OFFICE OF INSPECTOR GENERAL

AUDIT OF USAID/SUDAN'S CIVIL SOCIETY PROGRAM

AUDIT REPORT NO. 4-650-09-006-P
May 21, 2009

PRETORIA, SOUTH AFRICA

May 21, 2009

MEMORANDUM

TO: USAID/Sudan, Mission Director, William Hammink

FROM: Regional Inspector General/Pretoria, Nathan Lokos /s/

SUBJECT: Audit of USAID/Sudan's Civil Society Program
              (Report No. 4-650-09-006-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 response in its entirety as appendix II.

The report includes three recommendations that USAID/Sudan: (1) provide training for partners to properly record and report on program results and maintain source documentation; (2) establish procedures to ensure that performance management plans are complete and provide for data quality testing; and (3) establish procedures requiring implementing partners to report results for performance indicators consistent with the indicators in USAID's performance report.

In your response to the draft report, you provided corrective action plans addressing all three recommendations. Therefore, we consider that management decisions have been reached on these recommendations. Please provide the Office of Audit, Performance, and Compliance Division (M/CFO/APC) with the necessary documentation to achieve final action on recommendation nos. 1, 2, and 3.

I want to express my sincere appreciation for the cooperation and courtesy extended to my staff during the audit.

CONTENTS

SUMMARY OF RESULTS

Sudan is the highest priority country in sub-Saharan Africa for U.S. foreign assistance and one of the U.S. Government's highest foreign policy imperatives overall. Sudan's 2005 Comprehensive Peace Agreement attempts to address historic regional disparities between underdeveloped regions and the capital, Khartoum. USAID/Sudan's primary goal is to nurture peace through the successful implementation of the peace agreement. The civil society portfolio contributes to this goal (page 2).

This audit, performed at USAID/Sudan by the Regional Inspector General/Pretoria, is part of the fiscal year (FY) 2009 annual audit plan of the Office of Inspector General. The audit was conducted to determine what the impact of USAID/Sudan's civil society program has been and whether it has achieved its intended results (page 2).

USAID/Sudan's civil society program has had a positive impact on Sudan's civil society at the activity level. Some examples include the following:

- Civil society organizations were using U.S. Government assistance to improve internal organization.
- U.S. Government-funded programs were supporting participation and inclusion of traditionally marginalized ethnic minority and/or religious minority groups.
- People have completed U.S. Government-assisted civic education programs.
- Media relations staff have been trained with U.S. Government assistance.
- Journalists have been trained with U.S. Government assistance.
- Nonstate news outlets have been assisted by the U.S. Government.
- Civic messages have been relayed through the media and supported by the U.S. Government (page 3).

Four of USAID/Sudan's civil society activities[1] have achieved their intended results, as summarized in appendix III. The audit team audited 7 of the mission's 10 indicators for civil society and determined that 2 did not have valid and reliable data for FY 2008, and therefore the audit team was unable to provide a conclusion for them. However, four of the remaining five audited indicators did achieve their intended results, while one fell short (page 3).

Although progress has been made in FY 2008, this report notes seven weaknesses in USAID/Sudan's civil society program. The report, however, includes only three recommendations to strengthen the program because final action is pending for the other four weaknesses from similar recommendations made in a prior audit.[2] Recommended actions are summarized as follows: (1) Provide training for partners to properly record and report on program results and maintain source documentation (page 6); (2) establish procedures to ensure that performance management plans are complete and provide for data quality testing (page 8); and (3) establish procedures requiring implementing partners to report results for performance indicators consistent with the indicators in USAID's performance report (page12).

Management comments are included in their entirety in appendix II.

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[1] Each of the mission's civil society activities had a separate performance indicator.
[2] *Audit of USAID/Sudan's Education Activities*, Audit Report No. 4-650-09-002-P, recommendation nos. 2, 4, 5, and 6. See appendix IV for this and other references to prior recommendations.

BACKGROUND

Sudan is the highest priority country in sub-Saharan Africa for U.S. foreign assistance and one of the U.S. Government's highest foreign policy imperatives overall. It is gradually emerging from a protracted civil war between its north and south, with ongoing conflicts in the east and in the Darfur region in the west. Historic regional disparities between these isolated and chronically underdeveloped regions and the capital, Khartoum, continue to foment tensions. The 2005 Comprehensive Peace Agreement, establishing a 6-year roadmap for the democratic transformation of Sudan, attempts to address some of these issues.

The Sudan mission's primary goal under its fragile states strategy is to nurture the achievement of a just and lasting peace through the implementation of Sudan's Comprehensive Peace Agreement. The strategy has two objectives: to avert and resolve conflict and to promote stability, recovery, and democratic reform in southern Sudan. The civil society portfolio contributes to both objectives through program activities that assist in establishing an informed civil society, which is a critical component of the democratic process.

Activities in the civil society portfolio support civic participation by strengthening the organizational capacity of civil society organizations, which are a major conduit for citizen representation to local, state, and central governments. In addition, the program supports increased access to and availability of public information through independent media outlets and radio campaigns, as well as intensive civic education programs to promote vibrant discourse and build consensus on the implementation of the Comprehensive Peace Agreement and the governance reforms called for in that agreement.

For fiscal year (FY) 2008, USAID/Sudan reported total planned funding of $19.5 million for the civil society program, awarded to four major implementing partners.

AUDIT OBJECTIVE

The Office of Inspector General conducted this audit as part of its fiscal year 2009 audit plan to answer the following question:

- What has been the impact of USAID/Sudan's civil society program, and has it achieved its intended results?

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

AUDIT FINDINGS

The activities of USAID/Sudan's civil society program have had a positive impact on Sudan's civil society system. An informed civil society is a critical component of the democratic process. Civil society organizations (CSOs) are a major conduit for citizen representation to local, state, and central governments. USAID/Sudan's program has supported civic participation by strengthening the organizational capacity of the CSOs, supporting increased access to and availability of public information through independent media outlets and radio campaigns, and conducting civic education programs. Specific examples include the following:

- CSOs were using U.S. Government technical assistance to improve internal organization in the areas of finance and democratic organization.
- U.S. Government-funded programs were supporting civic participation and inclusion of traditionally marginalized ethnic and/or religious minority groups with technical assistance to improve organizational skills.
- Citizens have completed U.S. Government-assisted civic education programs to better understand the democratic process.
- Government media relations staff has been trained with U.S. Government technical assistance to enhance government public relations efforts.
- Journalists have been trained with U.S. Government technical assistance in relevant skills and knowledge.
- Nonstate news outlets have received U.S. Government technical assistance to improve the quantity and quality of news available to the public.
- Civic messages have been relayed through the media and supported by the U.S. Government to assist citizens in understanding the democratic process.

USAID/Sudan's civil society program achieved four and fell short of one of seven intended results in fiscal year 2008.[3] For the remaining two intended results, valid and reliable fiscal year 2008 performance reporting was not maintained for the related performance indicators. As a result, the audit team was unable to reach a conclusion concerning those two intended results.

Although USAID/Sudan's civil society program achieved four of its targets and made progress in other activities, the mission can strengthen its program in several areas: (1) improving the validity and reliability of reported results, (2) preparing a complete performance management plan (PMP) that provides for data quality testing, (3) completing thorough data quality assessments, (4) conducting thorough site visits, (5) formally designating cognizant technical officers (CTOs) for all implementing partners, and (6) obtaining implementing partner reports that are consistent with USAID's performance reporting system. These and other issues are discussed below.

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[3] As detailed in appendix III, this audit examined only 7 of the 10 performance indicators for USAID/Sudan's civil society program.

Reported Results Not Always
Valid and Reliable

Summary: Contrary to USAID guidance, reported results for three indicators were not always valid and reliable. The principal cause was the lack of adequate recordkeeping and reporting systems, resulting from a lack of training, as well as weak internal control over monitoring and evaluating. Consequently, USAID/Sudan did not have reasonable assurance that intended results were being achieved, which could negatively affect performance-based management decisions.

USAID's results-oriented management approach relies on its managers considering performance information when making decisions. Sound decisions require accurate, current, and reliable information, and the benefits of USAID's results-oriented approach depend substantially on the quality of the performance information available.[4]

A key element of an indicator's reliability is that the indicator actually reflects what it purports to measure. This element is recognized by both USAID's Automated Directives System (ADS) and the *Guidelines for Indicator and Data Quality.* The ADS[5] states that indicators selected for inclusion in the performance management plan should measure changes that are clearly and reasonably attributable, at least in part, to USAID. The guidance[6] states that one of the critical requirements for an indicator is the degree to which the indicator and the related data accurately reflect the process the indicator is being used to measure. The guidelines further state that validity refers to data that clearly and directly measure the result they are intended to measure; reliability refers to data that have a stable or consistent measuring process; and timeliness refers to data that are sufficiently up-to-date to be useful in decisionmaking. Finally, it is important that performance information be documented. The Government Accountability Office's (GAO) *Standards for Internal Control in the Federal Government* states that all transactions and significant events need to be clearly documented and that the documentation should be readily available.

Two of USAID/Sudan's civil society indicators had data quality problems, which raised questions concerning the validity and reliability of the respective results in the mission's FY 2008 performance report. These problems were (1) the lack of supporting documentation at implementing partners as well as service providers and (2) unreconciled differences between the records of implementing partners and those of service providers. These problems are summarized below. Two additional indicators also had data quality problems; however, they were not material enough to affect the audit team's conclusion regarding the total results reported.

Mercy Corps—Reported FY 2008 results from Mercy Corps for performance indicator no. 2 (the number of participants in USG-funded programs) were not adequately supported; therefore, the validity and reliability of the results could not be determined. The field offices of the implementing partner did not maintain adequate source documentation to support the number of individuals trained under the program. Additionally, there were unreconciled differences between the field office records and the

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[4] USAID's *Guidelines for Indicator and Data Quality* (TIPS No. 12).
[5] ADS 203.3.4.2
[6] ADS 203.3.5.1

Juba office records. For example, in the Blue Nile State, training was recorded as 592 individuals trained; but when verified, the details added to 695, or 17 percent higher. Similarly, in Malualkon, 771 trainings were recorded, but the detailed reconciliation yielded 731, or 5 percent lower. Therefore, Mercy Corps could not provide reasonable assurance that the reported number of participants actually attended the training. Without adequate source documents, the audit team could not confirm that the reported results were accurate and met required data quality standards.

Photograph of the USAID-supported Resource Center in Malualkon, Southern Sudan, which is currently used in the civil society program. (Photo was taken in 2006 by USAID implementing partner.)

BearingPoint—Reported FY 2008 results from BearingPoint for performance indicator no. 4 (the number of government media relations staff trained with U.S. Government assistance) were not completely supported; therefore, the validity and reliability of the results could not be determined. The implementing partner did not maintain complete documentation to support the reported results. The partner could not locate attendance sheets to support the reported number of staff trained. A total of 22 people were reported as having attended the Kenya elections study mission in Nairobi, Kenya, from December 18 to 29, 2007; however, there were no sign-in sheets to show that these people actually attended the training. These 22 people comprised 29 percent of the 77 people BearingPoint reported as trained. Without adequate source documents, the audit team could not confirm that the reported results were accurate and met required data quality standards.

National Democratic Institute (NDI)—Reported FY 2008 civil society results from NDI for performance indicator nos. 3 and 9 were not completely supported; therefore, the validity and reliability of the results from certain sources could not be completely determined. For performance plan indicator no. 3 (number of people who have completed U.S. Government-assisted civic education programs), the implementing partner did not maintain complete documentation to support the reported results in two separate instances. For indicator no. 9 (number of radios procured), the mission overstated the total amount. Although the data weaknesses were not material enough to

affect the audit team's conclusion on whether the two targets were achieved, they were significant enough to report on below.

First, for results that were verified by attendance sheets and thus adequately supported under indicator no. 3, NDI reported to USAID/Sudan revised performance results that were approximately 1,000 individuals fewer than originally reported to the mission. NDI's supporting documentation for the revised results indicated which subtotals were not supported by available sign-in sheets. The mission, however, reported in its performance report the original total, which included the 1,000 unsupported individuals.

Second, for indicator no. 3, documentation was lacking at one activity for figures that NDI presented as "verified by sign-in sheets." For one session, the sign-in sheet included only 28 signatures out of the 176 reported participants. NDI explained the discrepancy by a note that a headcount was taken of the rest of the attendees because it was impractical to obtain signatures from all of them. A headcount is not sufficient verifiable documentation to support reported attendance. Despite these two weaknesses, the reported results were valid and reliable enough to support the conclusion that the mission had achieved its target.

Third, for indicator no. 9, the mission overstated the number of radios procured by 13,000. Owing to confusion over how NDI reported the radios from its two radio programs, the mission double-counted 13,000 radios, unaware that this number was already included in NDI's annual report. Despite this error, the results were valid and reliable enough to support the conclusion that the mission had achieved its target for this performance indicator.

The data problems described above occurred because of a lack of training for the service providers and implementing partners. A contributory cause was weak internal control associated with incomplete data quality assessments and site visits, which are discussed later in this report. The service providers, consisting of several types of local organizations, were not always aware of recordkeeping and reporting requirements. In addition, service providers used a variety of reporting mechanisms, including telephone, fax, and e-mail. With inadequate records and inconsistent and undocumented reporting systems, internal control for results reporting was not sufficiently reliable to ensure that reported results were (1) valid, (2) attributable to the mission's program, (3) accurate and supported, and (4) accurately summarized before being reported to the mission.

Without accurately reported results, USAID/Sudan did not have reasonable assurance that data quality met validity, reliability, and timeliness standards, the lack of which could negatively affect performance-based decisionmaking. Final action is pending on a recommendation from a prior audit[7] that would address the concerns regarding reported data quality—validity, reliability, and timeliness. For these reasons, this audit includes only the following recommendation to strengthen the results reporting system under the mission's civil society program:

> *Recommendation No. 1: We recommend that USAID/Sudan develop and implement a plan, with milestones, to provide training to all civil society implementing partners and service providers on how to (a) properly record and*

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[7]*Audit of USAID/Sudan's Education Activities*, Audit Report No. 4-650-09-002-P, recommendation no. 2.

report program results, (b) maintain source documents, and (c) avoid mathematical errors.

**Performance Management Plan
Not Approved by Management**

> Summary: Contrary to applicable guidance, the performance management plan for the FY 2008 civil society program was not approved by senior management. This occurred because the mission did not have procedures requiring a final review and approval of the plan. Therefore, management lost an important opportunity for review and possible revision. Without an updated and approved plan, USAID/Sudan did not have adequate assurance that it was maintaining the elements that are essential to the operation of a credible and useful performance-based management system.

USAID's ADS emphasizes that operating units must prepare a PMP for each strategic objective.[8] PMP information should enable comparable performance data to be collected over time, even in the event of staff turnover, and should clearly articulate expectations in terms of scheduling and responsibility. Specifically, PMPs should provide a detailed definition of the performance indicators that will be tracked; specify the source, method of collection, and schedule of collection for all required data; and assign responsibility for collection to a specific office, team or individual.[9] USAID's *Performance Management Toolkit* states that the operating unit's director may sign the PMP, which is consistent with GAO's *Standards for Internal Control in the Federal Government*, which states that control activities are an integral part of achieving effective results and that such activities include approvals and authorizations.

Despite the importance of approvals and authorizations, USAID/Sudan management did not approve the PMP for the FY 2008 civil society program. Mission procedures simply called for distribution of the final version of the plan without management review and approval, which could have identified weaknesses in the plan. In the absence of senior management review and approval, the mission lost an important opportunity for review and necessary revision.

Without an updated and approved PMP, USAID/Sudan has had a less effective critical tool for planning, managing, and documenting data collection as required by the ADS. Complete and approved PMPs contribute to the effectiveness of the performance management system by ensuring that comparable data are collected on a regular and timely basis. Without such a plan, the mission did not have adequate assurance that it was maintaining the elements essential to the operation of a credible and useful performance-based management system.

As a result of an earlier report,[10] however, USAID/Sudan has recently established procedures for review and approval of the plan by the mission director, who has

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[8] ADS 203.3.3.
[9] ADS 203.3.3.1.
[10] *Audit of USAID/Sudan's Education Activities*, Audit Report No. 4-650-09-002-P, January 21, 2009.

subsequently signed the PMP. Accordingly, this report makes no recommendation addressing this issue.

**Performance Management Plan
Not Complete**

Summary: Contrary to USAID guidance, the performance management plan for the FY 2008 civil society program did not address the quality of results data reported by implementing partners. The mission attributed this problem to the fact that a major portion of the program was new, and also to the lack of staff. Without a complete plan to ensure data quality, USAID/Sudan did not have adequate assurance that it was maintaining the elements essential to the operation of a credible and useful performance-based management system.

The performance management plan for the FY 2008 civil society program did not address the quality of data from implementing partners, which were the primary source of program data. The plan simply assumed that the data in partner reports were of adequate quality, with no provision for confirming data quality. USAID's *Performance Management Toolkit* states that the goal of assessing data from implementing partners and secondary sources is for missions to be aware of data strengths and weaknesses and the extent to which data can be trusted when making management decisions and reporting. For data from implementing partners, the *Toolkit* recommends that PMPs include periodically sampling and reviewing data for completeness, accuracy, and consistency. It also recommends conducting field visits to compare central office records with field site records and visiting a broad range of sites.

The mission indicated that this situation arose from the fact that the program was relatively new for FY 2008. It also noted that staffing constraints and difficulty in accessing activity sites contributed to the incomplete plan. According to mission officials, one consequence of having a limited staff with responsibility for a large portfolio was that the mission was unable to comply with all ADS requirements.

Without a PMP that provided for data quality testing, USAID/Sudan did not have reasonable assurance that data quality met validity, reliability, and timeliness standards, the lack of which could negatively affect performance-based decisionmaking. Had the mission established procedures for regular data quality testing in the plan, many of the data problems in the report could have been previously identified. For these reasons, this report makes the following recommendation to strengthen the results reporting system under the mission's civil society program:

Recommendation No. 2: We recommend that USAID/Sudan establish procedures to ensure that performance management plans are complete and provide for data quality testing.

Thorough Data Quality Assessments
Not Completed

Summary: Contrary to USAID guidance, thorough data quality assessments for the civil society program were not always completed in FY 2008. This problem arose as a result of weak internal controls and staffing constraints. Data quality problems resulted, leaving USAID/Sudan without reasonable assurance that data quality for its indicators met validity, timeliness, and reliability standards, the lack of which could negatively affect performance-based management decisions.

The ADS[11] states that the purpose of data quality assessments is to ensure that operating units are aware of (1) the strengths and weaknesses of the data as determined by applying applicable quality standards and (2) the extent to which data integrity can be trusted to influence management decisions. The ADS also states that data reported to USAID/Washington for Government Performance and Results Act reporting purposes or for reporting externally on USAID performance must have had a data quality assessment within the 3 years before submission.

USAID's *Performance Management Toolkit* states that missions should determine whether there are procedures to (1) ensure that data are free of significant error and that bias is not introduced; (2) periodically review data collection, maintenance, and processing; and (3) provide for periodic sampling and quality assessment of data. To assess the quality of partner data, the *Toolkit*, in conjunction with the ADS, recommends periodically sampling and reviewing partner data to ensure completeness, accuracy, and consistency, and determining whether the partner appropriately addressed known data quality problems. To monitor whether implementation is on track toward expected results, missions can use field visits, data from other sources, and independent surveys or evaluations to ensure quality data. According to the ADS, the point is to assess whether reports accurately reflect what occurs in the field. All assessments should be documented and available.

Although USAID/Sudan had been completing data quality assessments for its civil society indicators, the validity and reliability of the data were not adequately tested in those assessments. The mission's data quality assessments did not include an analysis of data validity and reliability for the seven performance indicators that were audited. As a result, data validity and reliability problems were not identified before the mission reported results for those seven indicators.

The mission indicated that this situation arose from the fact that the program was relatively new for FY 2008, and that staffing constraints contributed to the incomplete data quality assessments. According to mission officials, they were unable to comply with all ADS requirements owing to having a limited staff with responsibility for a large portfolio implemented in a region with difficult accessibility.

Without adequate data validity and reliability testing, the mission did not have reasonable assurance that data used for performance-based decisionmaking and reporting were valid and reliable. Procedures for addressing data integrity problems identified in data quality assessments could have corrected the data validity and

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[11] ADS 203.3.5.2.

reliability problems for the respective indicators identified in this report. Final action is pending on a recommendation from a prior report[12] that would address the need to thoroughly complete data quality assessments for the civil society program. Therefore, this report does not make an additional recommendation.

Thorough Site Visits
Not Conducted

> Summary: Contrary to USAID guidance, USAID/Sudan did not conduct thorough site visits at its implementing partners and service providers. The mission attributed this problem to the fact that a major portion of the program was new, and also to the lack of available staff. Without active monitoring and thorough site visits, the mission did not have reasonable assurance that data used for performance-based decisionmaking and reporting were valid and reliable.

The ADS[13] states that strategic objective teams must ensure that they have adequate official documentation on agreements used to implement USAID-funded projects, as well as on the resources expended, issues identified, and corrective actions taken. Moreover, the ADS[14] states that monitoring the quality and timeliness of implementing partners' outputs is a major task of cognizant technical officers and strategic objective teams. It specifies that problems in output quality provide an early warning that results may not be achieved as planned and that early action in response to problems is essential in managing for results.

To assess the quality of partner data, USAID's *Performance Management Toolkit*, in conjunction with the ADS, recommends periodically sampling and reviewing partner data to ensure completeness, accuracy, and consistency, and determining whether the partner appropriately addressed known data quality problems. The *Toolkit* also recommends developing a simple site visit guide, covering all topics of interest, to be used systematically by teams visiting all sites.

Although the civil society team conducted some site visits, it did not have documentation supporting that data validity and reliability were verified during those visits. This was a particularly crucial omission for the partners that were experiencing problems with data validity, reliability, and reporting. According to mission officials, this problem resulted, at least in part, from the fact that a large portion of the program was relatively new. The mission also reported that staffing constraints during FY 2008 affected the civil society team's ability to complete monitoring and evaluation activities.

Without active monitoring through regular site visits and data verification, the mission did not have reasonable assurance that data used for performance-based decisionmaking and for reporting were valid and reliable. An active monitoring program with regular site visits could have identified documentation and reporting issues and avoided many of the data reliability problems identified in this report. Final action is pending on two

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[12] *Audit of USAID/Sudan's Education Activities*, Audit Report No. 4-650-09-002-P, recommendation no. 2.
[13] ADS 202.3.4.6.
[14] ADS 202.3.6.

recommendations from a prior report[15] that would address this finding. Therefore, this report makes no additional recommendations related to this finding.

Cognizant Technical Officer
Designation Letter Not Completed

> Summary: Contrary to USAID guidance, USAID/Sudan did not complete the cognizant technical officer[16] designation letter for one partner. The mission attributed the oversight to the lack of adequate staffing. Without a properly designated CTO, the mission did not have adequate assurance that all of the various agreement monitoring and evaluating duties were properly assigned and adequately addressed.

USAID/Sudan did not complete a cognizant technical officer (CTO) designation letter for the NDI agreement during FY 2008. Required by the ADS,[17] the letter identifies the CTO as the person designated, in writing, by the agreement officer to administer certain aspects of the assistance instrument after USAID awards it. The CTO is responsible for ensuring that USAID exercises prudent management of assistance awards and for monitoring and evaluating the recipient and its performance during the award. The CTO designation letter defines the scope of the CTO's authority to carry out the various grant or cooperative agreement monitoring and evaluating duties, as well as administration duties.

The mission indicated that this oversight arose from the fact that the program was relatively new for FY 2008, and that staffing constraints contributed to the situation. As a result, the mission was unable to comply with all ADS requirements.

Without a properly designated CTO, the mission did not have adequate assurance that all of the various monitoring and evaluating duties necessary to ensure efficient management of the agreement and timely achievement of program targets were properly assigned and addressed.

Since the mission subsequently identified the omission and eventually completed the required CTO designation letter in FY 2009, this report makes no recommendation.

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[15] *Audit of USAID/Sudan's Education Activities*, Audit Report No. 4-650-09-002-P, recommendation nos. 5 and 6.
[16] In accordance with January 26, 2009, agency guidance, CTOs are now referred to as contracting officer's technical representatives or agreement officer's technical representatives.
[17] ADS 303.2.f.

**Partner Report Not Consistent With
USAID Performance Report**

Summary: Contrary to USAID guidance and efficient management systems, the results report from one partner was not consistent with the indicators in USAID's performance report. This lack of coordination occurred because of reported staffing constraints. Failure to have consistent performance indicator reporting systems is not only inefficient but also introduces additional risk that erroneous results could be reported.

The final semiannual report from Mercy Corps for FY 2008 was not consistent with the mission's performance indicators in its performance report. Although the partner's report was quite comprehensive, it did not provide the final annual results for performance indicator no. 2 (number of participants in U.S. Government-funded programs). Because it was unable to use the report as a basis for its reported results in the operational plan performance report, the mission had to request that the implementing partner prepare a supplemental report with the annual data. For an efficient operation, implementing partner reports should be consistent with the mission's operational plan performance indicators.

USAID's *Performance Management Toolkit* recommends that operating units communicate results framework indicators to implementing partners and explain how their performance data feed into the goals and objectives of the operating unit. Failure to have consistent performance indicator reporting systems is not only inefficient but also introduces additional risk of erroneous results reporting.

The mission attributed this reporting weakness to the fact that the program was relatively new for FY 2008, and stated that staffing constraints contributed to the lack of coordination with the partner and the resulting inefficient reporting system. To correct this situation and improve the results reporting system, this report makes the following recommendation:

> *Recommendation No. 3: We recommend that USAID/Sudan establish procedures requiring implementing partners to report results for its performance indicators consistent with USAID's operational plan performance report.*

EVALUATION OF MANAGEMENT COMMENTS

In its response to the audit team's draft report, USAID/Sudan concurred with all three recommendations. The mission described the actions planned to be taken to address the noted concerns. The mission's comments and the audit team's evaluation of those comments are summarized below.

In response to recommendation no. 1, concerning training for all civil society implementing partners and service providers, USAID/Sudan concurred with the recommendation. The mission is scheduling meetings on data quality management, recordkeeping and maintaining source documentation, as well as the provision for technical assistance where required. These meetings will be completed by September 2009. As a result of these planned actions, the audit team considers that a management decision has been reached on this recommendation. Documentation supporting the completed actions should be sent to the Office of the Chief Financial Officer; Audit, Performance and Compliance Division (M/CFO/APC) for final action.

In response to recommendation no. 2, concerning procedures to ensure that performance management plans are complete and provide for data quality testing, USAID/Sudan concurred with the recommendation. The mission has already begun to update its performance management plans consistent with new ADS guidance. Additionally, the new procedures will include an annual review. The update will be completed by June 30, 2009. As a result of these planned actions, the audit team considers that a management decision has been reached on this recommendation. Documentation supporting the completed actions should be sent to the Office of the Chief Financial Officer; Audit, Performance and Compliance Division (M/CFO/APC) for final action.

In response to recommendation no. 3, concerning procedures requiring implementing partners to report results for its performance indicators consistent with USAID's operational plan performance report, USAID/Sudan concurred with the recommendation. The mission is currently reviewing a standardized reporting format for use by all USAID/Sudan partners. The standardized reporting format will be issued via a mission order by June 30, 2009. As a result of these planned actions, the audit team considers that a management decision has been reached on this recommendation. Documentation supporting the completed actions should be sent to the Office of Chief the Financial Officer; Audit, Performance and Compliance Division (M/CFO/APC) for final action.

SCOPE AND METHODOLOGY

Scope

The Office of Inspector General conducted this performance audit in accordance with generally accepted Government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective, which was to determine what the impact of USAID/Sudan's civil society program has been and whether it has achieved its intended results. Audit fieldwork was conducted at USAID/Sudan from November 10 to December 5, 2008, and covered fiscal year (FY) 2008.

In planning and performing the audit, the audit team assessed management controls related to management review, proper execution of transactions and events, and review of performance measures and indicators. Specifically, we obtained an understanding of and evaluated (1) the FY 2008 operational plan (new requirement for FY 2007), (2) the FY 2008 performance management plan, (3) the certification required under the Federal Managers' Financial Integrity Act of 1982, (4) implementing partner agreements, (5) performance measures, (6) actual performance results, (7) FY 2008 data quality assessments, and (8) financial reports. We also interviewed key USAID/Sudan personnel, implementing partners, and service providers. We conducted the audit at USAID/Sudan and at the activity sites of three of its implementing partners.

As of September 30, 2008, USAID/Sudan's civil society program had agreements with four major partners. We primarily focused on three of these four agreements. Planned obligations through the end of FY 2008 totaled $11.3 million for the three agreements covered by this audit.

Methodology

To answer the audit objective, we reviewed the FY 2008 operational plan's planned and actual results. At USAID/Sudan, the civil society program reported on 10 indicators in its operational plan. We did not audit 3 of the 10 indicators because of time constraints and because the implementing partner was based in Nairobi and not Sudan, which would have necessitated additional travel time.

For the seven remaining standard indicators, we validated performance results and compared reported information to documented results for a judgmentally selected sample of results submitted by implementing partners for FY 2008. We reviewed the agreements, progress reports, and work plans of the implementing partners and service providers that contributed results to the seven indicators that we tested.

We reviewed applicable laws and regulations, as well as USAID policies and procedures pertaining to USAID/Sudan's civil society program, including the Federal Managers' Financial Integrity Act of 1982 and Automated Directives System (ADS) chapters 202 and 203, as well as supplemental ADS guidance.

We also reviewed obligating and budget reports as of September 30, 2008, and current reports for which the fieldwork took place. In the process of testing the results of the seven selected indicators, we conducted 18 site visits in four states, including Khartoum. These visits included interviews with USAID/Sudan's civil society team members, implementing partners, service providers, and beneficiaries, as well as a review of relevant documentation.

MANAGEMENT COMMENTS

![USAID | SUDAN - FROM THE AMERICAN PEOPLE]

DATE: May 6, 2009

TO: Nathan Lokos, Regional Inspector General/Pretoria

FROM: William Hammink, Mission Director **/s/**

SUBJECT: Mission Comments on Draft Report: Audit of USAID/Sudan's Civil
                Society Program (Report No. 4-650-09-00x-p)

The purpose of this memorandum is to communicate USAID/Sudan's comments on the draft report of the audit of USAID/Sudan's Civil Society Program.

USAID Sudan appreciates the assistance and suggestions of the audit team. The positive outcome regarding USAID/Sudan's impact on civil society is rewarding.

The Mission has been aware of certain data quality deficiencies and takes this issue seriously. As a result, the Mission requested assistance from RIG in the form of several performance audits. The Mission has also independently developed a data quality improvement plan. It is gratifying to note that, due to these efforts, four of the seven weaknesses previously identified have not resulted in specific recommendations.

The current USAID/Sudan Performance Management Plan (PMP) was approved by the Mission Director in 2007, with some supporting documentation subsequently provided in 2008. The Mission is currently undertaking an analysis of implementing partners' data management systems in order to identify potential problems related to documentation and to establish plans to resolve these problems. A Mission Order on performance management was drafted in March 2009. This Mission Order is currently in the clearance process and we expect it will be approved by June 30, 2009. Data Quality Analysis (DQA), as prescribed in the PMP tool kit, is included in this Mission Order.

A standardized Mission check list for site visits has been developed that will facilitate improved data quality management. Specifically, it will help ensure that at every visit the records of service providers are cross-referenced with records of implementing partners. Any unreconciled differences will be addressed by the COTR/AOTR. Each technical team is also mandated to develop their own schedule for site visits. However, it should be recognized that with infrastructure in its infancy in Sudan, coupled with an uncertain

security environment and the impact of rains on accessibility, it may not always be possible to adhere to those schedules.

A DQA was undertaken for all results reported in the FY 2008 performance report prior to the submission of that report. The dates of these reviews are included in FACTS. Digital copies of each DQA are filed in the Mission server's P drive in Juba and will soon be available through the USAID/Sudan Internet portal. Data quality can and will be improved as COTR/AOTRs gain experience and identify issues to resolve with partners. These issues and resolutions will be better documented in future and updated PMP indicator reference sheets.

Many DG events in southern Sudan – where literacy rates are less than 15% – include large numbers of non-literate people. It is not practical to obtain signatures or thumb prints of all attendees for data verification. USAID proposes that where attendance lists are not possible, a head count supported by photographic evidence be accepted as adequate documentation. Formal training events will be documented though registration documentation.

With respect to the three audit recommendations, USAID/Sudan would like to propose the following actions and time frame:

> *Recommendation No. 1: We recommend that USAID/Sudan develop and implement a plan, with milestones, to provide training to all civil society implementing partners and service providers on how to (a) properly record and report program results, (b) maintain source documents, and (c) avoid mathematical errors.*

Recommendation 1 response: Training will be provided at the next DG partners meeting in data quality management, record keeping and maintaining source documentation. Materials will be provided to implementing partners to extend this training to service providers. COTR/AOTR members of the DG Team will attend and monitor the training sessions. USAID/Sudan will provide technical assistance as required, either directly or through an institutional contractor. This action will be completed by September 2009.

> *Recommendation No. 2: We recommend that USAID/Sudan establish procedures to ensure that performance management plans are complete and provide for data quality testing.*

Recommendation 2 response: Prior to the audit, the Mission had already begun the process of updating PMPs to be consistent with the revised ADS 203 issued in December 2008. Specific reference will be made to how data is collected, the data source and any resulting recommendations aimed at improving data quality analysis. The PMP, a living document, will be reviewed annually as the Mission prepares for performance reporting. Indicators will be retired and added as appropriate, and indicator reference sheets will be updated, with progress on data quality recommendations contained therein. The PMP

update will be completed by June 30, 2009.

> *Recommendation No. 3: We recommend that USAID/Sudan establish procedures requiring implementing partners to report results for its performance indicators consistent with USAID's operational plan performance report.*

Recommendation 3 response: A standardized reporting format for use by all USAID/Sudan partners is currently in circulation for clearance. The format includes reporting results for performance indicators consistent with the indicators in USAID's performance report and performance management plan. This standardized reporting format will be issued via
Mission Order by June 30, 2009.

Again, the Mission thanks the audit team for their careful work in Sudan and for their helpful suggestions to improve USAID's programs.

USAID/Sudan
Civil Society Indicators for Fiscal Year 2008

Indicator Title	FY 2008 Target	FY 2008 Reported
1. Number of civil society organizations using U.S. Government assistance to improve internal organization	90	76
2. Number of participants in U.S. Government-funded programs supporting participation and inclusion of traditionally marginalized ethnic minority and/or religious minority groups	7,000	7,320[#]
3. Number of people who have completed U.S. Government-assisted civic education programs	3,080	12,460
4. Number of government media relations staff trained with U.S. Government assistance	160	77[#]
5. Number of journalists trained with U.S. Government assistance	60	91*
6. Number of nonstate news outlets assisted by U.S. Government	32	13*
7. Percentage of broadcast hours audible in Sudan on radios available in Sudan	85%	88%*
8. Number of civic messages relayed through the media and supported by the U.S. Government	112	174
9. Number of radios procured with U.S. Government assistance	132,000	147,000
10. Number of radios distributed with U.S. Government assistance	42,000	151,000

[#] Unable to confirm the validity and reliability of these results.

* Not audited.

Selected Recommendations from Audit Report No. 4-650-09-002-P
Audit of USAID/Sudan's Education Activities, January 21, 2009

Recommendation No. 2: We recommend that USAID/Sudan establish procedures to ensure that reported results from implementing partners meet validity, reliability and timeliness standards.

In response to recommendation no. 2, USAID/Sudan concurred with the recommendation and was scheduling assessments of data management, flow, and reporting systems of all partners, to be completed by June 2009. As a result of these planned actions, the audit team considered that a management decision had been reached on this recommendation. Documentation supporting the completed actions should be sent to M/CFO/APC for final action.

Recommendation No. 4: We recommend that USAID/Sudan strengthen its procedures to ensure that all of its data quality assessments include a thorough review of data validity and reliability.

In response to recommendation no. 4, USAID/Sudan concurred with the recommendation. A mission order addressing the reported weaknesses in data quality assessments would be published by February 2009. As a result of these planned actions, the audit team considered that a management decision had been reached on this recommendation. Documentation supporting the completed actions should be sent to M/CFO/APC for final action.

Recommendation No. 5: We recommend that USAID/Sudan establish procedures that require the regular confirmation of data validity and reliability, as well as adequate reporting systems, for results during site visits at all implementing partners and service providers.

In response to recommendation no. 5, USAID/Sudan concurred with the recommendation and would update the performance management plan to reflect the new procedures by June 2009, as well as provide training to all cognizant technical officers and activity managers. As a result of these planned actions, the audit team considered that a management decision had been reached on this recommendation. Documentation supporting the completed actions should be sent to M/CFO/APC for final action.

Recommendation No. 6: We recommend that USAID/Sudan establish procedures requiring that the confirmation of data validity and reliability during site visits be documented in site visit reports.

In response to recommendation no. 6, USAID/Sudan concurred with the recommendation. By the end of February 2009, the mission would prepare a site visit checklist for use during site visits. As a result of these planned actions, the audit team considered that a management decision had been reached on this recommendation. Documentation supporting the completed actions should be sent to M/CFO/APC for final action.