID training program. For non-returnees, the Mission took appropriate action such as notifying USAID/W which contacted the INS. Thus, in all cases the Mission discharged its monitoring responsibilities as required by USAID's policies and procedures.

Of those that returned to Tanzania, the Mission took appropriate follow-up action to determine whether the returnees were serving in positions in Tanzania's public and private sector.

Based on our review we have concluded that USAID/Tanzania monitored the Human Resources Development Assistance Project (HRDA) in accordance with USAID policies and procedures and Federal regulations. The Mission was monitoring the progress of participants and took proper action in those cases where the participant did not return.

2. Did USAID/Tanzania-financed inputs produce the intended results?

USAID/Tanzania-financed inputs produced the intended results of providing Tanzania with better trained technical, scientific, and managerial personnel. During the life of the program, HRDA trained 501 short-term and 57 long-term participants, at a cost of \$10.9 million and \$4.1 million, respectively. Participants returned from training to take up positions in the public and private sectors to help promote development in Tanzania. However, we believe that the

participant selection process could be strengthened to improve the quality of the trainees and facilitate their enrollments in higher ranked U.S. universities. We found that the participants selected, in general, scored poorly in graduate aptitude tests, were not accepted at the better schools, and sometimes required extensions to their allotted training periods in order to complete their courses.

We interviewed nine of the fifteen participants in our sample. All the people interviewed had returned to Tanzania and were working in the private or public sector. One was the general manager of an equipment manufacturing company; another was a consultant for a regional management institute; and the rest worked in various departments for the Government of Tanzania. All the interviewees spoke positively of the training they had received and felt the training was beneficial to their career.

The HRDA was designed as a high quality merit competition to strengthen the staff at Tanzanian universities, government institutions, and businesses. To provide graduate and professional training for a selected number of well-qualified students scholastically capable of pursuing advanced study. Mission officials referred to this program as training the "best of the best." We interpret this to mean the best students going to the best schools. The audit showed that this was not always the case.

All participants are required to take graduate aptitude tests; either the Graduate Record Exam (GRE) or the Graduate Management Admission Test (GMAT). Many participants showed poor graduate aptitude. Test scores achieved by the candidates were not impressive. Only two of the 10 candidates in our sample taking the GRE scored in the upper 50 percentile in the quantitative section of the test. Test scores ranged as low as the 8 percentile.

Low test scores prevented participants from attending the higher ranked U.S. colleges and universities. Five of the fifteen candidates we reviewed were denied admission to what can be considered better schools because of low test results.

The quality of the schools attended by participants is important for a program that wants to train the best of the best and maximize its development assistance impact. We evaluated the quality of the schools attended by participants using the rankings established in U.S. News' college directory. The ranking assigned by the U.S. News directory is for overall academic excellence and not for specific disciplines however we believe it is a good indicator of the quality of the schools. Schools are classified as national or regional and are then ranked into five tiers.

We reviewed the U.S. News rankings of the schools attended by our fifteen participants. We found five of the fifteen had attended schools ranked in the lowest of the five tiers. This means that one-third of the participants in our review, attended schools that were in the bottom 25 percent of U.S. colleges and universities.

We believe poor aptitude also contributed to participants not completing training in the allotted time. Low test scores necessitated some participants to take preparatory courses before beginning normal studies and were at least partly responsible for these and other participants not finishing their programs in the allotted time and requiring extensions at USAID's expense which increased the cost of the programs

For example, seven of the fifteen participants we reviewed required preparatory courses before they could start their graduate programs. Eight participants did not finish their programs in the allotted time and required an additional 68 months to complete their programs. We estimate these extensions cost USAID/Tanzania approximately \$136,000 and increased the Mission's total training costs about \$450,000 over the life of the program.

The selection process for the HRDA program started with newspaper advertisements inviting interested parties to apply for scholarships to academic institutions in the United States. Applications submitted in response to these ads were reviewed to determine which applicants had the best aptitude for additional academic training. Chosen applicants were then interviewed and the final selection of candidates for the available scholarships was made. It was usually after the participant had been selected that they were given graduate aptitude tests.

We believe improvements could be made to the training selection process to ensure that better candidates are selected for graduate training. We believe this could be considerably strengthened if graduate aptitude test results were used as a criterion for selection of participants. This would help identify those participants who are best qualified to complete the academic training as well as those participants most acceptable to the better U.S. colleges and universities. We also believe the Mission should use the resources and experience of the USIS scholarship programs in refining the Mission's participant selection process.

ADS Chapter 253 Mandatory Reference I.I. states that *"USAID Missions are urged to invite and involve their USIS counterparts in recruiting and screening participants to the maximum extent feasible. Consultations with USIS may also reveal innovative ways to carry out or manage training in support of Mission goals and objectives."*

United States Information Service (USIS) has scholarship programs such as the Fulbright Scholarships that are similar to those offered by USAID. Both are for primarily masters and doctorate programs at U. S. colleges and universities. Although, USIS's process for selecting scholars is similar to that used by USAID, the USIS programs seem to attract more qualified candidates. We believe the resources and experience of the USIS scholarship programs could be useful in refining the Mission's participant selection process.

According to USIS/Tanzania officials, they receive over one hundred applications for the 2 or 3 Fulbright Scholarships they award each year. These same officials characterized these applicants as highly qualified. USIS officials said they looked for test results in the 70 percentile

which would be well above the test results of the USAID participants we reviewed.

Our reviewed showed there that is no effective coordination between USAID and USIS concerning their respective training programs. We believe USIS's experience in the selection and processing of scholars could be very useful to the Mission. We also believe the pool of candidates not selected for the USIS scholarship programs but still considered to be highly qualified may be a useful source of candidates for USAID/Tanzania.

Therefore, based on our discussions and documentation review and analysis we have concluded that although USAID/Tanzania financed inputs did produce the intended results, improvements could be made to the training selection process to ensure that better candidates are selected for post-graduate training. Consequently, we are making the following recommendations:

Recommendation No. 1: We recommend USAID/Tanzania establish a policy on administering graduate aptitude tests to prospective participants as one of the selection criteria to screen its applicants for the participant training program.

Recommendation No. 2: We recommend that USAID/Tanzania establish a procedure to coordinate with the United States Information Service in Tanzania for recruiting and screening participants, as required by USAID guidance.

Management Comments and Our Evaluation

Based on management comments, we have reworded the recommendations to make them more actionable.

Recommendation No. 1 recommends USAID/Tanzania establish a policy on administering graduate aptitude tests to prospective participants as one of the selection criteria to screen its applicants for the participant training program.

In their comments to our report, USAID/Tanzania stated they did not consider it cost-effective to give the test to 50-60 people and the individual candidates were not in an economic position to pay for the test themselves. However, the Mission did agree that testing might be a cost-effective tool to identify those students who will need supplemental course work and extensions. In the future, the Mission will evaluate using graduate tests, as a selection criterion, at an earlier stage in the process.

Based on the Mission's comments that testing may be worth while, we believe an acceptable management decision has been reached on Recommendation 1.

Recommendation No. 2 recommends USAID/Tanzania establish a procedure to coordinate with the United States Information Service in Tanzania for recruiting and screening participants, as required by USAID guidance.

In their comments to our report, USAID/Tanzania explained that there are differences in the types of participants selected by USAID and USIS, with USIS targeting academia while USAID targeted business and government. The Mission agreed, however, that both Agencies had a lot of knowledge and experience in the training field and that the Mission intended to work more closely with USIS in the future.

Based on the Mission's comments, we believe an acceptable management decision has been reached on Recommendation 2.

Scope and Methodology

Scope

We audited USAID/Tanzania's monitoring of the Human Resources Development Assistance Program in accordance with generally accepted government auditing standards. The audit was conducted at the Mission's offices in Dar es Salaam, Tanzania from January through March 1999. Our audit covered 558 participants who had received training during the life of the program. Total funding for the program was \$15 million including \$4.1 million for long-term training.

The following scope limitations were encountered:

- The contractor, that monitors the participants' performance and pays the participants expenses, is located in Washington D. C.; consequently, these financial documents were not available to us.
- Files containing the records for short-term training had been lost in a recent relocation of the Mission, consequently we did not review short-term training.
- Five of the 20 files for the long-term participants in our sample could not be found, consequently our conclusions were based on a sample of 15 participants. However we do not believe the inclusion of these files would have altered our conclusions.

Methodology

To answer the first audit objectives, we selected, judgmentally, twenty files from a list of 57 participants who had received long-term training under the HRDA program. Fifteen of the files were available and we reviewed these files to determine if sufficient information was on file concerning the participant's training to make a determination as to whether the Mission was adequately monitoring the progress of participants under HRDA program. For a file to be complete it had to include:

- Academic Enrollment and Term Reports (AETR) to show the participants academic progress and relevant comments by participants, counselors, and the contractor.
- A medical examination showing the participant is sufficiently healthy to qualify for the required health plan and will not be a medical burden on the U.S.
- Application and approval of a J-1 visa which will restrict the participant to residence in the U.S. for only the period needed for his study program and will require he return to his country of origin after his studies are complete.
- Continuous communication between the contractor and USAID/Tanzania concerning the participants progress.

To answer the second audit objective, we interviewed participants in our sample from both the private and public sectors. We used a common questionnaire for all interviews to obtain their opinion as to the value of the training they received and how they were using the training. We also interviewed officials from USAID/Tanzania, USIS/Tanzania, and USIS/South Africa. These interviews provided us with an overview of the training programs for both USAID and USIS and the similarities and differences of the programs. We analyzed participant test results, using documents in their training files, and the quality of schools attended, using the U.S. News annual college directory. Cost of training was determined by reviewing the budgets submitted by the contractor for initial training and any extension to be funded.



U.S. Agency For International Development

memorandum

DATE: June 17, 1999

REPLY TO
ATTN OF: *L. Taylor*
Lucretia Taylor, Mission Director

SUBJECT: Audit Report No. 4-621-99-004-P, USAID/Tanzania's Human Resource Development Assistance Program

TO: Joseph Farinella, Regional Inspector General/Pretoria

REF: Your memorandum dated May 7, 1999

USAID/Tanzania would like to thank your staff for conducting a very fair and objective audit. The Mission would like to correct one factual inaccuracy on page 2 of the report which states that the program ended on September 30, 1998. The HRDA program was extended to September 30, 1999.

Recommendation No. 1: We recommend that USAID/Tanzania include graduate aptitude tests to prospective participants as one of the selection criteria to screen its applicants for the participant training program.

Comments: USAID generally reviews about 200 applications and selects from this pool the best 50-60 candidates to interview. At this point, graduate aptitude test scores are not a criteria for selection. However, 15-20 names are then submitted to the contractor for their review and tentative placements pending results of their graduate aptitude test scores. Participants are not offered a firm scholarship until their test results are deemed acceptable by the institutions they would be attending. Therefore, graduate aptitude tests were one of the selection criteria for participants, albeit perhaps later in the process than the auditors have suggested. At the time, since the Mission was paying for the aptitude tests, it was decided that it was not cost effective to use USG resources to pay for tests for the initial pool of 50-60 people. One alternative would have been to have the participants themselves pay for the aptitude tests and submit scores as part of their applications. Considering the low salary levels in the country, the Mission deemed it an undue hardship to ask participants to spend two to three months salary for the tests. We agree, however, that it might have been prudent stewardship of USG resources to have paid for the tests for a larger number of people because less funding would have been spent on supplemental course work and extensions. If, in the future, USAID/Tanzania sponsors long-term participants, the mission will evaluate using graduate tests as a selection criteria at an earlier stage in the process.

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APPENDIX II

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Recommendation No. 2: We recommend that USAID/Tanzania coordinate with the United States Information Service in Tanzania in recruiting and screening participants, as required by USAID guidance.

Comments: There are differences in the types of participants selected by USAID and by USIS for graduate training. USIS targets academicians whereas USAID targets private and public sector employees. Historically, the best students stayed in academia, accounting for higher test scores found among USIS candidates. We do agree however, that both Agencies have knowledge and experience in the training field and USAID intends to work more closely with USIS in the future.

UNITED STATES A.I.D. MISSION TO TANZANI