

**Audit of Data Quality for USAID/Guyana's
Results Review and Resource Request Report**

Audit Report No. 1-504-02-004-P

November 21, 2001

Regional Inspector General / San Salvador



U.S. Agency for
INTERNATIONAL
DEVELOPMENT

RIG/San Salvador

November 21, 2001

MEMORANDUM

FOR: USAID/Guyana Director, Carol R. Becker
FROM: Regional Inspector General/San Salvador, Timothy E. Cox
SUBJECT: Audit of Data Quality for USAID/Guyana's Results Review and
Resource Request Report (Report No. 1-504-02-004-P)

This memorandum is our report on the subject audit.

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 Regional Inspector General/San Salvador conducted an audit to determine if USAID/Guyana assessed data quality for its performance indicators in accordance with USAID policies. (See page 3.)

USAID/Guyana, in accordance with USAID policies, assessed data quality for the 13 performance indicators presented in the fiscal year 2001 Results Review and Resource Request (R4) report. To overcome a lack of reliable information in Guyana, mission management hired consultants to design data collection methodologies and to collect data. USAID/Guyana also selected simple indicators that would be easy to verify. (See page 4.)

USAID/Guyana did not provide comments to the draft report.

Background

According to USAID/Guyana's April 2001 Results Review and Resource Request (R4) report, the mission manages two strategic objectives (SO) and one special objective (SPO).

- SO: 504-001 Expanded economic opportunities for the urban and rural poor¹
- SO: 504-004 More responsive and participatory governance and rule of law
- SPO: 504-003 Improved HIV/AIDS attitudes, knowledge and applied prevention strategies

USAID/Guyana reported accrued expenditures of approximately \$2.7 million in fiscal year 2001. The mission supported programs to strengthen the business environment in order to bring about more equitable economic growth. It managed efforts to make governance in Guyana more inclusive by increasing the frequency and magnitude of citizen participation and to make the rule of law more responsive. Finally, it worked to increase Guyana's HIV/AIDS prevention efforts and slow the rate of new infections.

Audit Objective

The Regional Inspector General/San Salvador included an audit in its fiscal year 2001 audit plan to answer the following question:

Did USAID/Guyana assess data quality for its performance indicators in accordance with USAID policies?

Appendix I describes the audit's scope and methodology.

¹ This strategic objective has been renamed since the April 2001 R4 report. It is now entitled "Improved climate for private investment."

Audit Findings

Did USAID/Guyana assess data quality for its performance indicators in accordance with USAID policies?

USAID/Guyana assessed performance information to ensure that data was of reasonable quality and reviewed data collection, maintenance, and processing procedures.

USAID policies as specified in ADS 203.3.6.6 require missions to “assess data quality when establishing the performance indicators and when choosing data collection sources and methods.” Specifically, missions must verify and validate performance information to ensure that data are of reasonable quality and review data collection, maintenance, and processing procedures to ensure that they are consistently applied and continue to be adequate.

We concluded that USAID/Guyana verified and validated performance information to ensure that data was of reasonable quality and reviewed data collection, maintenance, and processing procedures for the 13 performance indicators presented in the fiscal year 2001 R4 report based on the following:

- USAID/Guyana management determined that reliable data was not available from established data sources in Guyana.
- To overcome the lack of reliable data related to HIV/AIDS prevalence in Guyana, the mission hired consultants to design data collection methodologies, surveys, and evaluation tools that could be used to regularly gather performance indicator data.
- The team leaders of the economic growth and of the democracy and governance strategic objectives selected simple indicators that would be easy to verify. These included counting members of the local chambers of commerce and the percentage of women holding public office.
- We independently assessed the quality, by reviewing documentation at USAID/Guyana, of the 13 performance indicators presented in the fiscal year 2001 R4 report and concluded that they met the quality standards outlined in the Automated Directives System (ADS) 203.3.6.3. Specifically, the indicators were considered to be useful for management; reflected progress at the Intermediate Result or Strategic Objective level; measured change that was attributable (at least in part) to USAID/Guyana efforts; covered a one-year period; and were direct, objective, practical, and adequate as defined by ADS 203.3.6.5 a.

**Management
Comments and
Our Evaluation**

USAID/Guyana did not provide comments to the draft report.

**Scope and
Methodology****Scope**

The Regional Inspector General/San Salvador conducted this audit, in accordance with generally accepted government auditing standards, to determine if USAID/Guyana assessed data quality in accordance with USAID policies.

We reviewed the management controls used by the mission to ensure that data reported for performance indicators was reliable. These controls included assessments of performance indicators in connection with preparing strategic frameworks for strategic objectives, review of indicators when preparing performance monitoring plans, and periodic reviews of project progress.

We reviewed all 13 performance indicators presented in the April 2001 Results Review and Resource Request (R4) report to determine if assessments of data quality were performed when the indicators were established.

The audit was conducted at USAID/Guyana from September 24, 2001 through September 28, 2001.

Methodology

USAID policies as specified in ADS 203.3.6.6 require missions to “assess data quality when establishing the performance indicators and when choosing data collection sources and methods.” Subsequently, “data quality must be reassessed as needed, but no less than once every three years.” Specific requirements for conducting a data quality assessment in ADS 203.3.6.6 are (1) verify and validate performance information to ensure that data are of reasonable quality and (2) review data collection, maintenance, and processing procedures to ensure that they are consistently applied and continue to be adequate.

To determine that USAID/Guyana assessed data quality in accordance with the above criteria, we interviewed mission officials and examined e-mails, performance monitoring plans, strategic frameworks, study proposals, and other documents. We also independently assessed in accordance with ADS 203.3.6.3 the quality of the 13 performance indicators presented in the Results Review and Resource Request (R4) report.

We judged that if 90 percent or more of the indicators had assessments of data quality that met the ADS requirements, it would result in an unqualified (positive) opinion. If between 70 to 90 percent of the indicators met the standards, the opinion would be qualified (both positive and negative findings). If less than 70 percent of the indicators had assessments that met the standards, it would result in an adverse (negative) opinion.

**Management
Comments**

USAID/Guyana did not provide comments to the draft report.