



# OFFICE OF INSPECTOR GENERAL

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## WORKING IN POLITICALLY SENSITIVE COUNTRIES WITH LIMITED RESOURCES STYMIED MONITORING AND EVALUATION EFFORTS OF SELECTED MIDDLE EAST MISSIONS

AUDIT REPORT NO. 8-000-16-003-P  
SEPTEMBER 30, 2016

FRANKFURT, GERMANY



*Office of Inspector General*

September 30, 2016

**MEMORANDUM**

**TO:** USAID/Egypt Director, Sherry F. Carlin  
USAID/Jordan Director, Jim N. Barnhart  
USAID/West Bank and Gaza Acting Director, Jonathan Kamin

**FROM:** Regional Inspector General/Frankfurt, James C. Charlifue /s/

**SUBJECT:** Working in Politically Sensitive Countries With Limited Resources Stymied  
Monitoring and Evaluation Efforts of Selected Middle East Missions (Report No.  
8-000-16-003-P)

This memorandum transmits our final report on the subject audit. The objective of the audit was to determine whether the three missions' internal controls over data quality, monitoring, and evaluation have helped them manage USAID programs.

The report contains 55 recommendations to help the selected missions improve their internal controls over data quality and monitoring and evaluation of programs.

In responding to the draft report, officials agreed with 29 of 55 recommendations. Officials disagreed with 7 recommendations but agreed with the underlying principle for three of the seven recommendations. For the remaining 19 recommendations, mission management did not state their agreement or disagreement; however, they generally took corrective actions that satisfied the intent of the recommendation.

Having evaluated the comments, we acknowledge management decisions on all except recommendations 11 and 18, which remain without a management decision until a target date is provided. For recommendations 11 and 18, please provide a target date for completion within 30 days of the date of this memorandum.

We acknowledge final action on recommendations 1-6, 8, 9, 12-15, 17, 19-21, 23-25, 28-32, and 34-55. For recommendations 7, 10, 16, 22, 26, 27, and 33, please provide evidence of final action to the Audit Performance and Compliance Division in the Office of Chief Financial Officer.

Thank you for the cooperation and assistance extended to us during this audit.

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## Abbreviations

The following abbreviations appear in this report:

|        |  |
|--------|--|
| ADS    | Automated Directives System                        |
| A&O    | administration and oversight                       |
| AOR    | agreement officer's representative                 |
| CDCS   | country development cooperation strategy           |
| COR    | contracting officer's representative               |
| CPARS  | Contractor Performance Assessment Reporting System |
| DEC    | Development Experience Clearinghouse               |
| DQA    | data quality assessment                            |
| FY     | fiscal year  |
| GeoMIS | Geo-Management Information System                  |
| M&E    | monitoring and evaluation                          |
| NGO    | nongovernmental organization                       |
| OIG    | Office of Inspector General                        |
| PAD    | project appraisal document                         |
| PD&L   | program design and learning                        |
| PMP    | performance management plan                        |
| POC    | point of contact                                   |
| PPR    | performance plan and report                        |
| USG    | U.S. Government                                    |

# SUMMARY OF RESULTS

To get useful feedback about its accomplishments and shortcomings, USAID monitors ongoing projects and activities and has evaluations done at projects' midpoints and end.<sup>1</sup> Monitoring involves collecting data to determine whether a project or activity is on track and verifying the quality of the data. Evaluations entail collecting and analyzing information to improve the effectiveness of certain projects and activities.

Until 2011, USAID allowed implementers to evaluate their own activities. In January of that year, the Agency made the evaluation process more objective by issuing a new policy. It requires missions to hire outside teams to evaluate programs and recommends the amount of money to be set aside for evaluations.

Despite Agency policies, getting useful feedback on USAID's programs has been difficult. In "Most Serious Management and Performance Challenges for the U.S. Agency for International Development (USAID)" for fiscal years (FY) 2013 and 2014, the Office of Inspector General (OIG) reported Agency-wide problems with unreliable data and program monitoring. For example, some data were overstated, and some were not supported with documentation.

Missions in the Middle East have had a tough time addressing these issues. From FY 2011 to FY 2013, we conducted 21 performance audits of activities managed by USAID/Egypt, USAID/Jordan, and USAID/West Bank and Gaza. Seventy-one percent of the audits found unreliable data.

Taking a regional perspective, we conducted this audit to determine whether these three missions' internal controls over data quality, monitoring, and evaluation have helped them manage USAID programs. We selected the missions because they are the largest in terms of obligated and disbursed dollar amounts covered by our office. Table 1 summarizes the obligated and disbursed funds for ongoing activities as of March 31, 2014. We included 19 activities for Egypt in our sample, 24 for Jordan, and 28 for West Bank and Gaza.

**Table 1. Mission Obligations and Disbursements as of March 31, 2014**

| <b>Mission</b>     | <b>Obligations (\$)</b> | <b>Disbursements (\$)</b> |
|--------------------|-------------------------|---------------------------|
| Egypt              | 294,818,542             | 192,807,739               |
| Jordan             | 539,170,277             | 384,472,405               |
| West Bank and Gaza | 708,535,454             | 387,584,354               |
| <b>Total</b>       | <b>1,542,524,273</b>    | <b>964,864,498</b>        |

We found that the Agency and missions did not adequately design and apply internal controls—policies, procedures, tools, and systems—for data quality, monitoring, and evaluation. When these controls were in place, employees either did not use them consistently or the controls did not always help manage and oversee USAID programs.

<sup>1</sup> USAID policy differentiates between projects and activities, which often are used interchangeably. A project is defined as a set of activities intended to achieve a defined purpose or result that is linked to a mission's country strategy. Activities typically refer to an award (i.e., contract, grant, or cooperative agreement). OIG used these terms in their technical capacity during the audit.

We grouped the problems we found in the three categories listed below.

### **Data Quality**

- Missions did not assess the quality of all FY 2013 data they reported to USAID/Washington (page 7).
- Mission employees did not always verify data during site visits (page 8). When they did spot checks, they were not well-documented.
- Missions did not fully evaluate data quality or document known problems (page 9). As a result, missions reported inaccurate data to USAID/Washington.
- Missions did not always use information systems for monitoring performance or tracking indicator data (page 12).

### **Monitoring**

- Missions did not meet planning requirements for monitoring activity, project, or mission results (page 15).
- Missions did not follow planning requirements to monitor gender (page 17).
- Missions did not allocate enough resources for monitoring and evaluation (M&E) (page 18).
- Missions' AORs and CORs did not maintain complete activity files for monitoring (page 20).
- Some employees did not make site visits (page 23). They often could not because of political unrest, instability, and heavy workloads.
- Missions did not do all Agency-required reviews or make all documents available to make appropriate changes to programs (page 25). They did not conduct portfolio or contractor performance reviews consistently. They also did not make sure grantees and contractors submitted their information to the Development Experience Clearinghouse (DEC), an online collection of documents, videos, and other materials pertaining to USAID's work.

### **Evaluations**

- Missions did not give employees enough time or training to do evaluations (page 27). The number of evaluations was expected to increase, and key employees had not been trained to oversee them.
- Missions did not conduct or complete some requirements for planning evaluations (page 31). Plans for evaluations and key evaluation questions were missing or not explained fully in project design documents.
- Missions did not make sure evaluations were performed according to Agency standards (page 35). This happened in part because they were slow to adopt the 2011 evaluation policy and were subject to changing U.S. political agendas.

- Missions did not document responses to evaluation findings or maintain documentation consistently (page 39). They also did not track recommendations.

These control weaknesses all stemmed from the same causes. Missions either did not have enough employees or did not balance workloads properly. Employees did not get the training they needed to do their jobs. Managers did not enforce rules and policies. Because the missions were in politically sensitive areas, budgets and priorities were in a constant state of flux.

While we recognize these constraints, according to Federal internal control standards, mission managers are responsible for adjusting any excessive pressures by rebalancing workloads or increasing or shifting resource levels. To help USAID/Egypt, USAID/Jordan, and USAID/West Bank and Gaza improve the design and effectiveness of controls over data quality, monitoring, and evaluations, we recommend that:

1. USAID/Egypt implement additional controls to make sure required data quality assessments (DQAs) are completed before submitting data in the annual performance plan and report (PPR)<sup>2</sup> (page 8).
2. USAID/Jordan implement additional controls to make sure required DQAs are completed before submitting data in the annual PPR (page 8).
3. USAID/West Bank and Gaza implement additional controls to make sure required DQAs are completed before submitting data in the annual PPR (page 8).
4. USAID/Egypt's program office provide technical assistance to agreement officer's representatives (AOR) and contracting officer's representatives (COR) on how to verify implementers' data (page 9).
5. USAID/Jordan's management implement a plan to reinforce sound methodologies with AORs and CORs for verifying implementers' data (page 9).
6. USAID/West Bank and Gaza's management implement a plan to reinforce sound methodologies with AORs and CORs for verifying implementers' data (page 9).
7. USAID/Egypt's office directors implement a plan to make sure DQAs are complete (page 11).
8. USAID/Jordan's office directors implement a plan to make sure DQAs are complete (page 12).
9. USAID/West Bank and Gaza's office directors implement a plan to make sure DQAs are complete (page 12).
10. USAID/Egypt, in coordination with its technical offices, implement a plan to strengthen controls over its databases to reduce errors in reporting (page 14).

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<sup>2</sup> Missions report indicator results to USAID/Washington in an annual PPR, which is used to justify foreign assistance programming requests and provide performance results to Congress and the public.

11. USAID/Egypt find ways of improving Egypt Info for performance monitoring and reporting, and document an action plan with milestones to make the improvements (page 14).
12. USAID/Jordan, in coordination with its technical offices, implement a plan to strengthen controls over its databases to reduce errors in reporting (page 15).
13. USAID/Jordan assess what AORs, CORs, and office directors need before developing a new information management system for performance monitoring (page 15).
14. USAID/West Bank and Gaza assess and document a decision to hire an outside firm to train local nongovernmental organizations (NGOs) on USAID's requirements (page 15).
15. USAID/West Bank and Gaza find ways of improving the Geo-Management Information System (GeoMIS) for performance monitoring and reporting, and document an action plan with timelines to make the improvements (page 15).
16. USAID/Egypt develop a mission-wide performance management plan (PMP)<sup>3</sup> (page 17).
17. USAID/Jordan implement an action plan to make sure all activity and project PMP indicators feed into the mission PMP (page 17).
18. USAID/West Bank and Gaza develop a mission-wide PMP (page 17).
19. USAID/Egypt implement an action plan for incorporating gender-sensitive indicators and sex-disaggregated data in project design documents and activity PMPs (page 18).
20. USAID/Jordan implement an action plan for incorporating sex-disaggregated data in activity PMPs (page 18).
21. USAID/West Bank and Gaza implement an action plan for incorporating sex-disaggregated data in activity PMPs (page 18).
22. USAID/Egypt document the reallocation of sufficient budgeted funds for M&E (page 20).
23. USAID/Jordan document the reallocation of sufficient budgeted funds for M&E (page 20).
24. USAID/West Bank and Gaza document the reallocation of sufficient budgeted funds for M&E (page 20).
25. USAID/West Bank and Gaza change its budgeting process to make sure the M&E point of contact (POC) has input on allocating M&E funds (page 20).
26. USAID/Egypt implement additional tools—templates, standardized filing systems, handover checklists—that management deems appropriate for AORs and CORs to use when documenting and maintaining official files (page 22).
27. USAID/Egypt implement a plan to reinforce requirements for documenting site visit reports and maintaining official files (page 22).

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<sup>3</sup> A PMP outlines how a program will be monitored and evaluated.



28. USAID/Jordan implement additional tools—templates, standardized filing systems, handover checklists—that management deems appropriate for AORs and CORs to use when documenting and maintaining official files (page 22).
29. USAID/Jordan office implement a plan to reinforce requirements for documenting site visit reports and maintaining official files (page 23).
30. USAID/West Bank and Gaza implement a plan to reinforce requirements for documenting site visit reports and maintaining official files (page 23).
31. USAID/Egypt implement a plan to reinforce guidelines for AORs and CORs to conduct site visits according to the mission order on performance monitoring (page 24).
32. USAID/Jordan implement a plan to reinforce guidelines for AORs and CORs to conduct monthly site visits according to the mission order on performance monitoring (page 25).
33. USAID/West Bank and Gaza implement a plan to reinforce guidelines for AORs and CORs to conduct site visits to provide oversight (page 25).
34. USAID/Egypt's mission management document actions to make sure future portfolio reviews are conducted according to Automated Directives Systems (ADS) 203.3.12 (page 27).<sup>4</sup>
35. USAID/Egypt implement measures to confirm that implementers, AORs, and CORs are informed of DEC submission requirements (page 27).
36. USAID/Jordan implement measures to confirm that implementers, AORs, and CORs are informed of DEC submission requirements (page 27).
37. USAID/West Bank and Gaza implement measures to confirm that implementers, AORs, and CORs are informed of DEC submission requirements (page 27).
38. USAID/West Bank and Gaza's contracting office implement a plan to confirm that contracting performance report requirements are met (page 27).
39. USAID/Egypt implement a plan to make sure the evaluation POC's workload permits on-time completion and review of all required evaluations (page 30).
40. USAID/Egypt implement a training and technical assistance plan to make sure key mission staff working on evaluations have received initial or refresher training on evaluation management and methods (page 30).
41. USAID/Jordan implement a plan to make sure the evaluation POC's workload permits on-time completion and review of all required evaluations (page 31).
42. USAID/Jordan implement a training and technical assistance plan to make sure key mission staff working on evaluations have received initial or refresher training on evaluation management and methods (page 31).

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<sup>4</sup> Effective September 7, 2016, USAID replaced ADS chapter 203 with revised chapters 200 and 201. However, ADS 203 was in effect during this audit.

43. USAID/West Bank and Gaza implement a plan to make sure the staffing levels and workloads of program office employees, including the evaluation POC, permit on-time completion and review of all required evaluations (page 31).
44. USAID/West Bank and Gaza implement a training and technical assistance plan to make sure key mission staff working on evaluations have received initial or refresher training on evaluation management and methods (page 31).
45. USAID/Egypt implement an action plan to make sure project design documents address the evaluation policy's planning requirements (page 34).
46. USAID/Jordan complete and document its calculations of the average size of projects and include all required large projects in its inventory (page 35).
47. USAID/Jordan implement an action plan to make sure project design documents address the evaluation policy's planning requirements (page 35).
48. USAID/West Bank and Gaza document its calculations of the average size of projects and include all required large projects in its inventory and annual PPR evaluation registry (page 35).
49. USAID/West Bank and Gaza implement an action plan to make sure project design documents address the evaluation policy's planning requirements (page 35).
50. USAID/Egypt take steps to make sure mission personnel complete a statement of work checklist or the equivalent before commissioning an evaluation (page 39).
51. USAID/Jordan take steps to make sure mission personnel complete a statement of work checklist or the equivalent before commissioning an evaluation (page 39).
52. USAID/West Bank and Gaza take steps to make sure mission personnel complete a statement of work checklist or the equivalent before commissioning an evaluation (page 39).
53. USAID/Egypt implement a comprehensive plan to make sure draft evaluation reports meet USAID's standards and minimum documentation requirements, and that management or program actions on recommendations are documented (page 42).
54. USAID/Jordan implement a comprehensive plan to make sure draft evaluation reports meet USAID's standards and minimum documentation requirements, and that management or program actions on recommendations are documented (page 42).
55. USAID/West Bank and Gaza implement a plan to document management or program actions on recommendations and maintain documentation in a central location (page 42).

Detailed findings appear in the following section, and appendix I has information on the audit's scope and methodology. Management comments are included in their entirety in appendix II. Our evaluation of management comments begins on page 43.

# AUDIT FINDINGS

## Data Quality

### Missions Did Not Assess Quality of All Reported Data

According to ADS 203.3.11.2, "Purpose of Data Quality Assessments," the Government Performance and Results Modernization Act requires that missions and offices complete DQAs on indicators within 3 years of submitting results on them to USAID/Washington. ADS 203.3.2.1, "Performance Monitoring Roles and Responsibilities" states that the program office's role is to make sure data reported to Washington meet quality standards, provide input into DQAs, and flag problems with data.

However, the three missions submitted data to USAID/Washington before completing the DQAs. Employees in the program offices said they did so because they were overburdened.

**Egypt.** OIG reviewed 9 of 19 activities in the audit sample that needed to have DQAs. The activities needed DQAs because the mission had reported indicator results on the activity indicators in the FY 2013 PPR. The mission reported data for two of them to USAID/Washington on December 13, 2013, even though it did not complete the DQAs for all the activities' FY 2013 PPR indicators, as shown in Table 2.<sup>5</sup>

**Table 2. Status of DQAs for USAID/Egypt as of December 13, 2013**

| Description  | Number of Activities | Percent (%) |
|--|----------------------|-------------|
| Mission completed DQAs on time.  | 5                    | 56          |
| Mission did not report data because AORs had not completed DQAs at the time of submission. | 2                    | 22          |
| Mission reported data even though DQAs had not been completed at the time of submission.   | 2                    | 22          |
| <b>Total</b>   | <b>9</b>             | <b>100</b>  |

Problems occurred because the mission's performance monitoring POC, who was responsible for making sure the mission complied with performance monitoring requirements, did not in this case partly because the POC had additional roles and responsibilities, such as supporting the economic growth office and serving as the evaluation POC.

**Jordan.** Seventeen of the 24 activities in the audit sample required DQAs because the mission reported indicator results for them in the FY 2013 PPR. For 16 of them (94 percent), USAID/Jordan reported FY 2013 indicator results to USAID/Washington even though it did not complete the DQAs for all the activities' PPR indicators. AORs and CORs who managed 6 of the 24 activities said they did not know about the DQA requirement or had become aware of it

<sup>5</sup> A single activity sometimes had multiple indicator results that the mission reported in the FY 2013 PPR. We counted the activity as having completed its DQAs on time if the mission completed the DQAs for all the activity's FY 2013 PPR indicators.

only recently. One AOR said she needed to focus on problems related to implementing the activity, which she considered more important than completing a DQA. Officials in the program office said they did not follow up on completing new DQAs because they were understaffed.

**West Bank and Gaza.** Twenty of 28 activities in the audit sample required DQAs because the mission reported indicator results for them in the FY 2013 PPR. Of those, we could only confirm that 12 were done on time. AORs and CORs for at least 7 of 28 activities said the program office did not have enough time and resources to support them. The staff developed some draft DQAs but did not finish them until after the data were submitted. Others were scheduled to start after data were submitted in December 2013. One activity manager said staff were so consumed with paperwork that they did not have time to do all the assessments.

Because the three missions did not complete all of their DQAs, they cannot be sure the data reported for ongoing activities worth more than \$523 million are reliable. To strengthen the missions' controls over data and make sure they comply with Agency policy, we make the following recommendations.

***Recommendation 1.** We recommend that USAID/Egypt implement additional controls to make sure required data quality assessments are completed before submitting data in the annual performance plan and report.*

***Recommendation 2.** We recommend that USAID/Jordan implement additional controls to make sure required data quality assessments are completed before submitting data in the annual performance plan and report.*

***Recommendation 3.** We recommend that USAID/West Bank and Gaza implement additional controls to make sure required data quality assessments are completed before submitting data in the annual performance plan and report.*

## **Mission Employees Did Not Always Verify Data During Site Visits**

USAID's "How-To-Notes" for ADS 203<sup>6</sup> states that, in addition to doing DQAs, it is a good practice for activity managers to verify data periodically during site visits. They should choose one or more indicators and make sure they understand the indicator definition, the methodology for collecting and reporting the data to the Agency, and supporting documentation. Their analysis of the data should then be included in their site visit report. Activity managers should also "periodically review original data documentation such as . . . sign-in sheets, databases, reports, photos, etc."

However, we found that AORs and CORs at the three missions were not always verifying implementers' data during these visits.

**Egypt.** AORs and CORs for at least five activities did not verify data during the visits, and those for five others said that while they might have verified data, they did not document it. These problems occurred because AORs and CORs for at least 10 activities said they needed more guidance from the program office on what types of supporting documentation they were supposed to look for, what questions to ask, how much data to review, what approaches they

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<sup>6</sup> These are supplements to ADS and provide guidelines and practical advice to staff and implementers.

should take when conducting DQAs and verifying data, and the importance of DQAs and verification of data.

**Jordan.** Even though USAID/Jordan's mission order required employees to verify the accuracy of reported results during site visits, AORs and CORs for at least eight activities did not. An office director said AORs did not seem to understand that the relationships between the implementers and USAID were “contractual,” not simply joint efforts.<sup>7</sup> The performance monitoring POC attributed some of this confusion to the mission's numerous cooperative agreements, which do not allow mission employees to give implementers technical direction. Therefore, she explained, some AORs did not feel they had the authority to check data, and some implementers would not cooperate when questioned about data. For one activity in the audit sample, an employee who had been with the mission as both a secretary and AOR for more than 20 years said she had never been to the implementer's office to review records because she was never trained to check implementers' records.

**West Bank and Gaza.** During site visits, mission employees responsible for 13 activities did not verify data periodically or document the visit. The performance monitoring POC said this did not stem from a lack of AOR/COR training, because the program office had provided numerous training sessions on data verification. Rather, mission managers did not enforce guidance on data verification in their offices.

Because employees at all three missions were not verifying data during site visits, they missed opportunities to find problems with implementers' collection, maintenance, and reporting of them. In addition, mission officials missed chances to find problems related to falsified records or achievements, conflicts of interest, and other instances of fraud, waste, or abuse. Therefore, we make the following recommendations.

***Recommendation 4.*** We recommend that USAID/Egypt's program office provide technical assistance to agreement officer's representatives and contracting officer's representatives on how to verify implementers' data.

***Recommendation 5.*** We recommend that USAID/Jordan's management implement a plan to reinforce sound methodologies with agreement officer's representatives and contracting officer's representatives for verifying implementers' data.

***Recommendation 6.*** We recommend that USAID/West Bank and Gaza's management implement a plan to reinforce sound methodologies with agreement officer's representatives and contracting officer's representatives for verifying implementers' data.

## **Missions Did Not Evaluate Data Quality Thoroughly or Document Known Problems**

According to ADS 203.3.11.1, “Data Quality Standards,” data should be valid, precise, timely, reliable, and have integrity to be useful for performance monitoring and credible reporting. To make sure reliable data are reported, USAID's policies and supplementary documents describe various tools and requirements for mission staff. One such tool is a DQA checklist that

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<sup>7</sup> The term “contractual” here is used to indicate that AORs are required to make sure activities conform to the terms and conditions of the grants and cooperative agreements they manage.

according to ADS 203, “Assessing and Learning,” should be filed with a performance indicator reference sheet, which includes the indicator definition, data sources, and collection method.

Missions did not fully evaluate data quality or document known problems when using DQA checklists. As a result, some missions reported inaccurate data to USAID/Washington in the FY 2013 PPR that were not identified in DQAs or did not meet the Agency’s standards.

**Egypt.** We found problems when reviewing DQAs for 11 of 19 activities.

The AORs and CORs for at least seven activities did not answer all the checklist questions or explain the rationale for their conclusions sufficiently. For 2 completed DQAs, the AOR or COR did not review any supporting documentation, and for 10, they did not attach performance indicator reference sheets or supporting documents.

**Jordan.** While reviewing DQAs for 17 of 24 activities, we found significant errors in the implementers’ data that were not captured in DQAs, as shown in Table 3. In fact, the mission rarely reported any discrepancies or limitations in DQAs, even though the data did not meet all the standards.

**Table 3. Examples of Errors in Jordan’s Reported Data**

| Indicator   | Difference Between Actual and Reported (%) | Explanation for Discrepancy  |
|---|--|--|
| <i>Person hours of training completed [that built] private sector productive capacity supported by USG [U.S. Government] assistance</i> | 17   | The detailed supporting documentation shows additional trainees whose hours were not included. The mission employee who conducted the DQA did not find this type of error.     |
| <i>Volume of loans disbursed with USG assistance</i>  | 32   | The implementer said the original reported figure did not include the results for the entire year. The mission employee who conducted the DQA did not find this type of error. |

USAID/Jordan used “umbrella” DQAs to assess numerous activities and indicators at once that included data from several implementers. While “umbrella” DQAs were not explicitly prohibited, the mission did not conduct DQAs with each separate implementer and lost opportunities to review their records at the source. Moreover, many DQAs were missing performance indicator reference sheets and supporting documents.

**West Bank and Gaza.** While reviewing DQAs for 20 of 28 activities, we found that, like USAID/Jordan, the mission rarely reported any discrepancies or limitations in DQAs, resulting in false positives. In fact, 11 activities reported false positives. Table 4 lists examples of three of them.

**Table 4. Examples of Errors in West Bank and Gaza’s Reported Data**

| Indicator   | Difference Between Actual and Reported (%) | Explanation for Discrepancy  |
|---|--|--|
| <i>Number of construction designs and studies</i>   | 20   | The 20 percent variance is for the Infrastructure Needs Program II. Six activities in our sample fell under this and another project. The implementer combined the results of both under only one in GeoMIS. <sup>8</sup> The mission employee who conducted the DQA did not find the error. |
| <i>Number of USG-supported events, trainings, or activities designed to build support for peace or reconciliation on a mass scale</i>                                 | 17   | The implementer counted activities that did not take place in the fiscal year. The mission employee who conducted the DQA did not find this error.   |
| <i>Number of people who received USG-assisted training, including management skills and fiscal management, to strengthen local government and/or decentralization</i> | 11   | The implementer included people who did not attend at least 16 hours of training, as defined in the activity’s performance indicator reference sheet. The mission employee who conducted the DQA did not find this.  |

OIG observed that the mission’s program office had been working closely with AORs and CORs to prepare DQA plans and accompany them to the field and partners’ offices. However, for at least 12 activities, employees did not include the recommended DQA checklist or complete all the sections. For at least eight activities, the AORs and CORs did not provide performance indicator reference sheets or the documents they reviewed with the DQAs.

These problems happened at all three missions in part because Agency policy did not encourage employees to verify data during DQAs or use any representative or rigorous sampling methodologies during DQAs. By not doing so, employees were not able to conclude whether an implementer’s data collection and reporting process was being implemented and working effectively to get quality data. In Egypt, AORs and CORs for nine activities reported or documented that they did not use any representative or rigorous sampling methodologies to verify that the implementers’ collection and reporting process was working effectively. AORs and CORs for seven activities in Jordan and six activities in West Bank and Gaza said they did not use any representative or rigorous sampling methodology.

Problems also occurred because supervisors or team leaders did not review DQAs consistently to make sure they were complete. Supervisory review is a standard internal control activity, yet mission managers did not enforce it.

As a result of the data quality problems we found, employees at these missions cannot be sure the decisions they made were based on credible information. To address data quality problems, we make the following recommendations that are within the missions’ control.

***Recommendation 7.*** We recommend that USAID/Egypt’s office directors implement a plan to make sure data quality assessments are complete.

<sup>8</sup> GeoMIS is an automated system that was the mission’s main monitoring tool.

**Recommendation 8.** *We recommend that USAID/Jordan’s office directors implement a plan to make sure data quality assessments are complete.*

**Recommendation 9.** *We recommend that USAID/West Bank and Gaza’s office directors implement a plan to make sure data quality assessments are complete.*

## **Missions Did Not Always Use Information Systems for Monitoring Performance or Tracking Indicator Data**

ADS 203.3.3.1.g, “Tracking tables for all performance indicators,” encourages missions to maintain performance monitoring information systems to help employees analyze performance indicator data. The guidelines encourage large missions to move to automated systems, preferably ones that are already used in the Agency, to track indicators.<sup>9</sup>

When using information systems, managers should make sure controls over input, processing, and output are incorporated directly into computer applications to make sure data are valid, complete, and accurate, according to the U.S. Government Accountability Office’s *Standards for Internal Control in the Federal Government*. For missions manually maintaining data, ADS 203 states that basic spreadsheets or database applications are preferable to Word documents.

Information systems in these three missions were not always used for monitoring performance. In addition, employees in USAID/Egypt and USAID/Jordan were not compiling the PPR data they received from grantees and contractors in any automated systems.

**Egypt.** The mission had an information system called Egypt Info to collect information about activities and, according to the 2014 mission order on monitoring, to monitor performance. However, the systems administrator said only 20 percent of AORs and CORs used it. Employees in the technical offices and program office were using it to collect information and characterized it as a reporting tool instead of a monitoring tool to assess a program’s progress and achievements. The technical offices instead used Excel and Word documents to track performance data.

We found that these Excel and Word documents were altered easily and susceptible to human error, and also were not always readily available. The economic growth office had several people entering data in various spreadsheets and needed more than 2 weeks to recreate for us the breakdown of the FY 2013 PPR indicator results by award. The education office’s M&E specialist could not find the FY 2013 PPR information on the shared drive. Two employees sent us several versions of the tracking sheet from their individual files before deciding which document was the final and most accurate version. Officials in the democracy and governance office said a former employee had maintained the office’s Excel spreadsheet on his personal Google Docs instead of a shared drive and they had to contact that employee to get the information.

A technical office director and deputy office director explained that Egypt Info did not prove helpful because there was no way for office directors to review and clear on information their staff entered that was then reported to the program office. Without being able to oversee

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<sup>9</sup> ADS defines a large mission as one that typically has more than \$75 million in program funding and more than nine U.S. direct-hire employees. USAID/Egypt and USAID/Jordan met this definition.



information entered by staff, office directors might not be inclined to encourage or enforce their staff's use of the system.

AORs and CORs also said updating information in the Egypt Info system was a burden and a duplication of effort because they already had the information in their COR and AOR files and in progress reports. They were therefore reluctant to use the system.

In addition, entering information manually into Excel and Word documents increased the risk of transcription errors, as shown in the examples below.

- An implementer reported that 1,116 men and 808 women received management training to strengthen local government or decentralize government functions. However, the mission's democracy and governance staff entered 1,999 and 1,774 respectively in an Excel spreadsheet without any explanation for the discrepancy.
- An implementer reported that 1,125 community health workers provided family planning information or services during the year. The mission's health office staff did not include the data in the Excel spreadsheet.

**Jordan.** Because the mission did not have an automated system to monitor performance, employees manually compiled PPR data in Excel and Word documents. Program office employees confirmed that the mission's overall M&E system was weak.

These problems occurred because the mission did not have an integrated process for gathering and maintaining data, and officials could not be sure that what they reported in the PPR was accurate. Every office had its own way of collecting and aggregating data. Moreover, a deputy office director said program staff seemed overwhelmed with their work because they were involved in a rushed project design process and PMP development process for their country development cooperation strategy (CDCS). As a result, the program office staff did not have as much time to make sure the mission's PPR data were accurate.

Employees in the program office said the Agency was slowly rolling out an automated system named Aid Tracker that missions would be required to use to track indicators. However, they said they did not expect it to be in use at USAID/Jordan for another 3 to 4 years and were considering other project management tools and temporary IT solutions to provide more accurate information in the interim.

Although the Agency prefers the use of Excel over Word documents, compiling data manually increased the risk of transcription errors, as shown in the examples that follow.

- The mission reported 300 teachers and educators (150 men and 150 women) trained with USG support. This result was combined with other activities' data in the FY 2013 PPR. Using the implementer's supporting documentation, we calculated that 362 teachers/educators (79 men and 283 women) were trained.
- One implementer did not report any data for *Number of people receiving USG supported training in environmental law, enforcement, public participation, etc.*, because it did not conduct any relevant training. Yet the mission reported 652 people trained and combined that number with other activities' data in the FY 2013 PPR.

- For *Number of people with increased economic benefits derived from sustainable natural resource management and conservation as a result of USG assistance*, the technical office did not track the number of men and women in its Excel spreadsheet. Yet the mission reported that 6,558 men and 6,409 women received benefits.

**West Bank and Gaza.** Unlike USAID/Egypt and USAID/Jordan, USAID/West Bank and Gaza used GeoMIS, an automated system, to monitor activities. The mission required implementers to enter PMP data directly into the system, for review by AORs and CORs.

GeoMIS was efficient in producing FY 2013 PPR data and reduced the number of errors that could have occurred had the AORs and CORs entered the data themselves, as in the Egypt and Jordan missions. However, mission employees and implementers for at least 21 activities reported problems with the system.

- The employees and implementers for 10 activities reported excessive or redundant reporting requirements, which were particularly burdensome for local implementers. Employees in the program office explained that contractors tended to have better resources to hire more experienced, qualified M&E staff than the smaller local partners, whose M&E staff frequently turned over. Therefore, the contractors had an added advantage over the local partners in meeting USAID's reporting requirements.

An office director said his staff used the system for reporting but not for management or planning. Another said his staff did not seem to use it much, and the system appeared to have more information than they needed. The team leader who managed a portfolio of activities implemented by local partners said the system did not provide any information that the staff did not already know. One implementer said the mission seemed to be collecting a lot of data through different mechanisms, which was quite repetitive.

- Five implementers entered data for the same indicator, the proportion of female participants in programs, in different formats—as percentages, fractions, and whole numbers—which caused an error in GeoMIS when aggregated. This indicates that the system did not have adequate input controls to make sure all implementers were entering data in the same format.

When information systems seem redundant, mission employees have less incentive to use them for monitoring. Ineffective information technology also limits missions' ability to maintain useful, reliable, and continuous recording and communication of information for performance monitoring. Therefore, we make the following recommendations.

***Recommendation 10.*** *We recommend that USAID/Egypt, in coordination with its technical offices, implement a plan to strengthen controls over its databases to reduce errors in reporting.*

***Recommendation 11.*** *We recommend that USAID/Egypt conduct an assessment with mission employees to find ways of improving Egypt Info for performance monitoring and reporting, and document an action plan with milestones to address the assessment's findings.*

**Recommendation 12.** *We recommend that USAID/Jordan, in coordination with its technical offices, implement a plan to strengthen controls over its databases to reduce errors in reporting.*

**Recommendation 13.** *We recommend that USAID/Jordan implement procedures to assess what agreement officer's representatives, contracting officer's representatives, and office directors need before the mission develops a new information management system for performance monitoring.*

**Recommendation 14.** *We recommend that USAID/West Bank and Gaza document an assessment and decision whether to hire an outside firm or other alternative to provide technical assistance for local nongovernmental organizations on USAID's requirements.*

**Recommendation 15.** *We recommend that USAID/West Bank and Gaza conduct an assessment with its staff and implementers to find ways of improving the Geo-Management Information System for performance monitoring and reporting, and document an action plan with timelines to address the assessment's findings.*

## **Monitoring**

### **Missions Did Not Meet Planning Requirements for Monitoring**

Missions are required to plan how to monitor results for the mission, for projects, and for activities. ADS 203.3.3, "Performance Management Plan (PMP)" requires missions to prepare a mission-wide PMP that covers any projects or activities they fund even if they do not have a CDCS. The mission-wide PMP documents how the mission will monitor its programs' progress in reaching its mission-wide objectives, which are usually defined in the CDCS. The plan should include a full set of performance indicators with baselines and targets, DQA procedures, indicator reference sheets, and tracking tables for all indicator data.

The monitoring plan for projects should be consistent with the CDCS and mission-wide PMP, according to ADS 203.3. In addition, since January 2012, ADS 201 has required missions include in project appraisal or design documents project M&E plans that cover (1) performance measures with precise definitions, (2) project indicator baselines and targets, (3) the frequency for collecting data, (4) data sources and collection methods, and (5) a plan for breaking out data by sex at the beginning of a project.

Finally ADS 203.3.2.1 states that technical offices are expected to approve activity M&E plans submitted by implementers and confirm that they are consistent with and feed into project M&E plans.

The missions did not meet these requirements.

**Egypt.** The mission did not have a mission-wide PMP as of March 2014. Instead, some technical offices monitored how projects and activities met individual project or activity goals instead of how they contributed to mission-wide objectives. The education and health offices had their own monitoring plans, and the economic growth office was in the process of

developing one. The democracy and governance office, however, did not have a monitoring plan.

Since January 2012, the mission has completed PADs or design document amendments that covered 5 of 19 (26 percent) activities in the audit sample. None included all the required details for monitoring projects.

Monitoring was largely relegated to activities. For 1 of 19 (5 percent) activities, the AOR never developed a monitoring plan with the implementer even though one was required.

The mission managed each activity's PMP without much focus on the mission-wide or project level because, according to program officials, the mission was working in a volatile country and often had to shift programming quickly to meet the demands of an interagency working group made up of the State Department, Treasury, and other U.S. agencies working in Egypt. The mission had to be very reactive, not just to working group developments, but also to turnover among Egyptian Government ministers, making it difficult to plan how it would monitor at a mission-wide or project level.

**Jordan.** Unlike the other two missions, USAID/Jordan had a CDCS and mission PMP in place for about a year as of March 2014. However, the mission's monitoring and evaluation contractor could not find indicators or data from the project or activity PMPs that linked to 51 of 104 (49 percent) mission PMP indicators.

These problems occurred because the PMP was put together quickly, and several office directors came and went. In addition, mission officials said they had to change the CDCS and activities because Jordan's population swelled with the influx of Syrian refugees. Officials had not reflected those changes yet in the mission-wide or project PMPs.

**West Bank and Gaza.** The mission did not have a mission PMP, program office employees said, because it did not have a CDCS. The mission agreed with the Bureau for Policy, Planning and Learning and the Bureau for the Middle East to put the CDCS process on hold largely because of a lack of steady funding and shifts in USG political priorities for the West Bank and Gaza, resulting in frequent changes in programming. They said that if they had a CDCS, it would include a framework of mission-wide objectives and results. This framework would then serve as a basis for a mission-wide PMP. Mission officials had difficulty meeting the Agency requirement for a mission-wide PMP without a CDCS and relied on project or activity PMPs.

One of the main reasons these missions did not plan well is that they were operating in tumultuous and politically sensitive locations. They faced frequent shifts in programming and funding, making it difficult to implement the Agency's requirements for planning at a mission or project level.

Without proper planning, the three missions could have trouble gauging whether their projects are making any progress toward mission-wide goals. By not establishing baselines and targets during planning, missions could present false pictures of success or progress based on sometimes arbitrary or poorly planned targets, developed after programs have already started.

Without a mission-wide PMP, missions risk managing progress activity by activity, rather than looking at how activities are feeding into long-term mission-wide goals for their countries. In addition, without a comprehensive plan, missions risk confusing and frustrating beneficiaries and implementers regarding what USAID expects programs to achieve.

**Recommendation 16.** *We recommend that USAID/Egypt develop a mission-wide performance management plan.*

**Recommendation 17.** *We recommend that USAID/Jordan implement an action plan to make sure all activity and project performance management plan indicators feed into the mission performance management plan.*

**Recommendation 18.** *We recommend that USAID/West Bank and Gaza develop a mission-wide performance management plan.*

## **Missions Did Not Meet Planning Requirements To Monitor Gender**

According to ADS 203.3.8, “Reflecting Gender Issues in Performance Indicators,” PMPs must include gender-sensitive indicators, which measure how gender affects a program’s overall impact. In addition, all indicators counting people participating in a project or activity must be broken out by sex.

Missions did not meet planning requirements to monitor gender.

**Egypt.** We reviewed four project design documents in which the gender requirements were applicable. They covered 5 of 19 activities in the audit sample.<sup>10</sup> None of the four design documents had gender-sensitive indicators or explained that project data would be broken down by sex.

Only 4 of the 19 activities had gender-sensitive indicators and sex disaggregation in their activity M&E plans or PMPs. Seven were missing either gender-sensitive indicators or sex-disaggregated indicators. In the remaining eight, gender requirements were not applicable for various reasons.

These problems occurred because the mission’s performance monitoring POC, who worked in the program office and was responsible for compliance with performance monitoring requirements, did not make sure PMPs were meeting gender requirements. Two AORs said the program office did not review their activity PMPs, and one of them said he had not received any clearance from the program office on the PMP because he did not ask for it.

Program officials said the program, economic growth, and democracy and governance offices were understaffed. Neither of the latter two offices had an M&E specialist who could help make sure their PMPs were designed to monitor gender. The POC said they asked for M&E specialists for the two offices, but the mission director at the time turned them down.

**Jordan.** Five of 24 activities did not disaggregate by sex for most if not all of their indicators that counted the number of people because the mission’s performance monitoring POC, who was responsible for compliance with performance monitoring, did not make sure PMPs were meeting gender requirements. She explained that while she reviewed data from the technical offices for the PPR, she did not see the breakdown for reporting by activity.

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<sup>10</sup> One design document covered two activities in the audit sample.

Program officials also said some technical office directors had differing opinions on whether to manage the PMP process top-down or bottom-up; some believed that implementers should be responsible for M&E.

**West Bank and Gaza.** While the mission reported on gender-sensitive indicators in FY 2013, we found 10 indicator results for activities in GeoMIS that were not disaggregated by sex. For example, the indicators *Number of individuals trained in health systems operations (non-clinical)* and *Number of individuals who have received USG-supported short-term agricultural sector productivity or food security training* did not indicate the numbers of men and women.

The program office gave AORs and CORs training on PMPs. Yet the performance monitoring POC said the technical offices were not enforcing or implementing the training effectively.

Without gender-sensitive indicators and sex-disaggregated results, none of these missions can determine whether their activities are helping women and breaking down gender barriers. Therefore, we make the following recommendations.

***Recommendation 19.*** *We recommend that USAID/Egypt implement an action plan to make sure gender-sensitive indicators and sex-disaggregated data are incorporated in project design documents and activity performance management plans.*

***Recommendation 20.*** *We recommend that USAID/Jordan implement an action plan to make sure sex-disaggregated data are incorporated in activity performance management plans.*

***Recommendation 21.*** *We recommend that USAID/West Bank and Gaza implement an action plan to make sure sex-disaggregated data are incorporated in activity performance management plans.*

## **Missions Did Not Allocate Enough Resources for Monitoring and Evaluation**

ADS 203.3.2.3, “Budgeting for Performance Monitoring,” states that 5 to 10 percent of program resources should be allocated for M&E, and 3 percent of that should go to external evaluations.

However, the missions did not allocate enough resources for M&E.

**Egypt.** The mission allocated a total of 3.7 percent from FY 2012 to FY 2016, falling short of the minimum 5 percent threshold by \$13.5 million. It budgeted 2.8 percent for evaluations over 5 years, as shown in Table 5.

**Table 5. USAID/Egypt's M&E Budget for FYs 2012 to 2016, as of March 2014**  
(Amounts in millions of U.S. dollars)

| FY           | Mission Budget   | 5 Percent Minimum Threshold for M&E | Budgeted for M&E <sup>a</sup> | Percent of Budget for M&E | 3 Percent Minimum Requirement for Evaluations | Budgeted for Evaluations <sup>a</sup> | Percent of Budget for Evaluations |
|--------------|------------------|-------------------------------------|-------------------------------|---------------------------|---|---------------------------------------|-----------------------------------|
| 2012         | 195 <sup>b</sup> | 9.7                                 | 2.5                           | 1.3                       | 5.8   | 1.5                                   | 0.7                               |
| 2013         | 241              | 12.1                                | 8.7                           | 3.6                       | 7.2   | 6.9                                   | 2.9                               |
| 2014         | 200              | 10.0                                | 10.2                          | 5.1                       | 6.0   | 7.5                                   | 3.7                               |
| 2015         | 200              | 10.0                                | 10.3                          | 5.2                       | 6.0   | 7.1                                   | 3.6                               |
| 2016         | 200              | 10.0                                | 6.6                           | 3.3                       | 6.0   | 6.0                                   | 3.0                               |
| <b>Total</b> | <b>1,036</b>     | <b>51.8</b>                         | <b>38.3</b>                   | <b>3.7</b>                | <b>31.0</b>                                   | <b>29.0</b>                           | <b>2.8</b>                        |

<sup>a</sup> The budget for M&E includes administration and oversight (A&O) funds, program design and learning funds (PD&L), and other funds for evaluations. The budget for evaluations includes PD&L and other funds for evaluations but not A&O funds. A&O funds, though, were not used exclusively for M&E activities; missions sometimes used A&O funds for outreach.

<sup>b</sup> This figure excludes a cash transfer amount for macroeconomic activities.

Source: Compiled from budget data provided by USAID/Egypt's program office.

**Jordan.** The mission allocated a total of 3.5 percent from FY 2012 to FY 2014 for M&E, falling short of the minimum 5 percent threshold by \$16.7 million. The budget for evaluations fell below the 3 percent requirement, totaling 1.6 percent for 3 years as shown in Table 6.

**Table 6. USAID/Jordan's M&E Budget for FYs 2012 to 2014, as of March 2014**  
(Amounts in millions of U.S. dollars)

| FY                   | Mission Budget | 5 Percent Minimum Threshold for M&E | Budgeted for M&E <sup>a</sup> | Percent of Budget for M&E | 3 Percent Minimum Requirement for Evaluations | Budgeted for Evaluations <sup>a</sup> | Percent of Budget for Evaluations |
|----------------------|----------------|-------------------------------------|-------------------------------|---------------------------|---|---------------------------------------|-----------------------------------|
| 2012                 | 360            | 18.0                                | 7.3                           | 2.0                       | 10.8  | 1.4                                   | 0.4                               |
| 2013                 | 360            | 18.0                                | 8.5                           | 2.4                       | 10.8  | 5.2                                   | 1.4                               |
| 2014                 | 360            | 18.0                                | 10.4                          | 2.9                       | 10.8  | 5.8                                   | 1.6                               |
| Various <sup>b</sup> |                |                                     | 11.1                          |                           |   | 5.3                                   |                                   |
| <b>Total</b>         | <b>1,080</b>   | <b>54.0</b>                         | <b>37.3</b>                   | <b>3.5</b>                | <b>32.4</b>                                   | <b>17.7</b>                           | <b>1.6</b>                        |

<sup>a</sup> The budget for M&E includes A&O and PD&L. We used the PD&L funds for the evaluation budget.

<sup>b</sup> PD&L funds carried over from past years.

Source: Compiled from budget data provided by USAID/Jordan's program office.

**West Bank and Gaza.** The mission allocated a total of 3.1 percent from FY 2012 to FY 2014 for M&E, falling short of the minimum 5 percent threshold by \$12.5 million. Moreover, the mission only allocated 0.3 percent of the budget over a 3-year period for evaluations, as shown in Table 7.

**Table 7. USAID/West Bank and Gaza’s M&E Budget for FYs 2012 to 2014, as of March 2014**  
(Amounts in millions of U.S. dollars)

| FY           | Mission Budget <sup>a</sup> | 5 Percent Minimum Threshold for M&E | Budgeted for M&E <sup>b</sup> | Percent of Budget for M&E | 3 Percent Minimum Requirement for Evaluations | Budgeted for Evaluations <sup>b</sup> | Percent of Budget for Evaluations |
|--------------|-----------------------------|-------------------------------------|-------------------------------|---------------------------|---|---------------------------------------|-----------------------------------|
| 2012         | 395.7                       | 19.8                                | 9.0                           | 2.3                       | 11.9  | 0.9                                   | 0.2                               |
| 2013         | 8.7                         | 0.4                                 | 6.7                           | 77.0                      | 0.3   | 0.6                                   | 6.9                               |
| 2014         | 255.0                       | 12.8                                | 4.8                           | 1.9                       | 7.7   | 0.8                                   | 0.3                               |
| <b>Total</b> | <b>659.4</b>                | <b>33.0</b>                         | <b>20.5</b>                   | <b>3.1</b>                | <b>19.8</b>                                   | <b>2.3</b>                            | <b>0.3</b>                        |

<sup>a</sup> This figure excludes cash transfers for FYs 2013 and 2014.

<sup>b</sup> The budget for M&E included the Gaza monitoring contract, public outreach, and field security escorts. The budget for evaluations is only PD&L.

Source: Compiled from budget data provided by USAID/West Bank and Gaza’s program office.

Lack of adequate training and expertise contributed to poorly planned budgets at the missions in Egypt and Jordan. West Bank and Gaza’s problems stemmed from how its budget was developed. Program officials there said the technical offices developed their own budgets, and the program officials did not tell the technical offices what they needed to spend. Therefore, the POC did not have much input on how M&E funds should be spent.

Given the millions of dollars that USAID spends, it is imperative that missions allocate enough resources to monitor how the money is used. Without adequate monitoring and evaluation, missions run the risk that they will not have information needed to design new or follow-on projects. Therefore, we make the following recommendations.

**Recommendation 22.** *We recommend that USAID/Egypt document the reallocation of budgeted funds to make sure enough money is dedicated to monitoring and evaluations.*

**Recommendation 23.** *We recommend that USAID/Jordan document the reallocation of budgeted funds to make sure enough money is dedicated to monitoring and evaluations.*

**Recommendation 24.** *We recommend that USAID/West Bank and Gaza document the reallocation of budgeted funds to make sure enough money is dedicated to monitoring and evaluations.*

**Recommendation 25.** *We recommend that USAID/West Bank and Gaza implement changes to its budgeting process to make sure the monitoring and evaluation point of contact has input on how monitoring and evaluation funds are allocated.*

## **Missions Did Not Maintain Complete Activity Files for Monitoring**

Standard AOR and COR designation letters state that AORs and CORs are responsible for establishing and maintaining adequate files, which are the primary tools for carrying out their duties. The files are designed to help their successors understand the rationale behind any actions taken. Files should contain the designation letter, award document, all correspondence



with implementers, approvals, accrual estimates, and copies of financial documents. According to ADS 303, site visit reports should be filed in the official award file after every visit, with explanations of findings.

AORs and CORs at all three missions did not maintain complete activity files for monitoring.

**Egypt.** We found that 17 of 19 (89 percent) AOR and COR files were incomplete. The following examples illustrate what was missing.

- AOR and COR designation letters were missing from 6 of 19 (32 percent) files. In some of these cases, letters for previous AORs and CORs were missing also.
- Site visit reports were missing from 7 of 19 (37 percent) files. Additionally, four files contained administrative approval forms signed by AORs, certifying the number of site visits they had conducted.<sup>11</sup> However, records of these site visits that the AORs certified were missing.
- Approvals were missing from 11 of 19 (58 percent) files. These included administrative approvals for payments, approvals for work plans, subcontractors, and deliverables.
- Implementers' work plans were missing from 4 of 19 (21 percent) activities, and PMPs from 2 (11 percent).
- Eight of 19 (42 percent) files were missing some performance reports.
- Eleven of 19 (58 percent) files were missing key correspondence. The file for one activity that was subject to intense political pressure and media scrutiny did not include any documentation of significant decisions or correspondence. The current AOR said he did not know why his predecessors did not save correspondence.

Problems occurred because AORs and CORs stored files on their user network drives, in emails (which other employees managing the activities could not access), or on paper. The mission did not have any file protocols or file hierarchy, making it difficult for AORs, CORs, and alternates to find files that their predecessors should have been keeping. For example, one COR had numerous folders in her electronic file, yet two of them—her site visit report and correspondence folders—were empty or sparse.

**Jordan.** Ten of 24 (42 percent) AOR/COR files were incomplete. Four of them were so incomplete that successor AORs and CORs might have trouble understanding the files. Another employee who was new to the mission said she received incomplete files when she took over and had to fix them.

Eleven files did not have site visit reports. One COR said he did not keep them and relied on notes he kept in a notebook and meeting minutes from the implementer to document discussions.

These problems occurred because the mission's staff—with the exception of education office employees—was disorganized. There were no standards or filing systems for staff to follow, so

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<sup>11</sup> The primary purpose of administrative approval forms is to authorize payment to implementers.

AORs and CORs kept their files in various locations—on paper or on their personal network drives or on shared drives.

**West Bank and Gaza.** Nine of 28 (32 percent) AOR/COR files were incomplete or not readily available. For example, AORs and CORs for 7 of 28 activities (25 percent) could not give us recent site visit reports.

These problems occurred because the mission director did not review and approve the mission order on monitoring—which made the reports a requirement—until June 2014. The Agency was required to adopt standardized mission orders by December 2013. Program officials attributed this delay to the “extraordinary” demands placed on the director in responding to the Secretary of State, who was in Israel to negotiate a peace agreement.

As in Egypt and Jordan, the mission had no standard folder or filing system, which could have helped AORs and CORs determine what files were missing. AORs and CORs each organized their files in different folder formats, using different names.

Technical office directors gave us various explanations. One said one COR was too involved in the implementation of a contractor’s activities and lost focus on administrative responsibilities such as maintaining his files. Another director, whose AORs and CORs managed a large portion of the mission’s awards, said the amount of paperwork was burdensome, and that the mission was in the process of hiring two more AORs and CORs to reduce the workload. Because of their location, he added, their awards were subject to more scrutiny, and that took time away from their monitoring duties such as maintaining appropriate files.

Program officials blamed the office directors, who they said were not enforcing requirements for AORs and CORs, a critical oversight activity.

Without properly maintained official records, AORs, CORs, and supervisors will have trouble accounting for actions related to their activities. While having complete records is important in any mission, it is particularly important for missions in politically sensitive countries, where the decisions made often are beyond USAID’s control, turnover is high, and actions are likely subject to more public scrutiny. Also, without complete official records, the assurance that the mission is exercising good stewardship of public funds is weakened. Therefore, we make the following recommendations.

**Recommendation 26.** *We recommend that USAID/Egypt implement additional tools (e.g., templates, standardized filing systems, handover checklists) that management deems appropriate for agreement officer’s representatives and contracting officer’s representatives to use when documenting and maintaining official files.*

**Recommendation 27.** *We recommend that USAID/Egypt’s contracting and agreement office implement a plan to work with agreement officer’s representatives and contracting officer’s representatives to reinforce requirements for documenting site visit reports and maintaining official files.*

**Recommendation 28.** *We recommend that USAID/Jordan implement additional tools (e.g., templates, standardized filing systems, handover checklists) that management deems appropriate for agreement officer’s representatives and contracting officer’s representatives to use when documenting and maintaining official files.*

**Recommendation 29.** *We recommend that USAID/Jordan’s contracting and agreement office implement a plan to work with agreement officer’s representatives and contracting officer’s representatives to reinforce requirements for documenting site visit reports and maintaining official files.*

**Recommendation 30.** *We recommend that USAID/West Bank and Gaza’s contracting and agreement office implement a plan to work with agreement officer’s representatives and contracting officer’s representatives to reinforce requirements for documenting site visit reports and maintaining official files.*

## **Some Employees Did Not Conduct Enough Site Visits**

ADS 202 states that a major task of technical teams is to monitor the quality and timeliness of implementers’ work and make adjustments when conditions warrant. In conjunction with that, ADS 203 states that technical offices are responsible for conducting oversight through activities such as site visits.

Some AORs and CORs were not conducting enough site visits.

**Egypt.** Through interviews with AORs, CORs, and implementers, and reviews of site visit records, we confirmed that AORs and CORs for 11 of 19 awards (58 percent) conducted at most four site visits in FY 2013, and the majority of those only covered less than 30 percent of a program’s activities.<sup>12</sup> One AOR said she had conducted only one visit in the past 4 years to an activity in the Sinai, and another said she had conducted only one since 2011—2 years into a 3-year award.

Although AORs and CORs were able to conduct some visits, it was not easy because of the unrest and instability that has affected Egypt since the 2011 revolution and the 2013 removal of President Mohamed Morsi. AORs and CORs for 11 awards said safety concerns hindered their ability to monitor activities. The AOR who had activities in the Sinai said she could not conduct visits there because of the security situation. Despite these problems, the mission did not, for example, hire any third-party monitors to provide additional oversight in these risky locations.

Moreover, American AORs and CORs were evacuated from Egypt in 2013 for several months, disrupting operations. Later that year, changes in law and policy required USAID/Egypt staff to largely shift their attention to identifying activities that were providing assistance to the Egyptian Government, which the mission had to suspend or terminate.

**Jordan.** Implementers confirmed that for at least nine activities, AORs and CORs conducted site visits that covered 61 to 100 percent of their work plan tasks. Four implementers said their AOR or COR made site visits to less than 30 percent of the tasks.

Some AORs and CORs said they had trouble getting transportation because of the limited number of vehicles the Embassy made available. This shortage became more acute, the former deputy mission director explained, when congressional delegations were in town and needed

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<sup>12</sup> The 11 awards included one that was suspended around July 2013 with one quarter remaining in FY 2013. The AOR attended study tours during FY 2013. Study tours give beneficiaries a chance to visit and observe similar activities, generally in other countries.

vehicles. In the short-term, he said, this meant that mission staff might not be able to visit sites as planned, but they could conceivably conduct a visit on a later date—a delay that could potentially affect their ability to monitor activities or events that do not occur regularly. AORs and CORs said they were sometimes using taxis and their private vehicles when they could not get any from the Embassy, but this was not always a viable option.

**West Bank and Gaza.** AORs and CORs for 24 of 28 activities said they conducted site visits at least monthly, and AORs and CORs for 4 activities reported visiting quarterly. However, they were sometimes counting meetings with the implementer as “site visits.”

Implementers said that for 14 of 28 activities, AORs and CORs conducted site visits that represented 61 to 100 percent of their work plan tasks. Implementers for nine activities said their AOR or COR conducted site visits to less than 30 percent of tasks. Of the nine, the majority were with organizations that received democracy and governance grants.

Only 2 of 28 AORs and CORs said the security situation “somewhat” hindered adequate monitoring. One AOR said the Embassy’s Regional Security Office denied two of his recent trip requests, and a COR said her trips were canceled about once a month or more because of security. The mission used an architectural and engineering firm to provide additional oversight of construction activities; for activities implemented in Gaza, it used an outside audit firm to provide monitoring. Employees said they frequently validated the firms’ work.

The mission had more than 60 active awards in March 2014, and they were not distributed evenly among the staff. Sixteen AORs and CORs managed one or two each, four managed three or four each, three managed five or six, and one AOR managed eight activities. AORs and CORs for 10 activities said their workloads affected their ability to monitor them adequately.

The workload in the mission was relatively heavier for the staff in the democracy and governance office. Employees there said AORs were burdened by overseeing numerous awards and administering the annual solicitation for grants to local organizations. A program management specialist suggested that perhaps some of that burden could be alleviated by using an outside contractor to monitor or help local partners.

With annual budgets ranging from \$200 million to \$395 million, missions increase their risk of not detecting fraud or other performance issues if they do not visit sites regularly. AORs and CORs also miss the opportunity to better understand the development challenges and benefits of an activity at the beneficiary’s level when they only review reports and meet with the implementer.

After the exit conference, USAID/Jordan officials said the Embassy approved hiring more drivers to help meet transportation needs; therefore, we are not making a recommendation to address this issue. Moreover, we made a recommendation for USAID/West Bank and Gaza that addresses concerns regarding local NGOs (recommendation 14). To address other issues reported in this finding and to strengthen oversight activities, we make the following recommendations.

***Recommendation 31.*** We recommend that USAID/Egypt’s office directors implement a plan to reinforce guidelines for agreement officer’s representatives and contracting officer’s representatives to conduct site visits to provide oversight according to the mission order on performance monitoring.

**Recommendation 32.** *We recommend that USAID/Jordan's office directors implement a plan to reinforce guidelines for agreement officer's representatives and contracting officer's representatives to conduct monthly site visits to provide oversight according to the mission order on performance monitoring.*

**Recommendation 33.** *We recommend that USAID/West Bank and Gaza's office directors implement a plan to reinforce guidelines for agreement officer's representatives and contracting officer's representatives to conduct site visits to provide oversight.*

## **Missions Did Not Conduct Portfolio or Contractor Performance Reviews Consistently or Make Sure Reports Were Readily Available**

ADS 203.3.13, "Program Cycle Learning," states that USAID uses a variety of means to learn and make appropriate changes to programs to "maximize development results." These include reviewing the mission's portfolio of activities and progress toward its development objectives, making sure key program documents are in the DEC, and completing reports in the contractor performance assessment reporting system (CPARS).

Other sections of the ADS and Agency guidance elaborate on these three points.

ADS 203.3.12, "Mission Portfolio Reviews," requires missions to conduct at least one review a year that focuses on the mission's progress toward achieving its development objectives. The policy encourages missions to review the status of implementation, adequacy of performance indicators and targets, and the amount of money spent. It also recommends that they keep records of any issues raised, conclusions reached, plans for followup, and responsibilities delegated.

ADS 203.3.17, "Development Experience Clearinghouse" and ADS 540.3.2.3, "Documentation Created by Agency Contractors and Grantees," state that contractor and grantee technical reports, publications, final reports, and evaluations should be submitted to the DEC. Agreements and contracts must include clauses and mandatory standard provisions that require grant recipients and contractors to submit the information to the DEC. AORs and CORs or those most familiar with a project must monitor the contractor's and recipient's compliance with this requirement.

The Agency's "Policy Guide for Assessment and Use of Contractor Performance and Integrity Information" states that contracting officers and their representatives must make sure that CPARS reports are done each year. ADS 202.3.6.1 states that a COR's responsibilities may include preparing an annual contractor performance report for all contracts worth more than \$100,000 and submitting them to the contracting officer.

Despite these requirements, the missions did not conduct portfolio or contractor performance reviews consistently, or make sure reports were submitted and made available in the DEC.

**Egypt.** The mission did not conduct portfolio reviews in accordance with ADS from October 2012 to March 2014. Some FY 2013 portfolio reviews did not include any analysis of ongoing activities, and the FY 2014 reviews focused solely on funding. The mission did not evaluate individual project or activity performance, review the status of implementation, or check the

adequacy of performance indicators because its focus was on obligating money for FYs 2012 and 2013 quickly.

As of March 2014, no deliverables—including progress reports—for any of the 19 activities in our sample were in the DEC. The AORs and CORs we interviewed gave several reasons for this. One said there was a disconnect between the agreement and the ADS requirements for submissions to the DEC, and making sure submissions were in was not something he asked implementers to do because they were grantees as opposed to contractors, to whom he could give technical direction. AORs for two other activities said they did not monitor for compliance because they had other priorities, and another said he never followed up with the implementer because the DEC was not easy to use. An AOR for three activities said she did not know she was required to monitor the DEC.

**Jordan.** The mission was inconsistent in making sure required documents were submitted to the DEC because AORs and CORs said they did not know what needed to be submitted—reports, evaluations, or certain assessments.

**West Bank and Gaza.** AORs and CORs said they had completed portfolio reviews for their activities and found problems with 9 of 28 activities. For those nine, the program office followed up at least once and sent an e-mail with an attached spreadsheet to track actions taken in response to the review findings. AORs and CORs for eight of the nine said mission offices took prompt action based on the reviews; the ninth one was late because of the program office's overall slow review of its PMP, which was the subject of one of the portfolio reviews.

Implementers did not submit all performance reports and evaluations to the DEC. AORs and CORs for only 9 of 28 activities said performance reports were submitted to the DEC. Moreover, three of seven completed evaluations were not in the DEC. The AORs and CORs either were not sure whether reports were submitted or said they thought the evaluations were uploaded in the DEC. Had they verified, they would have determined that the reports had not been submitted.

Twelve of the 28 activities were worth more than \$100,000 and therefore required a CPARS report. Five were done as required, three were registered in the system but no CPARS report was in the system, and the remaining four were not registered at all. CORs for two of the activities said they had not completed the CPARS report even though they had received weekly reminder e-mails. These problems occurred because the CORs were not doing their jobs, and the contracting officers, who were responsible for overseeing CPARS submissions, were not following through.

Portfolio reviews, reports in the DEC, and CPARS reports can help ensure that mission officials and implementers are held accountable for achieving results, encourage transparency, and also prevent mistakes from recurring. By making sure reviews are complete and thorough and that employees follow up on any problems, missions can better establish priorities, correct performance problems, and direct budgetary commitments for activities based on performance. Not putting documents in the DEC limits the ability of the Agency and implementers to learn from the successes and failures of past and current projects, avoid duplicating work, and better plan future projects. Regular, comprehensive CPARS reports also can give the Agency information to make better acquisition decisions and can serve as a significant incentive for contractors to provide superior products and services. Therefore, we make the following recommendations.

**Recommendation 34.** *We recommend that USAID/Egypt's mission management document actions to make sure future portfolio reviews are conducted according to Automated Directives System 203.3.12.*

**Recommendation 35.** *We recommend that USAID/Egypt implement measures to confirm that implementers and agreement officer's representatives and contracting officer's representatives are informed of Development Experience Clearinghouse submission requirements.*

**Recommendation 36.** *We recommend that USAID/Jordan implement measures to confirm that implementers and agreement officer's representatives and contracting officer's representatives are informed of Development Experience Clearinghouse submission requirements.*

**Recommendation 37.** *We recommend that USAID/West Bank and Gaza implement measures to confirm that implementers and agreement officer's representatives and contracting officer's representatives are informed of Development Experience Clearinghouse submission requirements.*

**Recommendation 38.** *We recommend that USAID/West Bank and Gaza's contracting office implement a plan to confirm that contracting performance report requirements are met.*

## **Evaluations**

### **Missions Did Not Give Employees Enough Training or Time To Do Evaluations**

According to the 2011 *USAID Evaluation Policy* (which was updated in ADS in 2012), a mission's evaluation POC is responsible for making sure all projects comply with the policy. The amount of time the POC allocates to this task should be proportionate to the size of the evaluation portfolio. Missions also must make sure key<sup>13</sup> employees are trained in evaluation management and methods through Agency courses or other opportunities outside the Agency.

Missions did not give staff the training or time they needed to manage the evaluation process effectively or to make sure the management process for future evaluations is effective.

**Egypt.** USAID/Egypt's evaluation POC had numerous responsibilities, including advising technical teams and other mission offices on evaluation, leading peer review meetings, and providing guidance to teams for developing statements of work. She also was the performance monitoring POC, the program office's POC for the economic growth office, and the manager for the mission-wide M&E contract with a third-party firm.

She said she carried out some aspect of the evaluation job every day and thought the responsibilities were manageable. The time she allocated to them varied according to the number of evaluations. For example, in a 3-month period in 2014, she initiated and reviewed

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<sup>13</sup> Neither ADS 203 nor the 2011 evaluation policy defines "key" employees. We considered "key" employees those who the evaluation POC said had managed the evaluation process.

four evaluation statements of work and participated in a technical evaluation committee for two other evaluations.<sup>14</sup> During that time, 30 to 40 percent of her time was spent on evaluations.

However, based on our analysis of the mission’s inventory, the number of evaluations was expected to increase by four times in FY 2014 as shown in Table 8. Since this employee was also the POC for performance monitoring and the economic growth office, she might have been too busy to manage the evaluation process effectively.

**Table 8. USAID/Egypt’s Inventory of Evaluations by Status as of March 2014**

| Status of Evaluations                            | Number of Evaluations | Value (\$)       | Percent    |
|--|-----------------------|------------------|------------|
| Completed in FY 2012                             | 1                     | 70,000           | 4          |
| Completed in FY 2013                             | 2                     | 437,229          | 24         |
| Completed or Expected To Be Completed in FY 2014 | 8                     | 1,325,042        | 72         |
| <b>Total</b>                                     | <b>11</b>             | <b>1,832,271</b> | <b>100</b> |

While the evaluation POC had training and experience in evaluations management and methods, 7 of 12 employees (excluding supervisors) who participated or will participate in an evaluation did not take the training after the policy went into effect. Some said they did not consider it a priority and either had no plans to take training related to evaluations or hoped to take some in the future. Two said they had taken an evaluations training course before or after the new policy, but both wanted refresher training. The employees themselves or their respective office directors were responsible for making sure they completed the training requirements.

**Jordan.** The evaluation POC said the time allocated to the job was adequate for the portfolio size, which was around 10 percent of her workload. However, as the number of evaluations increased, that percentage grew to around 20 to 25 percent. Moreover, based on our analysis of the mission’s inventory, the portfolio size was expected to more than double in FY 2014, as shown in Table 9. This growth might hinder her ability to manage the evaluations process. And, as at USAID/Egypt, USAID/Jordan’s evaluation POC also was the mission’s performance monitoring POC.

She later admitted that given the demands on her and other employees because of the political sensitivity of work being conducted, a lack of support from mission management, and a need to educate new staff because of high turnover, it was difficult to make sure standards were being met and provide the quality control needed.

<sup>14</sup> According to a mandatory reference to ADS 300, a technical evaluation committee evaluates proposals to determine if offerors are able to perform tasks outlined in a statement of work.



**Table 9. USAID/Jordan's Inventory of Evaluations by Status as of March 2014<sup>a</sup>**

| Status of Evaluations                                     | Number of Evaluations | Value (\$)       | Percent                |
|---|-----------------------|------------------|------------------------|
| Completed in FY 2012                                      | 1                     | 45,000           | 1                      |
| Completed in FY 2013                                      | 6                     | 716,576          | 12                     |
| Ongoing, Completed or Expected To Be Completed in FY 2014 | 16                    | 5,387,072        | 88                     |
| <b>Total</b>  | <b>23</b>             | <b>6,148,648</b> | <b>101<sup>b</sup></b> |

<sup>a</sup> The table excludes dropped evaluations, surveys, and assessments.

<sup>b</sup> The total percentage exceeds 100 percent due to rounding.

The evaluation's POC described her experience and training on evaluations was "very minimal." She took 1 week of a 2-week course for evaluation management specialists before the 2011 policy came out and did not take anything afterward. She was never certified in evaluations management. She said she had a good general knowledge of how to conduct evaluations but needed to participate in evaluations that other missions did to gain a better perspective on how others were conducting theirs.

USAID/Jordan brought in an instructor to teach employees evaluation management and methods after the 2011 evaluation policy went into effect; between 15 and 20 employees attended, including some who had not yet been assigned to manage an evaluation. However, 6 of 10 employees who participated or were slated to participate in an evaluation did not receive training after the policy went into effect.

Employees said it was difficult to get training in the mission. Some said they asked for it, but their office directors turned them down. Some had not asked for it.

**West Bank and Gaza.** According to mission officials, prior to FY 2014, implementers had managed the mission's evaluations.

The POC said he was already overwhelmed by his other responsibilities; he has been the only M&E specialist in the program office for the past 5 years, as well as the GeoMIS administrator and performance management POC. Table 10 shows the inventory the evaluation POC managed for FYs 2012, 2013, and 2014.

**Table 10. USAID/West Bank and Gaza’s Inventory of Evaluations by Status as of March 2014<sup>a</sup>**

| Status of Evaluations                            | Number of Evaluations | Value (\$)                 | Percent                |
|--|-----------------------|----------------------------|------------------------|
| Completed in FY 2012                             | 2                     | 146,000                    | 24                     |
| Completed in FY 2013                             | 4                     | 220,000 <sup>b</sup>       | 36                     |
| Completed or Expected to Be Completed in FY 2014 | 5                     | 250,000 <sup>c</sup>       | 41                     |
| <b>Total</b>                                     | <b>11</b>             | <b>616,000<sup>d</sup></b> | <b>101<sup>e</sup></b> |

<sup>a</sup> The table excludes dropped evaluations, surveys, and assessments.

<sup>b</sup> The dollar value represents three of the four evaluations. One of the four evaluations mentioned in the mission’s inventory was excluded in the PPR evaluation registries, so the mission did not report a dollar amount. Therefore, the value should have exceeded \$220,000.

<sup>c</sup> The dollar value represents three of the five evaluations. Two of the five evaluations in the mission’s inventory were not mentioned in the PPR registries, so the mission did not report any dollar amounts. Therefore, the value should have exceeded \$250,000.

<sup>d</sup> The total value should have exceeded \$616,000. The mission did not report information, including dollar values, for at least three evaluations in the registries.

<sup>e</sup> The total percentage exceeds 100 percent due to rounding.

Employees in the program office said they were understaffed. As of August 2014, there were six people in the program office, which was relatively smaller than the other two missions in our sample, and a key U.S. direct-hire position in that office has been vacant since 2012. Mission management initially had asked to fill this position with an employee’s spouse or dependent, but then put it on hold mainly because of budget fluctuations over the past 3 years.

Regarding training, of 14 mission employees who participated or were scheduled to participate in an evaluation, 11 did not take evaluations management training after the 2011 policy went into effect, and one of them, an M&E specialist, did not take any training.

These problems happened for several reasons. Employees said opportunities to take trainings were limited because of a restrictive training policy. In fact, one employee said he had been on a waitlist for 3 years to take a leadership training course because the mission’s managers limited training due to budget fluctuations. Other employees said they did not take any training courses because they had not discussed it with their supervisors.

If mission employees do not have enough time to manage evaluations effectively, they cannot be confident that evaluations are meeting the Agency’s standards. In addition, if employees are not well trained or have insufficient expertise in and knowledge of the evaluation policy, missions cannot be confident that their evaluations are thorough. Therefore, we make the following recommendations.

**Recommendation 39.** *We recommend that USAID/Egypt implement a plan to make sure the evaluation point of contact’s workload in the program office is adequate so all required evaluations are completed in a timely manner and reviewed for quality control.*

**Recommendation 40.** *We recommend that USAID/Egypt implement a training and technical assistance plan to make sure key mission staff working on evaluations have received initial or refresher training on evaluation management and methods.*

**Recommendation 41.** *We recommend that USAID/Jordan implement a plan to make sure the evaluation point of contact’s workload in the program office is adequate so all required evaluations are completed in a timely manner and reviewed for quality control.*

**Recommendation 42.** *We recommend USAID/Jordan implement and document a training and technical assistance plan to make sure key mission staff working on evaluations have received initial or refresher training on evaluation management and methods.*

**Recommendation 43.** *We recommend USAID/West Bank and Gaza implement a plan to make sure the staffing levels and workloads of program office employees, including the evaluation point of contact, are adequate so all required evaluations are completed in a timely manner and reviewed for quality control.*

**Recommendation 44.** *We recommend USAID/West Bank and Gaza implement and document a training and technical assistance plan to make sure key mission staff working on evaluations have received initial or refresher training on evaluation management and methods.*

## **Missions Did Not Meet Some Planning Requirements for Evaluations**

The numerous requirements governing USAID’s evaluations are in ADS and the 2011 policy (which conflict on some points).

- According to ADS 203.3.1.3, “When Is an Evaluation Appropriate?” missions are required to conduct at least one evaluation of each “large project,” which equals or exceeds the dollar amount of the average project size for each development objective. The evaluation policy, however, defines a large project as one that equals or exceeds the average dollar value of the project size for the mission. Moreover, it states that missions need to conduct impact evaluations for “innovative” activities—that is, activities like pilots that they expect to expand in scale or scope, and for each development objective.<sup>15</sup> Missions then should submit a list of these activities to the PPR evaluation registry, which is an annex to the annual PPR, according to ADS 203.3.14.3.
- ADS 203.3.3.1, “Format and Content of Performance Management Plans,” states that the mission should have a plan in its mission-wide PMP that identifies and tracks evaluations throughout the mission and the entire CDCS time frame. At a minimum, the plan should include the evaluations to be done, as well as what type they will be, possible questions, estimated budget, and beginning and end dates.
- Similar guidance exists for projects. ADS 203.3.4.4, “Project M&E Plan: Evaluation,” states that evaluations must be planned during project design and be included in the project M&E plan, which folds into the mission-wide PMP. This plan should describe the type of evaluation to be conducted, provide a limited number of key evaluation questions, tell when the evaluation will take place, and include an estimated budget. ADS 203.4 states that the project M&E plan should be included in the project appraisal document (PAD).

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<sup>15</sup> Impact evaluations examine the effect of a set of interventions on development outcomes.

The three missions audited did not conduct or complete all planning requirements for evaluations.

**Egypt.** The mission's calculations for required evaluations were not based on the average project size of a development objective. Instead, they were based on the total value of activities ongoing as of November 2009, excluding awards worth less than \$1 million. We found that eight evaluations in the mission's inventory or PPR evaluation registry exceeded the average and should have been listed as required evaluations, as shown in Table 11.

**Table 11. USAID/Egypt's Reporting and Completion of Required Evaluations for Active Activities as of March 31, 2014**

| Description   | Number         |
|---|----------------|
| Required evaluations  | 13             |
| Evaluations listed in the mission's inventory and PPR registry as required      | 5              |
| Evaluations not listed in the inventory and PPR evaluation registry as required | 8              |
| Completed awards that required an evaluation                                    | 8              |
| Completed awards that required an evaluation but lacked documentation of one    | 4 <sup>a</sup> |

<sup>a</sup> There were no evaluations in the DEC for the following projects: Democracy, Elections, and Technical Assistance; Girls' Improved Learning Outcomes; Technology for Improved Learning Outcomes; and Egyptian Foundation for Entrepreneurship—the Small and Emerging Business Enterprise Project in Cairo.

Moreover, there were no innovative projects listed in the mission's evaluation inventory or PPR evaluation registries although some AORs and CORs said they had ongoing pilot activities. For example, the AOR for the Science, Technology, and Mathematics Model Schools Project said it was innovative, but the mission had not included an impact evaluation in the mission inventory, PPR evaluation registry, or PAD.<sup>16</sup>

The mission also wanted to replicate a component of the Egypt Competitiveness Project to start businesses. It was included in the inventory as a large project, but there was no mention of innovative activities or impact evaluations in the mission inventory or PPR evaluation registry. The economic growth office director said the office did not have an annual evaluation plan because it was undergoing changes. Another office director said staff discussed evaluations during the portfolio reviews, but the definitions of "innovative" were unclear.

Mission officials did not include an evaluation plan in a mission-wide PMP—because they were still working on developing the mission-wide PMP—nor did they include the minimum planning requirements for evaluations in three PADs approved after the 2011 policy went into effect. Four of 19 activities in the audit sample fed into those PADs. One PAD included two activities. All three were missing one or more pieces of information: evaluation type (i.e., performance or impact) to be considered, when they were to be done, budget estimates for specific evaluations, and key evaluation questions.

The main cause for the lack of adequate planning was that employees were not well trained in managing the evaluation process. In addition, an AOR said the managers did not stress the importance of including evaluations in project designs. Furthermore, the mission office directors' and staff's understanding or completion of evaluation requirements, plans, and definitions was unclear or different from the POC's understanding and expectations. For some of the problems

<sup>16</sup> The mission inventory is an internal document that lists planned and completed evaluations. It is submitted in the annual PPR evaluation registry as an annex.

cited above, the evaluation POC explained that mission staff had access to USAID’s policies and mission orders and should have updated the POC when changes occurred (e.g., pilot activities were added). Moreover, in response to the economic growth office director’s comment that his office did not have an annual evaluation plan, the POC said that including economic growth activities in the PPR qualified as an evaluation plan for the office. Clearly, the POC and the office director differed on what qualified as an “evaluation plan.”

**Jordan.** For 21 of 23 evaluations, we found discrepancies between the mission’s inventory and PPR evaluation registries for FYs 2012 and 2013. For example, evaluations that exceeded the \$25 million threshold that the mission established for itself were not reported as “required” in the PPR evaluation registry, dates and dollar amounts listed in the inventory and registry were different, and evaluations in the registry were not in the inventory.

USAID/Jordan did not use any specific calculations to determine which evaluations were required. Instead, the evaluations POC went through each office’s projects and tried to confirm that they had one evaluation for large projects, especially for follow-ons. She said it was difficult to calculate the average, and one could interpret the policy in various ways—the average of the obligations or of the value of the awards. She had no documentation to justify why she chose the projects selected.

In addition, the mission's \$25 million threshold did not have any justification or calculation to support it. Yet even when using it, the mission did not complete evaluations it should have, as shown in Table 12.

**Table 12. USAID/Jordan’s Reporting and Completion of Required Evaluations for Active Activities as of March 31, 2014**

| Description  | Number         |
|--|----------------|
| Required evaluations   | 16             |
| Evaluations listed in the inventory list and PPR registry as required                | 4 <sup>a</sup> |
| Evaluations not listed in the inventory list and PPR evaluation registry as required | 12             |
| Completed awards that required an evaluation   | 3              |
| Completed awards that required an evaluation but lacked documentation of one         | 3 <sup>b</sup> |

<sup>a</sup> The mission corrected two of four entries in the FY 2013 PPR evaluation registry.

<sup>b</sup> There were no evaluations in the DEC for the Sustainable Achievement of Business Expansion and Quality Project, the Siyaha follow-on award, or the Jordan Health Communication Partnership.

The evaluation POC said mission officials did not schedule impact evaluations for each development objective because the evaluation policy changed when they were developing their PADs. She added that the mission was, as of June 2014, in the process of deciding which impact evaluations to do since projects had already started.

The evaluation section of USAID/Jordan’s mission-wide PMP complied reasonably with the evaluation policy. In addition, the mission included evaluation plans in PADs that were approved after the policy went into effect. They cover seven of the activities from the audit sample. However, the mission did not identify key evaluation questions for four PADs.

Problems stemmed primarily from the lack of adequate training and expertise for key staff and the POC.

**West Bank and Gaza.** The mission did not have any of the supporting calculations for the average dollar value of its projects readily available. It did not have any required evaluations in the FY 2012 PPR evaluation registry and listed only one of seven in the FY 2013 registry.<sup>17</sup> The internal mission inventory also did not state which evaluations were required.

The mission did not report any innovative or pilot activities in its PPR evaluation registries for FYs 2012 and 2013. The evaluation POC said there were none. However, the FY 2013 PPR narrative noted pilot activities, and some AORs and office directors said they managed awards with pilot activities. At least one technical office director acknowledged not discussing which evaluations were required with the program office.

As of March 2014, the mission did not have a CDCS, so no impact evaluations were planned. Moreover, it did not have a mission-wide PMP that would have required an evaluations plan to be included, even though a mission-wide PMP was required for a mission that did not have a CDCS. Mission officials said they put the CDCS process on hold after getting approval to do so from USAID's Bureau for Policy, Planning and Learning and the Bureau for the Middle East.

For projects, USAID/West Bank and Gaza developed five design documents (i.e., action memos) representing 8 of 28 activities that were created after the ADS update on evaluations went into effect.<sup>18</sup> However, the mission either did not include an evaluation plan or included an incomplete one in the documents. An incomplete plan often did not state what types of performance or impact evaluations were to be considered. Further, none had lists of key evaluation questions in the design documents.

The problems occurred because the program office was understaffed, and key employees were overwhelmed. Program officials said the only M&E person in their office for the past 5 years also was responsible for making sure all the DQAs were done, serving as the GeoMIS systems administrator, and teaching new implementers to use GeoMIS.

A program official said that even though these new, local partners' awards were small, they required the same level of effort as contractors or more to make sure the partners understood USAID's reporting requirements and GeoMIS. He said they needed a person specifically dedicated to working with local NGOs, but they could not hire anyone or get an external firm to help because of budget constraints.

Lack of proper planning and resources increases the risk that evaluations will not generate credible findings based on sound methodologies. Moreover, without proper planning, missions cannot be confident that evaluations address the most important, relevant questions about project performance and that evaluation team members will have the necessary baseline data, which should be collected early in a project, to best assess the impact. Therefore, we make the following recommendations.

***Recommendation 45.*** *We recommend that USAID/Egypt implement an action plan to make sure project design documents address the evaluation policy planning requirements.*

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<sup>17</sup> In the absence of development objectives (in the case of USAID/West Bank and Gaza), we used the definition of large projects that is outlined in the 2011 evaluation policy as the average project size for the mission to determine what was "required." The intent as described in the 2011 evaluation policy is to "ensure that the majority of resources under management will be subject to evaluation."

<sup>18</sup> One project design document could have included several activities.

**Recommendation 46.** *We recommend that USAID/Jordan complete and document its calculations of the average size of projects and include all required large projects in its inventory.*

**Recommendation 47.** *We recommend that USAID/Jordan implement an action plan to make sure project design documents address the evaluation policy planning requirements.*

**Recommendation 48.** *We recommend that USAID/West Bank and Gaza document its calculations of the average size of projects and include all required large projects in the mission's inventory and annual performance, plan, and report evaluation registry.*

**Recommendation 49.** *We recommend that USAID/West Bank and Gaza implement an action plan to make sure project design documents address the evaluation policy planning requirements.*

## **Missions Did Not Make Sure Evaluations Met Agency Standards**

According to the evaluation policy and ADS 203, evaluation teams for large or innovative projects should always be led by an independent expert from outside USAID who does not have any fiduciary relationship with the implementing partner. The program office should manage the evaluation team's or consultant's contract unless the mission director decides otherwise.

The evaluation policy also provides guidance on the statements (or scopes) of work. According to that, the program office should work with the regional and technical bureaus when reviewing the scopes. In addition, ADS 203.3.1.5, "Statement of Work," refers to an evaluation statement of work checklist for missions to use to make sure the statements meet USAID's standards. They should explain why an evaluation is needed, how it will be used, and list a small number of questions evaluators will ask; a well-written statement also includes the evaluation methods and their strengths and limitations.

Once the evaluation team completes its draft evaluation report, the evaluation policy states that the program office is responsible for making sure that management and an in-house peer technical review group assess it for quality, and send any comments they have to the team.

We found that missions did not follow the policy or ADS because (1) they were slow to implement the policy, (2) employees were not shown how to apply it, (3) some program office employees did not have authority to enforce it, or (4) U.S. political agendas shifted.

**Egypt.** The mission completed three evaluations from October 2011 to March 2014, and two were required under the 2011 evaluations policy. The first was for the Avian Influenza Project, and the second covered two projects: the Water and Wastewater Sector Support Project, and the Water Policy and Regulatory Reform Project.

Numerous kinds of noncompliance arose, as shown in Table 13. For example, although peer reviewers provided comments on statements of work, they did not complete the statement of work checklist, which assesses the statements' compliance with the evaluation policy.

**Table 13. USAID/Egypt’s Compliance With USAID Evaluation Standards as of  
March 31, 2014**

| Evaluation Description  | Avian Influenza Project |                 | Water and Wastewater Sector Support Project and Water Policy and Regulatory Reform Project |                |
|---|-------------------------|-----------------|--|----------------|
|   | Yes                     | No              | Yes  | No             |
| An independent expert outside USAID led the evaluation.   | ✓                       |                 | ✓  |                |
| Peer reviewers completed statement of work checklists as evidence that they made sure the evaluation adhered to Agency standards.                               |                         | ✓               |  | ✓              |
| The program office worked with the regional and technical bureau in reviews of statements of work.  | ✓ <sup>a</sup>          |                 |  | ✓              |
| Statements of work clearly communicate why the evaluation is needed, how it will be used, and what evaluation questions will provide the answers managers need. | ✓                       |                 | ✓  |                |
| The program office made sure evaluation draft reports were assessed for quality by management and through an in-house peer technical review.                    |                         | ✓ <sup>ab</sup> |  | ✓ <sup>b</sup> |
| Mission comments were provided to the evaluation teams.   | ✓                       |                 | ✓  |                |

<sup>a</sup> The technical office initiated action on these items instead of the program office.

<sup>b</sup> The program office provided evidence of in-house peer technical reviews, but no management reviews for quality.

The mission was slow to enforce the policy. According to the evaluations POC, mission staff had started drafting a new mission order on M&E in 2012, but it stalled while officials in Washington were drafting standardized mission orders for the entire Agency. The evaluation mission order requiring a checklist was not put into effect until March 2014. In addition, the two evacuations in 2011 and 2013 and policy changes that temporarily halted activities with the Egyptian Government late in 2013 disrupted operations.

**Jordan.** The mission did five evaluations between October 2011 and March 2014 that were in the audit sample. Four were led by an independent expert; and one was led by USAID’s Office of Middle East Programs staff, which was not independent of the Agency. Two of the five were required by the evaluations policy for the health and school construction activities.

Overall, the mission did not make sure the evaluations adhered to standards, as shown in Table 14. In the case of an activity called Economic Opportunities for Jordanian Youth Project (Injaz III), the evaluators interchangeably referred to it as “an evaluation,” “a review,” and “an assessment”—all of which are different, according to the evaluation policy. An evaluation requires a much more rigorous and systematic approach than a review or assessment. Mission staff should have identified the errors when reviewing the draft report.



**Table 14. USAID/Jordan's Compliance With USAID Evaluation Standards as of March 31, 2014**

| Evaluation Description  | INJAZ III |    | Health Systems Strengthening II |    | Jordan School Construction I |    | Institutional Support and Strengthening Program |                |
|---|-----------|----|---------------------------------|----|------------------------------|----|---|----------------|
|   | Yes       | No | Yes                             | No | Yes                          | No | Yes   | No             |
| An independent expert outside USAID led the evaluation.   | ✓         |    | ✓                               |    | ✓                            |    | ✓   |                |
| Peer reviewers completed statement of work checklists as evidence that they made sure the evaluation adhered to Agency standards.                                   |           | ✓  |                                 | ✓  |                              | ✓  |   | ✓              |
| The program office worked with the regional and technical bureau in reviews of statements of work.  |           | ✓  |                                 | ✓  |                              | ✓  | ✓ <sup>a</sup>                                  |                |
| Statements of work clearly communicate why the evaluation is needed, how it will be used, and what evaluation questions should give managers the answers they need. | ✓         |    | ✓                               |    |                              | b  | ✓   |                |
| The program office made sure evaluation draft reports were assessed for quality by management and through an in-house peer technical review.                        |           | ✓  |                                 | c  | ✓                            |    |   | ✓ <sup>d</sup> |
| Mission comments were provided to the evaluation teams.   |           | c  |                                 | c  | ✓                            |    | ✓   |                |

<sup>a</sup> The technical office, not the program office, worked with the technical bureau on this.

<sup>b</sup> Mission staff did not have a statement of work in the files.

<sup>c</sup> The mission did not have any evidence for audit verification.

<sup>d</sup> The COR confirmed that in-house peer technical reviews were conducted, but could not confirm management reviews.

The reasons for these oversights ran the gamut. The mission's evaluation POC explained that with so many demands, it was hard to maintain standards. Mission employees said managers were not always helpful. Turnover was high, and employees new to the mission needed to be trained.

In addition, the managers brought in many experts for temporary duty, and full-time employees said they did not feel they could override the experts' decisions, even though some said the experts provided wrong information.

Because the procurement office was understaffed, soliciting proposals and making awards took more time than usual, including awards to any independent evaluators. So USAID/Jordan began using its external M&E contractor to speed up the evaluation process by conducting the baseline, midterm, and final evaluations.

**West Bank and Gaza.** In the absence of development objectives, the audit used the average dollar value of activities for each technical office to determine which ones were required to have an evaluation. Five activities in our audit sample were required; three of the five were not independent because implementers procured them or USAID employees conducted them. OIG conducted detailed testing of the remaining two, as shown in Table 15.

**Table 15. USAID/West Bank and Gaza’s Compliance With USAID Evaluation Standards as of March 31, 2014**

| Evaluation Description  | Compete          |    | Infrastructure Needs Program II |                |
|---|------------------|----|---------------------------------|----------------|
|   | Yes              | No | Yes                             | No             |
| An independent expert outside USAID led the evaluation.   | a                |    | a                               |                |
| Peer reviewers completed statement of work checklists as evidence that they made sure the evaluation adhered to Agency standards.                                   |                  | ✓  |                                 | ✓ <sup>b</sup> |
| The program office worked with the regional and technical bureau in reviews of statements of work.  |                  | ✓  |                                 | ✓              |
| Statements of work clearly communicate why the evaluation is needed, how it will be used, and what evaluation questions should give managers the answers they need. | ✓ <sup>c</sup>   |    | ✓                               |                |
| The program office made sure evaluation draft reports were assessed for quality by management and through an in-house peer technical review.                        | n/a <sup>d</sup> |    | n/a <sup>d</sup>                |                |
| Mission comments were provided to the evaluation teams.   | n/a <sup>d</sup> |    | n/a <sup>d</sup>                |                |

<sup>a</sup> The mission had not yet hired an external evaluator. However, it planned to use an independent expert to conduct the evaluation.

<sup>b</sup> Mission employees said they used the checklist, but they did not document it.

<sup>c</sup> OIG found an excessive number of questions contrary to USAID policy, which are explained below.

<sup>d</sup> The evaluation had not yet been completed as of March 2014.

USAID/West Bank and Gaza employees did not document the use of the statement of work checklist for the mission’s two most recent evaluations for Compete Project and Infrastructure Needs Program II. The technical office staff for Compete said the program office did not show them how to use it.

In addition, the regional and technical bureaus did not review the statement of work for evaluations. Although mission employees said they had consulted with the technical bureau for Compete, they did so to determine whether they could procure the evaluation under an indefinite quantity contract that the bureau was managing, not to determine whether the statement adhered to the policy.

Both evaluations addressed why they were needed, how they would be used, and what would be answered. However, we found that Compete had at least nine evaluation questions that we considered excessive and contrary to the evaluation policy.

Because USAID/West Bank and Gaza’s program office was slow to implement the 2011 evaluation policy, it was applied to only the most recent two evaluations, neither of which was finished as of March 31, 2014. Employees in the office said this happened because there had been so many transitions and visits from members of Congress, the Secretary of State, and

others that they did not have time to focus on evaluations. In addition to these delays, they said they gave a new standardized mission order on evaluations to the director between January and February 2014, but he did not approve it until June 2014.

Because they did not verify that evaluations complied with USAID standards, missions cannot be sure the evaluations are unbiased and based on rigorous, credible information. This problem also increases the risk that missions will waste more than \$8.5 million on poorly designed, implemented, or written evaluations that are not useful. Therefore, we make the following recommendations.

**Recommendation 50.** *We recommend that USAID/Egypt implement actions to make sure mission personnel complete a statement of work checklist or the equivalent before an evaluation is conducted.*

**Recommendation 51.** *We recommend that USAID/Jordan implement actions to make sure mission personnel complete a statement of work checklist or the equivalent before an evaluation is conducted.*

**Recommendation 52.** *We recommend that USAID/West Bank and Gaza implement actions to make sure mission personnel complete a statement of work checklist or the equivalent before an evaluation is conducted.*

## **Missions Did Not Document Responses to Evaluation Findings or Maintain Supporting Documentation**

ADS 203.3.1.9, “Responding to Evaluation Findings,” states that missions should meet with the evaluation team to discuss the results of an evaluation and determine whether the team accepts each finding and recommendation. The mission also must (1) identify any management or program actions needed and assign responsibility and schedules, (2) determine whether any revisions are necessary to the CDCS, results framework, or project, and (3) share findings, conclusions, and recommendations with the entities involved.

ADS 203.3.1.2, Figure A, “Roles and Responsibilities,” states that the program office and technical offices are responsible for including evaluation reporting and plans in the PPR annex. Also ADS 203.3.1.8, “Documenting Evaluations,” states that missions should at a minimum document (1) raw quantitative data, (2) scope and methodology used to collect and analyze data, (3) important findings, conclusions, and recommendations, (4) disclosures of conflict of interest and statements of differences, if any, and (5) lessons learned, if applicable. According to ADS 203.3.1.10, data sets collected by USAID or one of its contractors for evaluation purposes must be uploaded and stored in a central database.

Missions did not always document responses to evaluation findings or maintain supporting documentation for evaluations.

**Egypt.** The staff met with the evaluation team to discuss results or findings and give feedback on any factual errors. In addition, they reviewed the findings, conclusions, and recommendations. However, the mission had mixed results in making sure the team consistently documented whether they accepted or supported each finding, conclusion, or recommendation. They did not assign responsibility and set schedules for management or

program actions that needed to be completed. Moreover, they did not document clearly whether any revision was necessary in a results framework.

The mission also had mixed results in acting on recommendations. For the avian influenza evaluation, the mission provided evidence that only two of eight were addressed. For the combined evaluation of the water and wastewater projects, implementers provided evidence in their progress reports that 14 of 22 recommendations were addressed. However, the mission could not provide details on how it would address recommendations for the eight others, which affected future programming decisions.

The mission reported and disseminated evaluation findings to mission staff, partners, and USAID/Washington in the DEC and PPR. But the PPR annex on evaluation was inaccurate. For example, the evaluation for the avian influenza and combined evaluation for the water and wastewater projects were recorded in the registry but not marked as required. And the mission reported that the avian evaluation cost \$322,000 in the FY 2012 and 2013 PPRs, yet listed \$228,000 in the inventory.

USAID/Egypt did not keep the minimum documentation required by ADS at the conclusion of an evaluation, as shown in Table 16.

**Table 16. USAID/Egypt’s Documentation of Evaluations as of March 31, 2014**

| Requirement   | Evidence  |
|---|---|
| Raw quantitative data   | The mission could not provide any evidence that it maintained any raw quantitative data.                          |
| Scope and methodology used to collect and analyze data                        | In the evaluation report  |
| Important findings (empirical facts collected by evaluators)                  | In the evaluation report  |
| Conclusions (evaluators’ interpretations and judgments based on the findings) | In the evaluation report  |
| Recommendations (proposed actions for management based on the conclusions)    | In the evaluation report  |
| Disclosure of conflict of interest and statement of differences, if any       | The mission provided only one conflict of interest form for a member of the water and wastewater evaluation team. |

These problems occurred for several reasons. The evaluation POC said some technical teams view the evaluation policy’s requirements as burdensome or unnecessary. Many AORs and CORs said they needed routine refreshers and reminders on evaluations, as well as training on the new mission order. One AOR said she did not know who was responsible for evaluations for future designs and was not clear about the program office’s role and responsibilities. Some employees said they did not have enough support and needed an evaluation specialist in each technical office so that they could train together, and the employees needed more support from the mission’s M&E officer.

**Jordan.** We reviewed four evaluations. Teams did not document explicitly whether they accepted or supported each finding, conclusion, or recommendation. For one evaluation, a COR disagreed with findings and recommendations in part because the evaluation team did not interview him even though he was a key player. However, this was not documented in a statement of differences.

The mission also did not document responsibilities assigned and timelines for management or program actions that needed to be completed. It did not document clearly whether any revision was necessary in the CDCS or projects.

The mission did not make sure all recommendations were addressed. Only one of the four evaluations had a recommendation tracking sheet, which was developed by a new AOR. A COR provided documentation of how lessons learned from his program were added as an annex to a PAD, but we could not see how they matched the actual recommendations that were in the evaluation report or what changes were made.

The mission reported and disseminated evaluation findings through the DEC and PPR. However, information in the PPR's evaluation registry was inaccurate. For two evaluations, the registry did not state that they were required even though the activities' values exceeded the threshold in FY 2012; one was corrected in FY 2013. For the same two, the funding amounts were significantly different than what was in the inventory in FY 2012; one was corrected in FY 2013. Moreover, one evaluation was labeled as "required – other" without any reason.

USAID/Jordan did not keep the minimum amount of documentation required for any of the evaluations, as shown in Table 17.

**Table 17. USAID/Jordan's Documentation of Evaluations as of March 31, 2014**

| <b>Requirement</b>  | <b>Evidence</b>  |
|---|--|
| Raw quantitative data   | The mission could not provide evidence that it maintained any raw quantitative data.   |
| Scope and methodology used to collect and analyze data                        | This was found in the statement of work for three evaluations.   |
| Important findings (empirical facts collected by evaluators)                  | In the evaluation report   |
| Conclusions (evaluators' interpretations and judgments based on the findings) | In the evaluation report   |
| Recommendations (proposed actions for management based on the conclusions)    | In the evaluation report   |
| Disclosure of conflict of interest and statement of differences, if any       | The mission could not provide documentation. The COR for one of the projects said he did not agree with the findings of the evaluation, but this disagreement was not included in the documentation. |

Employees attributed these problems to an understaffed program office and training restrictions. AORs and CORs said they needed on-the-job training and refreshers. Some also said mission management did not give them the authority to make changes.

One COR said he relied on the program office to manage the evaluations process, but it did not do so effectively. In addition, he added, the evaluation team did not know how to do an evaluation because they did not understand USAID's processes. For example, the team never interviewed him because the program officer responsible for managing the evaluation contract had a misconception that evaluation teams should not talk to those managing the activities.

**West Bank and Gaza.** While the mission took action on evaluation findings, it did not always document how. The mission also did not comply with Agency guidelines to maintain documentation for evaluations in a central database. Employees in the program office said

relevant documentation was in the AOR and COR files. However, one COR said he expected the data for his evaluation to be maintained in his files, program office files, and the mission's public folder, but was uncertain if the data was there. Another AOR said the implementer was maintaining the data.

These problems occurred because the mission was slow to implement the evaluation policy, and the staff lacked training and expertise. At least eight CORs, AORs, M&E specialists, and office directors said they needed more training on evaluations. An office director said the mission's restrictive training policy allowed employees to take only mandatory trainings, and it was not always clear to employees which trainings were mandatory. An AOR said he had been limited to teaching himself since 2009 because he did not know how the mission was prioritizing trainings for approval, given the restrictive policy.

AORs and CORs said the mission needed someone in-house with evaluations expertise. Yet one COR said it was more efficient and effective to ask someone outside because the staff in the technical office sometimes did not have experience to plan and manage evaluations.

Because missions do not track how an evaluation's recommendations are implemented, USAID cannot be sure that they are addressed adequately and incorporated into future designs. If not, an estimated \$1.2 million spent on completed evaluations could be wasted. Therefore, we make the following recommendations.

***Recommendation 53.*** We recommend that USAID/Egypt implement a comprehensive plan to make sure draft reports for evaluations meet USAID's standards and minimum documentation requirements, and that management or program actions to address recommendations are documented.

***Recommendation 54.*** We recommend that USAID/Jordan implement a comprehensive plan to make sure draft reports for evaluations meet USAID's standards and minimum documentation requirements, and that management or program actions to address recommendations are documented.

***Recommendation 55.*** We recommend that USAID/West Bank and Gaza implement a plan to document management or program actions to address recommendations and maintain documentation in a central location.

# EVALUATION OF MANAGEMENT COMMENTS

In responding to the draft report, officials agreed with 29 of 55 recommendations. Officials disagreed with seven recommendations but agreed with the underlying principle for three of the seven recommendations. For the remaining 19 recommendations, mission management did not state their agreement or disagreement; however, they generally took corrective actions to satisfy the intent of the recommendation.

We acknowledge management decisions on all recommendations except recommendations 11 and 18, which remain without a management decision until a target date is provided. We acknowledge final action on recommendations 1-6, 8, 9, 12-15, 17, 19-21, 23-25, 28-32, and 34-55. Management expected to take final action on recommendations 7, 10, 16, 27, and 33. Final action for recommendations 22 and 26 can be acknowledged once officials provide documentation supporting their corrective action.

In response to the draft report, USAID/Egypt commented that the period covered by the audit was not representative of the mission's past or current operations because it coincided with unprecedented political changes in Egypt's recent history. We acknowledge that the mission was operating during a tumultuous period. However, given that mission personnel continue to be subject to strict travel restrictions, similar challenges could recur. In addition, we audited the three Middle East missions to identify common problems encountered while monitoring and evaluating programs in a region where missions have experienced and may continue to experience security challenges and disruptions in operations. Our report highlights areas for the missions to improve their internal controls over monitoring and evaluation and ideally helps them learn from one another.

USAID/Egypt also noted concerns related to the timeliness and utility of the recommendations. Covering programs from October 1, 2012, to March 31, 2014, the audit reflects a snapshot in time. We acknowledge that the missions continued to improve their internal controls after the audit period ended on March 31, 2014. In some cases the missions began to implement these controls before the final report was issued. For example, USAID/Jordan described numerous changes it made to improve M&E efforts and compliance with Agency requirements after the audit period, including fully implementing its M&E support program and implementing an automated, centralized performance management information system. We acknowledge the actions taken as noted in our detailed evaluation of management comments below.

**Recommendation 1.** USAID/Egypt officials agreed to institute processes to ensure that DQAs are completed as required, and the mission has begun to use them. For example, the mission's program office organized individual sessions with each technical office to discuss required DQAs in October 2015. The mission also held a mission-wide briefing in April 2016 to provide refresher training. We acknowledge the mission's management decision and final action.

**Recommendation 2.** USAID/Jordan officials agreed to institute processes to ensure that all DQAs are completed as required. For example, they adopted a mission order on monitoring in

August 2014 and, with support from the M&E contractor, have begun providing DQA training for staff. We acknowledge the mission's management decision and final action.

**Recommendation 3.** USAID/West Bank and Gaza officials said they instituted processes to ensure compliance with DQA requirements and PPR guidance. For example, they approved a monitoring mission order in June 2014 and provided training for staff. We acknowledge the mission's management decision, which satisfies the intent of the recommendation, and final action.

**Recommendation 4.** USAID/Egypt officials agreed to provide technical assistance to AORs and CORs on how to verify implementers' data. Officials said that mission order 203-1A established the rationale and methodology for verifying data. Furthermore, officials said they provided refresher training to staff in April 2016 and would continue to provide training annually. Having reviewed supporting documentation, we acknowledge the mission's management decision and final action.

**Recommendation 5.** USAID/Jordan officials agreed and said they took steps to reinforce data verification. For example, in May 2015, the mission conducted a 4-day performance monitoring workshop with AORs and CORs to discuss ways to verify data. Officials also said the mission's M&E specialists are working with AORs and CORs to help them verify data through clarifying and disseminating indicator definitions and conducting DQAs. We acknowledge the mission's management decision and final action.

**Recommendation 6.** USAID/West Bank and Gaza officials said they took steps to reinforce the sound methods to verify data, satisfying the intent of the recommendation. For example, the mission provided training to AORs and CORs and disseminated relevant templates and guidance, including a DQA checklist and a site visit template. We acknowledge the mission's management decision and final action.

**Recommendation 7.** USAID/Egypt officials agreed to implement a plan to make sure DQAs are complete. Officials adopted a mission order on performance monitoring that details DQA requirements and includes a recommended checklist. Furthermore, with the FY 2016 PPR, office directors will have to attest through a memorandum that data in the PPR have been verified. Final action is expected by December 31, 2016. We acknowledge the mission's management decision.

**Recommendation 8.** USAID/Jordan officials agreed and said their mission M&E specialists now use a tracking sheet to monitor the status of all required DQAs. Office directors and the program officer now review and sign DQAs. We acknowledge the mission's management decision and final action.

**Recommendation 9.** USAID/West Bank and Gaza officials said mission M&E teams develop a DQA plan each year that is shared with technical teams and includes a schedule to ensure each DQA is completed. Also, the relevant office directors now approve and sign the DQA memos. These measures satisfy the intent of the recommendation, and we acknowledge the mission's management decision and final action.

**Recommendation 10.** USAID/Egypt officials agreed and outlined a plan to strengthen controls over databases used by technical offices. Steps included reviews by office directors and spot checks of implementers' data. Final action is expected by December 31, 2016. We acknowledge the mission's management decision.



**Recommendation 11.** USAID/Egypt officials disagreed with assessing ways of improving Egypt Info for performance monitoring and reporting. We made this recommendation because only 20 percent of staff used it, and employees found it burdensome, making it an ineffective tool for performance management, whether or not they were using it specifically for PPR reporting. Moreover, mission officials noted that they used Excel spreadsheets in lieu of Egypt Info to report on PPR data. However, this too was problematic. We identified numerous weaknesses related to the mission's use of Excel spreadsheets and made recommendation 10 to address those deficiencies.

Mission officials determined that Egypt Info was not as useful as its designers had hoped. Instead, the mission will use the Agency's new Aidtracker system; the mission will be included in Phase 2 of the Agency's system rollout. Mission officials said they intend to amend relevant mission orders to omit references to Egypt Info as a tool for PPR preparation. However, because the mission's management did not provide a target date for the corrective actions, we cannot acknowledge the mission's management decision.

**Recommendation 12.** USAID/Jordan officials agreed and said the mission selected and installed a new performance management information system called DevResults, which provides better oversight of data quality. This system replaces other management information systems used by the mission. Having reviewed documentation of the information system, we acknowledge the mission's management decision and final action.

**Recommendation 13.** USAID/Jordan officials agreed and said that before selecting the new performance management system, a working group consisting of mission staff assessed the advantages and disadvantages of available systems. Having reviewed documentation of the working group's findings, we acknowledge the mission's management decision and final action.

**Recommendation 14.** USAID/West Bank and Gaza officials said they believe the mission is currently adequately staffed to support local NGOs and therefore did not plan to hire an outside firm. Accordingly, we acknowledge the mission's management decision and final action.

**Recommendation 15.** USAID/West Bank and Gaza officials said the mission conducts biannual reviews of GeoMIS, with additional training provided annually to users. On the basis of user feedback and Agency requirements, the mission will make necessary system updates. Having reviewed documentation of these trainings, we acknowledge the mission's management decision and final action.

**Recommendation 16.** USAID/Egypt officials agreed and said a mission-wide PMP will be completed 6 months after a CDCS is approved. The expected date of final action is May 31, 2017. We acknowledge the mission's management decision.

**Recommendation 17.** USAID/Jordan officials agreed and said a revised mission PMP was issued in July 2015. As the mission's PMP was being revised, the program office's M&E specialists and project design teams ensured that project and activity M&E plans fed into the mission's PMP. We acknowledge the mission's management decision and final action.

**Recommendation 18.** USAID/West Bank and Gaza officials said the mission was finalizing a results framework, after which it would work with the Bureau for Policy, Planning and Learning and the Bureau for the Middle East to explore the development of a PMP. Although these actions satisfy the intent of the recommendation, we cannot acknowledge the mission's

management decision because management did not give a target date for the corrective action.

**Recommendation 19.** USAID/Egypt officials agreed and said that all people-level indicators for newly approved project and activity designs are now disaggregated by sex. Furthermore, the mission adopted gender indicators in the FY 2015 PPR to which different projects are contributing. We acknowledge the mission's management decision and final action.

**Recommendation 20.** USAID/Jordan officials agreed and said when the mission PMP was being revised and the mission's new performance information system, DevResults, was being introduced, the program office's M&E team ensured all people-level indicators were disaggregated by sex. Having reviewed documentation of the disaggregation, we acknowledge the mission's management decision and final action.

**Recommendation 21.** USAID/West Bank and Gaza officials said the mission disaggregated the FY 2016 indicators by sex; this action satisfies the intent of the recommendation. Having reviewed documentation of the indicators, we acknowledge the mission's management decision and final action.

**Recommendation 22.** USAID/Egypt officials disagreed with documenting the reallocation of budgeted funds for M&E based on Agency guidelines. Officials said the operating budget amounts for FYs 2012, 2013, and 2014 should have excluded \$60 million, to account for Enterprise Funds that were not managed by the mission. In response, we recalculated the minimum needed for M&E without the \$60 million and determined that the mission still would not meet the 5 percent Agency guidelines for FY 2012 and FY 2013. Nevertheless, mission officials said they obligated sufficient money for M&E in their six new bilateral agreements, representing the mission's current and future programming. We acknowledge the mission's management decision. However, because the mission did not provide documentation that they obligated sufficient M&E funds in their six bilateral agreements amended in September 2015, we do not acknowledge final action.

**Recommendation 23.** USAID/Jordan officials agreed and said they revised PAD financial plan templates to ensure allocation of 5 percent for M&E. Having reviewed documentation of a financial plan, we acknowledge the mission's management decision and final action.

**Recommendation 24.** USAID/West Bank and Gaza officials said they believed that the mission maintained an adequate M&E budget; however, they said it was difficult for the mission to reach the 5 percent allocation for M&E because of constant budget fluctuations. We acknowledge the mission's management decision and final action.

**Recommendation 25.** USAID/West Bank and Gaza did not explicitly say whether the M&E POC would be involved in the budgeting process, something we believe is essential to ensuring M&E funds are adequately allocated. However, mission officials decided that the strategic planning and analysis office and its front office would assess budget allocations for M&E. We acknowledge the mission's management decision and final action.

**Recommendation 26.** USAID/Egypt officials disagreed with this recommendation, but agreed with the underlying principle regarding the importance of documenting and maintaining official files. We made this recommendation because, as noted in the report, the mission had weak controls, making it difficult for AORs, CORs, and alternates to find files that their predecessors should have been keeping. Although mission officials said that additional tools would increase administrative burdens without producing commensurate

benefits, the mission nevertheless decided to update a checklist in March 2016 to be signed by AORs and CORs, certifying that their files are complete. This is essentially an added control or improved tool. They then distributed the updated checklist to staff during a training. We acknowledge the mission's management decision. However, because the mission did not provide documentation that they updated the checklist signed by AORs and CORs, we do not acknowledge final action.

**Recommendation 27.** USAID/Egypt officials agreed and said that the procurement office began a series of trainings in March 2016 at which updated checklists were discussed and distributed to staff. According to the mission's updated response, final action is expected by May 31, 2017, when the last series of trainings is expected to conclude. We acknowledge the mission's management decision.

**Recommendation 28.** USAID/Jordan officials agreed and said a checklist for a standard filing system was prepared and distributed to AORs and CORs. Having reviewed supporting documentation, we acknowledge the mission's management decision and final action.

**Recommendation 29.** USAID/Jordan officials agreed and said a template for site visits was refined in February 2016. Additionally, they said site visit reports now must be uploaded to a shared folder, and staff receive periodic reminders to upload site visit reports to this folder. Having reviewed supporting documentation, we acknowledge the mission's management decision and final action.

**Recommendation 30.** USAID/West Bank and Gaza officials said the mission has continued to train and remind staff about site visits. According to an updated response, the mission's acquisition and assistance office sent a reminder to all AORs and CORs on April 13, 2016, to document their site visits and maintain reports in their official files. We acknowledge the mission's management decision and final action.

**Recommendation 31.** USAID/Egypt officials disagreed with reinforcing guidelines for AORs and CORs to conduct site visits in accordance with the mission order on performance monitoring. They noted the importance of site visits but emphasized the need to balance monitoring with security. Despite disagreeing with the recommendation, mission officials came up with a plan to reinforce guidelines by providing a refresher training to staff in April 2016. The mission further planned to conduct refresher trainings annually. Having reviewed documentation of the training, we acknowledge the mission's management decision and final action.

**Recommendation 32.** USAID/Jordan officials agreed and said that the mission order issued in August 2014 on performance monitoring requires site visits at least once per quarter. The mission order also includes a template for site visits, which was refined in February 2016, when a refresher training was also provided. We acknowledge the mission's management decision and final action.

**Recommendation 33.** USAID/West Bank and Gaza officials said they would revisit the mission's processes for site visit reporting and communicate new developments by October 31, 2016. Final action is expected by October 31, 2016. We acknowledge the mission's management decision.

**Recommendation 34.** USAID/Egypt officials agreed with the importance of portfolio reviews but disagreed with documenting actions taken to make sure future portfolio reviews were conducted according to ADS, because they believed the mission had "considerable leeway" on how to

conduct them. The mission cited as examples two portfolio reviews conducted in 2012 and 2014, which they said complied with Agency guidelines. Further, mission officials said that new portfolio reviews in December 2014, June 2015, and November 2015 were consistent with Agency guidelines.

Our evidence demonstrated that the mission did not comply with ADS 203: it did not evaluate individual project and activity performance, review the status of implementation, or verify the adequacy of performance indicators for portfolio reviews that we examined during the audit. Additionally, the two examples the mission cited omitted the FY 2013 portfolio reviews that we determined were noncompliant. Still, having reviewed the supporting documentation of the new portfolio reviews, we acknowledge the mission's management decision and final action.

**Recommendation 35.** USAID/Egypt officials agreed and said the mission was working to strengthen language in solicitations and awards related to monitoring and evaluation deliverables, including submissions to the DEC. According to an updated response, the procurement office emphasized DEC requirements in an implementer's meeting that AORs and CORs attended on June 20, 2016. We acknowledge the mission's management decision and final action.

**Recommendation 36.** USAID/Jordan officials agreed and said the mission strengthened language in solicitations and awards related to M&E deliverables, including submissions to the DEC. The mission also included a reminder in closeout checklists for AORs and CORs to verify that the contractor provided required reports such as the list of (and links to) documents submitted to the DEC. We acknowledge the mission's management decision and final action.

**Recommendation 37.** USAID/West Bank and Gaza officials said that on March 14, 2016, they sent a notice to the mission's implementers reiterating requirements to submit documents to the DEC. Further, they sent a reminder to all mission AORs and CORs reiterating the DEC requirements. These measures satisfy the intent of the recommendation, and we acknowledge the mission's management decision and final action.

**Recommendation 38.** USAID/West Bank and Gaza officials said the mission dedicated one staff member to ensuring contractor performance reports are processed in a timely manner. Additionally, the Agency regularly notifies the mission about the progress on completing reports. These measures satisfy the intent of the recommendation. We acknowledge the mission's management decision and final action.

**Recommendation 39.** USAID/Egypt officials agreed and said the mission hired another M&E specialist in the program office. Moreover, the mission's contractor for M&E support is providing the necessary assistance to ensure all evaluations are completed on time and reviewed for quality control. We acknowledge the mission's management decision and final action.

**Recommendation 40.** USAID/Egypt officials agreed and said all mission staff who manage evaluations in the program office have taken the Agency's evaluation course. Moreover, the mission continues to allow additional staff to attend the Agency's M&E courses. We acknowledge the mission's management decision and final action.

**Recommendation 41.** USAID/Jordan officials agreed and said they have four staff working on the M&E team, a number that ensures their evaluation workload is manageable. Further, the mission now has a contractor providing M&E support. We acknowledge the mission's management decision and final action.

**Recommendation 42.** USAID/Jordan officials agreed and said the four M&E staff have received training on evaluations. Further, the mission's M&E contractor has provided training for staff and plans more training. We acknowledge the mission's management decision and final action.

**Recommendation 43.** USAID/West Bank and Gaza officials listed three staff members, including the M&E POC, who are to manage the evaluation process and said that they maintain a mission-wide evaluation plan to help them do so. These measures satisfy the intent of the recommendation, and we acknowledge the mission's management decision and final action.

**Recommendation 44.** USAID/West Bank and Gaza officials said the mission would hold a training on performance monitoring and evaluation. According to an updated response, the Bureau for Policy, Planning and Learning and the mission provided the training for mission staff from July 11 to 15, 2016. We acknowledge the mission's management decision and final action.

**Recommendation 45.** USAID/Egypt officials disagreed with this recommendation, but agreed that project design documents need to address evaluation policy requirements. The mission said it implemented a mission order in March 2014 emphasizing this. Further it said all project designs approved since 2014 included evaluation plans. Because the audit scope covered evaluations conducted between October 2012 and March 2014, the audit did not observe the effectiveness of the new mission order. Still, because the mission implemented new guidance after the audit period, we acknowledge the mission's management decision and final action.

**Recommendation 46.** USAID/Jordan officials agreed and said that all mission projects fall within the Agency's definition of "large projects"; as such, they will all undergo a least one external evaluation. We acknowledge the mission's management decision and final action.

**Recommendation 47.** USAID/Jordan officials agreed and said the mission adopted the Agency's standardized mission order on project design in June 2015. It requires that PADs have an M&E section. We acknowledge the mission's management decision and final action.

**Recommendation 48.** USAID/West Bank and Gaza officials said the mission identified projects that required evaluations and allocated funds to conduct the evaluations, satisfying the intent of the recommendation. We acknowledge the mission's management decision and final action.

**Recommendation 49.** USAID/West Bank and Gaza officials said the mission ensures all project design documents include an M&E section per agency requirements and the June 2014 mission order on evaluations. Having reviewed supporting documentation, we acknowledge the mission's management decision and final action.

**Recommendation 50.** We changed the wording of recommendations 50, 51, and 52 that mission personnel, not evaluation team members, need to complete statement-of-work checklists. Even though we changed the wording of the recommendations in the final report, the missions responded to the recommendations based on our original intent that mission personnel review the checklists.

USAID/Egypt officials disagreed with this recommendation, but agreed with the need to document the review of evaluation statements of work before conducting an evaluation. Mission officials said that on March 19, 2014, USAID/Egypt adopted a mission order on evaluations. They also said that since 2014 the M&E team has used the Agency's recommended evaluation

statement of work template and checklist when a statement of work is developed. Because the audit scope covered evaluations conducted between October 2012 and March 2014, the audit did not observe the effectiveness of the new mission order. Nonetheless, because the mission implemented new guidance after the audit period, we acknowledge the mission's management decision and final action.

**Recommendation 51.** As noted under our response to recommendation 50, we changed the wording of this recommendation in the final report. USAID/Jordan officials agreed and said that the program office and the mission's M&E contractor document their review of statements of work through a checklist or directly on the statement of work. Having reviewed supporting documentation, we acknowledge the mission's management decision and final action.

**Recommendation 52.** As noted above under our response to recommendation 50, we changed the wording of this recommendation in the final report. In response to the draft recommendation, USAID/West Bank and Gaza officials said that the M&E team follows Agency guidance and uses a statement of work checklist when a statement of work is developed, satisfying the intent of the recommendation. Having reviewed supporting documentation, we acknowledge the mission's management decision and final action.

**Recommendation 53.** USAID/Egypt officials agreed and said they follow a mission order on evaluation adopted in March 19, 2014, which outlines the process for reviewing and accepting evaluation reports. Having reviewed a checklist for reviewing evaluation reports, we acknowledge the mission's management decision and final action.

**Recommendation 54.** USAID/Jordan officials agreed and said a mission order on evaluation was adopted in August 2014, outlining the process for reviewing and accepting evaluation reports. In addition, the mission's M&E contractor supports the mission in documenting how evaluation recommendations are implemented. We acknowledge the mission's management decision and final action.

**Recommendation 55.** USAID/West Bank and Gaza officials said that in June 2014 the mission adopted a mission order on evaluations, requiring all evaluations to include a plan to disseminate findings. The mission also reminded implementing partners to submit all evaluations to the DEC. Moreover, the strategic planning and analysis office at the mission maintains all records. We acknowledge the mission's management decision and final action.

# SCOPE AND METHODOLOGY

## Scope

OIG conducted this audit in accordance with generally accepted government auditing standards. They require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions in accordance with our audit objective. We believe that the evidence obtained provides that reasonable basis.

The purpose of this audit was to determine whether the selected missions' internal controls over data quality and M&E helped them manage and oversee USAID programs better. It covered three Middle East missions: USAID/Egypt, USAID/Jordan, and USAID/West Bank and Gaza. The audit focused on programs active as of March 31, 2014. On this date, the three selected missions had a combined total of \$1.5 billion obligated and \$965 million disbursed for their active programs. Because this audit focused on internal controls over data quality, monitoring, and evaluations instead of specific financial transactions, the team did not audit program disbursements.

While planning and performing the audit, we assessed significant internal controls, which are the policies, procedures, techniques, and mechanisms to enforce management's directives. We assessed the design and implementation of the following internal control activities to monitor and evaluate program activities: USAID's evaluation policy, mission orders, evaluation budgeting procedures, data collection systems, PPRs, DQAs, AOR/COR designation letters, implementers' annual and quarterly progress reports, site visit reports, and portfolio reviews. We reviewed 21 OIG performance audit reports from FYs 2010 to 2013 for the three missions. We also reviewed OIG reports from FY 2014 and 2015, including the *Audit of USAID/West Bank and Gaza's Partner Vetting and Geomanagement Information Systems* and *Survey of USAID's Arab Spring Challenges in Egypt, Tunisia, Libya, and Yemen*.

We conducted audit fieldwork from May 13, 2014, to May 21, 2015. We interviewed staff and office directors from the program office and all technical offices in each mission. We received questionnaire responses from more than 60 different implementers. We also interviewed USAID/Jordan's M&E contractor. To verify reported results, we inspected supporting documentation from the implementer; these procedures are described in the methodology section below.

## Methodology

To answer the audit objective, we first made a list of documents needed to gain an understanding of how the selected missions monitor and evaluate programs. We met with key personnel at the missions and reviewed documentation. We reviewed the Federal Managers' Financial Integrity Act assessments at each mission. Furthermore, we reviewed applicable laws and USAID policies, including ADS 203 and 205, and the 2011 evaluation policy. The audit report cites numerous ADS requirements that were applicable during the audit; some ADS chapters may have changed after test work ended.

Through these interviews and document reviews, we gained an understanding of the data collection, monitoring, and evaluation procedures at each mission. We then identified the

universe of active programs at the missions and from this universe selected a statistical sample of programs at each one to test.

To assess whether AORs and CORs are meeting their performance monitoring responsibilities outlined in their designation letters, we interviewed AORs and CORs for 71 activities and then reviewed their files. During this audit, we corroborated information presented during interviews with implementers. We also performed the following activity-specific audit steps:

- **Data Quality.** We verified whether missions were implementing internal controls over data quality and assessed whether these controls enable better program management and oversight.

To determine whether a DQA was effective, we first determined whether the mission reported FY 2013 PPR data and completed the required DQA within the past 3 years before submission. If so, we tested whether the data were accurate and supported by asking the implementer for documentation. If we found a problem with the data, we checked whether the mission identified it in the DQA. If the mission correctly identified it, we assessed that the DQA was effective. If not, we concluded that it was not.

To answer the audit objective, we relied on our tests of internal control over data processing. We found that the computer-generated data missions reported were not sufficiently reliable. Our review of the internal controls and results of data tests showed weaknesses that are discussed on pages 7, 8, 9, and 12.

- **Performance Monitoring.** We verified that the design documents, strategies, and mission-wide PMPs included monitoring plans. We verified whether mission employees were collecting and maintaining program results and other key documents needed to manage programs effectively. We then examined whether AORs and CORs are conducting site visits to review and validate program performances. We also verified whether implementers provided reports in a timely manner for the mission's review and action. Finally, we assessed the missions' portfolio reviews, submission of materials to the DEC, and completion of CPARS to be sure they made appropriate changes to activities and that program information was available.
- **Evaluations.** We verified that the missions developed written procedures for implementing the January 2011 policy. We verified that the employees responsible for evaluations had adequate training and experience. We verified that evaluations findings were discussed and disseminated to mission staff and USAID/Washington. We also verified that the mission took corrective actions, when appropriate, based on recommendations in evaluation reports.

For our test work, we established an error rate of 5 percent, precision rate of 4 percent, and confidence level of 90 percent for our statistical sample. The audit team considered an internal control effective if it was operating as designed to achieve its objective for at least 90 percent of the selected programs. Because statistical sampling was used during field work, the results and overall conclusions related to this testing are not limited to the items tested and can be projected to the entire universe of programs active at the selected missions as of March 31, 2014. In total, we reviewed 71 activities (defined in the summary). For Egypt, the team selected 19 of 31 activities; for Jordan, 24 of 45; and for West Bank and Gaza, 28 of 63 activities.



# MANAGEMENT COMMENTS



**USAID | EGYPT**  
FROM THE AMERICAN PEOPLE

April 28, 2016

## MEMORANDUM

**TO:** James Charlifue, Regional Inspector General/Frankfurt

**FROM:** Sherry F. Carlin, Mission Director, USAID/Egypt /s/

**SUBJECT:** USAID/Egypt Response to Draft Audit of Selected Middle East Missions' Internal Controls Over Data Quality and Monitoring and Evaluation of Programs (Report No. 8-000-16-0XX-P)

This memorandum transmits USAID/Egypt's response to the subject report.

The Mission notes at the outset that the period of time covered by the subject audit coincided with a series of political changes in Egypt unprecedented in its recent history. Events included two political transitions accompanied by mass demonstrations in the streets over an extended period of time, significant violence and loss of lives. These changes had a major effect on the Mission's planning and implementation of programming as well as monitoring and evaluation efforts. Importantly, these changes also resulted in two ordered departures that took place in January 2011 and July 2013. These circumstances were significantly more tumultuous than the "constant state of flux" alluded to in the draft audit report. In short, the time period of the subject audit is not representative of the Mission's past or current operations, thereby limiting the usefulness of any audit findings or recommendations under the subject audit.

Additionally, the Mission notes that the field work for the subject audit ended in December 2014. The Mission received a discussion draft of the audit report on May 12, 2015, which was discussed with the Office of the Regional Inspector General/Frankfurt on May 20, 2015. The Mission received the revised draft of the audit report on March 3, 2016. Given the significant period of time that has elapsed since the events were reviewed in the subject audit, the timeliness of the audit findings and the utility of the audit recommendations have diminished.

Please find below the Mission's responses to the subject audit recommendations. Documentation supporting the Mission's responses has been submitted concurrently under separate cover.

### **Responses to Recommendations Related to USAID/Egypt<sup>19</sup>:**

**Recommendation 1.** USAID/Egypt implement additional controls to make sure required [data quality assessments] DQAs are completed before submitting data in the annual PPR.

<sup>19</sup> Please note Recommendation numbering follows the numbering in the draft report.

**Response:** USAID/Egypt agrees with the recommendation.

The Mission has already instituted and begun to utilize processes to ensure compliance with DQA requirements, summarized as follows:

- In advance of the FY2014 and FY2015 Performance Plan and Report (PPR) submissions, the Mission completed all necessary DQAs to ensure quality of data submitted.
- On April 13, 2014, the Mission adopted Mission Order (MO) 203-1A on Performance Monitoring, which is based on the standardized MO on Monitoring referenced in ADS 201.3.2. MO 203-1A clearly details the DQA requirements and includes a recommended DQA checklist.
- The Mission also disseminated DQA requirements, appropriate templates and DQA methodology prior to developing the FY 2014 and FY 2015 PPR.
- In FY 2015, the Mission's Program Office organized individual sessions with each technical office to go through the PPR requirements including the required DQAs for each technical office. Those sessions were held between October 27 and October 29, 2015. The Program Office and the Mission's monitoring and evaluation (M&E) contractor, which was hired after the completion of the field work for this audit, provided technical office staff with relevant templates, guidance, and technical assistance to conduct the DQAs.
- A mission-wide briefing was conducted on April 20, 2016, to provide refresher training for contracting officer's representatives (CORs) and agreement officer's representatives (AORs) on monitoring requirements as per MO 203-1A.
- Starting in May 2016, USAID/Egypt, with support from the Mission's M&E contractor, plans to conduct DQA trainings for Mission staff and implementing partners' personnel. USAID/Egypt intends to continue to make this training available to all new Mission staff and implementing partner personnel on an annual basis.
- Templates and guidelines for conducting DQAs have been disseminated by the Mission's M&E team in the Program Office to Mission and implementing partner staff. Such DQA templates and guidelines are also available to Mission Staff on the Mission's intranet.
- The Mission expects that many new DQAs will be conducted in FY 2016, FY 2017 and FY 2018. The M&E team in the Program Office will lead this effort, in collaboration with AORs/CORs and with support from the Mission's M&E contractor.

**Conclusion:** All DQAs were completed in advance of submitting the FY 2014 and FY 2015 PPRs, and additional DQAs, as required, will be conducted later this year well in advance of the deadline of the FY 2016 PPR submission. Starting with the FY 2016 PPR, the Mission will require that the Office Directors of each technical office provide PPR data for their offices through a memorandum whereby the Office Director attests that all data in their PMPs and PPR submission has been verified by the AORs and CORs and that DQAs have been reviewed by that Office Director. However, to the extent that the security situation prevents adequate monitoring at certain project sites, the Office Director may note specific exceptions to his/her attestation. For instance, an exception might occur if a DQA could not be carried out at a project site due to a travel restriction. In cases where a DQA was required but could not be conducted, the Mission would not report this result in the PPR for that year, in accordance with ADS guidance. The

Mission has fully addressed this recommendation.

The Mission requests closure of this recommendation upon issuance of the final audit report.

**Recommendation 4.** USAID/Egypt's program office provide technical assistance to agreement officer representatives and contracting officer's representative on how to verify implementer's data.

**Response:** USAID/Egypt agrees with the recommendation. MO 203-1A sets forth the rationale and methodology for AORs/CORs to verify data (through review of quarterly reports, site visits, and spot checks of implementers' files). A Mission-wide refresher training open to all staff on requirements for performance monitoring, including site visits and data verification, was conducted on April 20, 2016. The Mission intends to conduct additional refresher trainings on performance monitoring, site visits and documenting findings through a standardized site visit report starting in May 2016. The Mission intends to conduct such refresher trainings on an annual basis in the future. In addition, a series of performance monitoring workshops for AORs/CORs and implementing partners' M&E specialists is expected to be rolled out by the Mission's M&E contractor starting in August 2016. The workshops will reinforce the need for M&E measures to achieve results, explain the need and methodologies to accurately collect and verify data, and provide training on writing evaluation statements of work (SOWs), methods, and management. To further strengthen data quality, the M&E team in the Program Office, and with support from the Mission's M&E contractor, disseminated to Mission staff relevant templates and guidance including the DQA checklist and a site visit checklist/report. Additionally, AORs and CORs are able to request customized technical assistance for data verification from the M&E contractor.

**Conclusion:** MO 203-1A detailing these controls and requirements was signed in April 2014.

The Mission has fully addressed this recommendation and requests its closure upon issuance of the final audit report.

**Recommendation 7.** USAID/Egypt's office directors implement a plan to make sure data quality assessments are complete.

**Response:** USAID/Egypt agrees with the recommendation. As noted in response to Recommendation 1 above, USAID/Egypt adopted the MO 203-1A on Performance Monitoring in April 2014. MO 203-1A clearly details the DQA requirements and includes a recommended DQA checklist.

Starting with FY 2016 PPR, the Mission will require that the Office Directors of each technical office provide PPR data for their offices through a memorandum whereby the Office Director attests that all data in their PMPs and PPR submission has been verified by the AORs and CORs and that DQAs have been reviewed by that Office Director. However, to the extent that the security situation prevents adequate monitoring at certain project sites, the Office Director may note specific exceptions to his/her attestation. For instance, an exception might occur if a DQA could not be carried out at a project site due to a travel restriction. In cases where a DQA was required but could not be conducted, the Mission would not report this result in the PPR for that year, in accordance with ADS guidance.

**Target Completion Date:** December 31, 2016.

**Recommendation 10.** USAID/Egypt, in coordination with its technical offices, implement a plan to strengthen controls over its databases to reduce errors in reporting.

**Response:** USAID/Egypt agrees with the recommendation, and in preparation for the FY 2016 PPR, will adopt the following new measures to strengthen controls over databases currently used by the Mission's technical offices to organize information:

Step 1: During the preparation for the FY 2016 PPR, the Program Office will include in the guidance sent to the technical offices a requirement that each technical office assign a point of contact for the PPR. The Program Office will also prepare and send a unified database (i.e., one for the whole Mission) for all the technical offices to use.

Step 2: The assigned point of contact from each technical office will be responsible for collecting the information and data from the CORs and AORs and then entering the data into the unified database. Technical offices will be required to submit the draft PPR indicators template to the Program Office, along with indicator data entered into the unified database, the PPR templates and DQAs.

Step 3: The unified database, PPR data, and DQAs will be reviewed by the technical Office Directors prior to sending the PPR package to the Program Office (please see response to Recommendations 1 & 4 above).

Step 4: The Program Office will review database entries along with the PPR indicator templates and narrative to ensure all are consistent.

Step 5: In order to ensure data quality and accuracy, the Program Office, with assistance from the Mission's M&E contractor, will conduct spot checks comparing data presented by USAID implementing partners in their periodic reports (quarterly or annual) with what the technical offices submitted in their draft PPR and entered into the unified database.

**Target Completion Date:** December 31, 2016.

**Recommendation 11.** USAID/Egypt conduct an assessment with mission employees to find ways of improving Egypt Info for performance monitoring and reporting, and document an action plan with milestones to address the assessment findings.

**Response:** USAID/Egypt disagrees with this recommendation. Although Egypt Info is a useful tool for certain aspects of program management, such as recording project start and end dates, it has not turned out to be as useful as its designers had hoped it would be for developing the PPR or for performance monitoring and reporting in general. Thus, the Mission has not used and does not plan to use Egypt Info to prepare the PPR. Instead, the Mission has used Excel spreadsheets because they are a useful and flexible tool to aggregate performance information (e.g., add the numbers of people trained or workshops held through a number of contracts). Although the audit notes a small number of errors in calculations, they were minimal and were related to mistakes in in-putting data rather than

the database itself. In fact, some of the alleged transcription errors in data were actually corrections made to erroneous implementer data following careful data quality review by AORs and CORs. Further, the Mission has identified what may be a better technical option for the PPR. The Agency has developed a system called Aidtracker specifically designed for performance monitoring and reporting. The Mission will be included in Phase 2 of the roll out of this system and plans to start utilizing it as soon as possible. Because the Mission never planned to use Egypt Info as a tool in assisting with the preparation of PPRs and because the Agency has developed an improved system, there will be no value in perfecting Egypt Info for this purpose. The Mission intends to review and amend its Mission Orders to omit references suggesting Egypt Info is a tool for PPR preparation.

**Conclusion:** The Mission intends to adopt an alternative tool specifically designed for performance monitoring and reporting as described above.

The Mission requests that this recommendation be omitted from the final audit report.

**Recommendation 16.** USAID/Egypt develop a mission-wide performance management plan.

**Response:** USAID/Egypt agrees with the recommendation to develop a mission-wide performance management plan (PMP). USAID is in the process of developing a five-year Country Development Cooperation Strategy (CDCS) for Egypt covering FY 2015 – FY 2020 funds. USAID/Washington and USAID/Egypt convened a videoconference on October 15, 2015 to outline parameters for the CDCS process. The CDCS for Egypt is expected to be finalized, approved, and disseminated by the second half of calendar year 2016. As per the ADS guidelines, the Mission PMP must be developed and approved within 6 months from the approval of the CDCS. USAID/Egypt is following CDCS guidance in ADS 201 closely.

**Target Completion Date:** The Mission PMP will be completed 6 months following CDCS approval or on or about May 31, 2017.

**Recommendation 19.** USAID/Egypt implement an action plan to make sure gender-sensitive indicators and sex-disaggregated data are incorporated in project design documents and activity performance management plans.

**Response:** USAID/Egypt agrees with this recommendation. The M&E team in the Program Office has ensured that all people-level indicators appearing on the Performance Indicators reference sheets for the newly approved project and activity designs since 2014, including associated M&E plans, are disaggregated by sex. These indicators are being reported by implementing partners who are required to disaggregate data by sex. The Program Office M&E team worked with the Mission's Procurement Office to ensure that these requirements are included in solicitations for contracts and grants as well as in the contracts and grants themselves, formalizing the obligation of project implementers to disaggregate performance management information by sex.

Additionally, in reviewing activity level M&E plans, the Program Office M&E team is ensuring that people-level indicators are disaggregated by sex.

Furthermore, the Mission adopted the following gender cross-cutting indicators in the FY 2015 PPR,

and set targets for the out years:

- GNDR-2 Percentage of female participants in USG-assisted programs designed to increase access to productive economic resources (assets, credit, income or employment).
- GNDR-3 Percentage of females who report increased self-efficacy at the conclusion of USG supported training/programming.
- GNDR-4 Percentage of participants reporting increased agreement with the concept that males and females should have equal access to social, economic, and political opportunities.
- GNDR-5 Number of laws, policies or procedures drafted, proposed, or adopted with USG assistance designed to improve prevention of or response to sexual and gender based violence at the regional, national or local level.
- GNDR-6 Number of people reached by a USG funded intervention providing GBV services (e.g., health, legal, psycho-social counseling, shelters, hotlines, other).
- GNDR-7 Percentage of target population that views Gender-Based Violence (GBV) as less acceptable after participating in or being exposed to USG programming.

These indicators are gender-sensitive and different projects are contributing data to measure performance against them. The Program Office M&E team explains this requirement to implementing partners during post award meetings/conferences arranged by the Mission's Procurement Office.

**Conclusion:** USAID/Egypt's M&E team has already ensured that all people-level indicators are disaggregated by sex and that gender sensitive indicators are incorporated into project design documents and activity PMPs. Accordingly, the Mission has fully addressed this recommendation. The Mission has fully addressed this recommendation.

The Mission requests closure of this recommendation upon issuance of the final audit report.

**Recommendation 22.** USAID/Egypt document the reallocation of budgeted funds to make sure enough money is dedicated to M&E.

**Response:** USAID/Egypt disagrees with this recommendation. It is important to note that Agency guidelines on M&E budgeting are not mandatory and managerial discretion on M&E budgeting is both necessary and permitted. ADS 203.3.2.3 states as follows:

*Experience has shown that five to ten percent of total program resources should be allocated for both Monitoring and Evaluation. This includes the required three percent of program funds for evaluations.*

Nevertheless, the Mission easily meets the recommendation of five to ten percent of resources dedicated to M&E with respect to the resources managed by the Mission.

First and foremost, the Mission's budget levels for FY 2012 to FY 2016 indicated in the chart included in the draft audit report are incorrect. The Mission's operating year budget levels were \$135 million for FY 2012, \$181 million for FY 2013, and \$140 million for FY 2014.

These budget levels are significantly lower than the budget levels shown in the draft audit report in large part because \$60 million in each of those fiscal years was obligated by USAID/Washington to finance the Egyptian American Enterprise Fund (EAEF), a distinct mechanism and activity that is not managed or overseen by the Mission. As of the date of this response, the Mission has not yet received operating year budget levels for either FY 2015 or FY 2016, but it should be noted that the appropriations act for each of those fiscal years sets a maximum of \$150 million on the total amount of ESF that may be programmed for Egypt. In addition, whatever the amounts allocated to the Mission for FY 2015 and FY 2016, the Mission expects that (as in past fiscal years) as much as \$120 million of the ESF funding appropriated for Egypt from FY 2015 and FY 2016 funding will be obligated by USAID/Washington with respect to the EAEF and will not be available for programming by the Mission.

**Conclusion:** A more meaningful assessment of the adequacy of budgeted M&E funding can be made by examining the overall program design and learning (PD&L) funding obligated into the 6 new bilateral assistance agreements the Mission signed in September 2014 and amended in September 2015. These agreements represent the backbone of the Mission's current and future programming. The PD&L budget alone (without including administration and oversight (A&O) funding because it is not always used for M&E purposes) in these 6 agreements is \$27,683,000, which represents 6.1% of the Mission's operating year budget levels for FY 2012 through FY 2014. Accordingly, the Mission's funding level for M&E with respect to the programs it manages is well within the range recommended in ADS 203. The designs covering the new bilateral agreements have evaluation plans contemplating mid-term and final performance evaluations and or impact evaluations. Those evaluations will be funded with a portion of the PD&L budget that is expected to represent 3% or more of the total funding obligated in the 6 new bilateral assistance agreements referenced above. Thus, an additional action plan is not needed.

The Mission requests that this recommendation be omitted from the final audit report.

**Recommendation 26.** USAID/Egypt implements additional tools (e.g., templates, standardized filing systems, handover checklists) that management deems appropriate for agreement officer's representatives and contracting officer's representatives to use when documenting and maintaining official files.

**Response:** USAID/Egypt disagrees with this recommendation. The Mission agrees with its underlying principle regarding the importance of documenting and maintaining official files. The Mission's Procurement Office already provides adequate guidance to CORs and AORs in maintaining official files through its designation letters to CORs and AORs, which spell out the different filing requirements for acquisition and assistance instruments. The Procurement Office sends a checklist to AORs/CORs once a new award is made and requires that they sign the checklist, certifying that their files are complete, and that CORs/AORs return the signed checklist to the Procurement Office. This checklist was updated in March 2016 and distributed to AORs/CORs as part of a training conducted by the Procurement Office (discussed in Recommendation 27). It should also be noted that 5 of the Mission's AORs/CORs have taken the Project Design and Management (PDM) training and 13 have taken the required Acquisition and Assistance (A&A104) training, both of which contain sessions on the requirements for official project management files.

Additional tools would increase the Mission's administrative burden without producing commensurate benefits, especially in view of the lack of demonstration in the draft report that the absence of a sufficient number of tools such as templates, standardized filing systems, or handover checklists is creating management or program implementation problems. Specifically, the references in the draft audit report to the use of the local network drives and hard copy files does not indicate that such uses are detrimental to carrying out M&E with respect to programs.

**Conclusion:** Any action implementing additional tools would be duplicative.

The Mission requests that this recommendation be omitted from the final audit report.

**Recommendation 27.** USAID/Egypt contracting and agreement officers implement a plan to work with agreement officer's representatives and contracting officer's representatives to reinforce requirements for documenting site visit reports and maintaining official files.

**Response:** USAID/Egypt agrees with this recommendation. The Mission's Procurement Office provides adequate guidance to CORs and AORs in maintaining official files through its designation letters to them, which spell out filing requirements for acquisition and assistance instruments. The Procurement Office sends a checklist to AORs/CORs once a new award is made and requires that they sign the checklist certifying that their files are complete and that they return the signed checklist to the Procurement Office. It should also be noted that 5 of the Mission's AORs/CORs have taken the PDM training and 13 have taken the required Acquisition and Assistance (A&A104) training, both of which contain sessions on the requirements for official project management files. In addition, MO 203-1A on Performance Monitoring clearly states the requirements for site visits. Templates and guidelines have been developed and trainings have been provided for AORs/CORs. Specifically, in March 2016, the Procurement Office conducted the first of a series of trainings with each technical office as part of an action plan to refresh CORs and AORs of their obligations to maintain official files, including the documentation of site visits. Updated checklists were discussed and distributed during the training session. This series of trainings is set to conclude no later than July 31, 2016.

**Target Completion Date:** July 31, 2016.

**Recommendation 31.** USAID/Egypt's office directors implement a plan to reinforce guidelines for agreement officer's representatives and contracting officer's representatives to conduct site visits to provide oversight according to the mission order on performance monitoring.

**Response:** USAID/Egypt disagrees with this recommendation. Site visits are critical to project oversight, but the Mission recognizes the need to strike a right balance between project oversight and security of Mission and implementer staff. The Mission's MO 203-1A on Performance Monitoring provides sufficient guidance on site visits. That MO clearly states that site visits are recommended at least every six months, and that site visit reports are required after each visit. A Mission-wide refresher training open to all staff on requirements for performance monitoring, including site visits and data verification, was conducted on April 20, 2016. The Mission intends to conduct additional refresher trainings on performance monitoring, site visits and documenting findings through a standardized site visit report starting in May 2016. The Mission intends to conduct such refresher



trainings on an annual basis in the future. In addition, a series of performance monitoring and evaluation workshops for AORs/CORs and implementing partners' M&E specialists is expected to be rolled out by the Mission's M&E contractor starting in August 2016. The workshops will reinforce the need for M&E measures to achieve results, explain the need and methodologies to accurately collect and verify data, and provide training on writing evaluation SOWs, methods, and management.

The Mission's Program, Financial Management and Procurement Offices, and Mission Management continue to reiterate the benefits of, and need for, site visits on a regular basis and to remind AORs/CORs of the requirement to conduct site visits and document findings through site visit reports. It is important to note that the Mission has been operating in a non-permissive environment that restricts visits to a number of project sites. Accordingly, the Mission reiterates that the guidance in MO 203-1A recommends, but does not require, site visits every six months, an approach that strikes the right balance between oversight and security.

**Conclusion:** The Mission is in compliance with Agency guidance regarding site visits; therefore, an additional plan is not necessary.

The Mission requests that this recommendation be omitted from the final audit report.

**Recommendation 34.** USAID/Egypt's mission management document actions to make sure future portfolio reviews are conducted according to the ADS 203.3.12.

**Response:** Although USAID/Egypt disagrees with this recommendation, it does agree on the importance of following ADS 203 guidance. Notably, ADS 203.3.12 states "[t]here is no single prescribed structure or process for conducting Portfolio Reviews." In fact, apart from the requirement to conduct at least one performance review annually, all of the other guidance in ADS 203.3.12 takes the form of recommendations rather than requirements. Because this guidance provides Missions with considerable leeway on how to conduct portfolio reviews, the draft audit report's purported finding that USAID/Egypt "did not conduct portfolio reviews in accordance with ADS from October 2012 to March 2014" is unsupported.

The draft audit report chose to highlight two portfolio reviews in particular, which were conducted in October 2012 and March 2014. This was an exceptional period in the history of both Egypt and the Mission, and the portfolio reviews conducted at those times are not representative of past or future reviews. The October 2012 portfolio review focused on the implementation and performance issues of a series of grants issued under the Mission's 2011 Annual Program Statements (APS), which represented major component of the USAID/Egypt portfolio at that time. In view of the tumultuous development environment in Egypt at that time, Mission management made decision to use the October 2012 portfolio review as a means of addressing issues that the two APS grant programs were facing. ADS 203.3.12 requires that Missions conduct at least one portfolio review per year. The draft audit report fails to mention that USAID/Egypt conducted a portfolio review in June 2012 covering all activities. This June 2012 review focused on both performance achievements and implementation issues, whereas the October 2012 review focused on implementation issues. The draft audit report fails to explain how these two portfolio reviews did not follow ADS 203.3.12 guidance.

The March 2014 portfolio review was purposefully focused on actions that would pose constraints to quickly obligating as much as \$300 million in FY 2012 and FY 2013 funding, all of which had to be obligated by September 30, 2014 lest it expire and cancel. In addition, a Congressional hold on a portion of these funds lasted well into FY 2014, adding additional uncertainty regarding both the amount of funding that would ultimately be available and any programming conditions that may have been imposed as a condition of releasing the hold. Because portfolio reviews “should lead to management decisions about the implementation of [development objectives] and feed back into implementation and planning processes” (ADS 203.3.12), the Mission’s small portfolio of active projects as of March 2014 led Mission management to decide that the critical management challenge at that time was to ensure the responsible obligation of new funding. During this portfolio review, the Mission also examined and identified slow disbursing contracts and grants for remedial action. This draft audit report’s description of the March 2014 portfolio review—implying it was somehow deficient for “not evaluat[ing] individual project and activity performances, review[ing] the status of implementation, or the adequacy of performance indicators”—appears to fundamentally misunderstand the purpose of portfolio reviews as something divorced from the actual needs of Mission management.

Lastly, USAID/Egypt conducted its December 2014, June 2015, and November 2015 portfolio reviews consistent with relevant ADS guidance, focusing on performance and results at the Development Objective level. Documenting additional actions regarding portfolio reviews is not necessary because additional documentation would increase the Mission’s administrative burden without producing commensurate benefits.

**Conclusion:** The two portfolio reviews cited in the draft audit report as the basis for this recommendation were not representative, but nevertheless complied with the Agency’s guidance on portfolio reviews.

The Mission requests that this recommendation be omitted from the final audit report.

**Recommendation 35.** USAID/Egypt implement measures to confirm that implementers and agreement officer’s representatives and contracting officer’s representatives are informed of Development Experience Clearinghouse submission requirements.

**Response:** USAID/Egypt agrees with this recommendation. Requirements for submitting reports and other deliverables to the Development Experience Clearinghouse (DEC) are included in solicitation and award documents. Over the past several months, the Program Office has been working with the Procurement Office to strengthen the language in solicitations and awards related to M&E deliverables, including submissions to the DEC. AOR/COR checklists for closeout of activities also include an item reminding AORs/CORs to obtain a list of all documents submitted to the DEC, including their web link.

In March 2016, the Mission’s Legal Office conducted training on standard provisions in contracts and grants, including the specific provisions that govern requirements for submission of appropriate documents to the DEC and the additional guidance on DEC submissions contained in ADS 540. In the upcoming meeting with all of the Mission’s implementing partners scheduled for May 2016, the Program, Procurement and Legal Offices will add DEC submission requirements as part of the

meeting agenda. In past meetings with implementing partners, the Procurement Office has stressed the importance of transparency and working with AORs and CORs to prepare written deliverables in a manner appropriate for public disclosure. The Program and EXO Offices are also working with M/CIO in USAID/Washington to provide relevant online training, tentatively scheduled in May 2016, for Mission staff, including AORs and CORs, on DEC requirements and how to submit documents to the DEC.

**Conclusion:** The Mission has already implemented measures concerning submissions to the DEC, and therefore this recommendation has been fully addressed.

The Mission requests closure of this recommendation upon issuance of the final audit report.

## Evaluations

**Recommendation 39.** USAID/Egypt implement a plan to make sure the evaluation point of contact's workload in the program office is adequate so all required evaluations are completed in a timely manner and reviewed for quality control.

**Response:** USAID/Egypt agrees with this recommendation. The M&E team leader in the Program Office is assigned as the official Evaluation point of contact (POC) for the USAID/Egypt, and was the only person focusing on M&E management from 2012 until mid-2014. However, the Mission has subsequently added another professional M&E Specialist in the Program Office, who focuses on this work. Furthermore, the Mission's institutional support contractor for M&E support is providing the necessary assistance to ensure that all evaluations are done in a timely manner and adhere to high quality standards as per the Agency's Evaluation Policy. These measures ensure designing and completing high quality evaluations in a timely manner, thus meeting Mission objectives.

**Conclusion:** The Mission has implemented the recommendation. The Mission is now fully staffed to manage evaluations to ensure they meet Agency standards.

The Mission requests closure of this recommendation upon issuance of the final audit report.

**Recommendation 40.** USAID/Egypt implement and document a training and technical assistance plan to make sure key Mission staff working on evaluations have received initial or refresher training on evaluation management and methods.

**Response:** USAID/Egypt agrees with this recommendation. The two the Program Office M&E staff, including the Mission's Evaluation POC, have taken the Agency's Evaluation for Evaluation Specialists (EES) training course – which is the only training available to agency staff to certify them in evaluations management. Furthermore, two other USAID/Egypt Program Office staff members and two USAID/Egypt technical office staff have taken the EES training and five others have taken the one-week Evaluation for Program Managers (EPM) training. In May 2016, the M&E POC, the alternate M&E POC and the Program Office Deputy Director plan to attend the Applied Monitoring and Evaluation (AM&E) course recently announced by the Agency. In addition, a series of performance monitoring and evaluation workshops for

AORs/CORs and implementing partners' M&E specialists is expected to be rolled out by the Mission's M&E contractor starting in August 2016. The workshops will reinforce the need for M&E measures to achieve results, explain the need and methodologies to accurately collect and verify data, and provide training on writing evaluation SOWs, methods, and management. Finally, the Mission continues to support additional staff to take the Agency's new performance monitoring and evaluation courses.

**Conclusion:** All Mission staff who manage evaluations in the Program Office have taken the Agency's EES course. Additional trainings are continuously being funded as part of the Mission's annual training plan for staff. The Mission has fully addressed this recommendation.

The Mission requests closure of this recommendation upon issuance of the final audit report.

**Recommendation 45.** USAID/Egypt implement an action plan to make sure project design documents address the evaluation policy planning requirements.

**Response:** USAID/Egypt disagrees with this recommendation. However, the Mission agrees with its underlying principle regarding the need for project design documents to address the evaluation policy planning requirements. On March 19, 2014, the Mission adopted MO 201-3 on Project Design. This MO complies with ADS 203 and notes that the M&E section of Project Appraisal Documents (PADs) must describe evaluation needs and plans. The Project Design Officer and M&E team in the Program Office collaborate extensively with technical office and other personnel in the Mission to ensure adherence to this MO and to the Agency's evaluation planning requirements for project design documents, solicitations, and Activity Monitoring and Evaluation plans (AMEPs).

Further, the Program Office reviewed all project designs approved from 2014 onward, and all of them included evaluation plans.

The Mission is ensuring that adequate measures are in place to address evaluation policy planning requirements through project designs, solicitations, PMP and AMEP development, portfolio reviews, and other regular discussions with technical offices.

**Conclusion:** The Mission is following MO 201-3 on Project Design, and no further action plans are needed. The Mission has fully addressed the recommendation.

The Mission requests that this recommendation be omitted from the final audit report.

**Recommendation 50.** USAID/Egypt implement actions to make sure evaluation team members complete a statement of work checklist or an equivalent before they conduct an evaluation.

**Response:** USAID/Egypt disagrees with this recommendation. However, the Mission agrees with its underlying principle regarding the need to document the review of evaluation SOWs prior to conducting an evaluation. On March 19, 2014, the Mission adopted MO 203-2 on Evaluation. The M&E team in the Program Office, USAID/Egypt and Washington technical staff, and the Middle East Bureau M&E Specialist are all involved in the design and management of Mission evaluations. All of these individuals review the SOWs for evaluations and document their comments and feedback

either through a checklist or on the draft SOW directly. In all cases, the M&E team in the Program Office utilizes the Agency's recommended evaluation SOW template and checklist as compliance tools when developing SOWs for evaluations.

Since 2014, the Program Office led peer reviews of SOWs for 10 evaluations. The peer reviews are documented through completed checklists and/or comments provided on the draft SOWs. The Washington Peer Review is documented through emails received from reviewers and comments made by them directly on the draft SOWs. SOWs are also reviewed and approved as attachments to an Action Memorandum approved by the Mission Director, prior to conducting any evaluation.

Samples of completed checklists, peer review emails from Middle East Bureau M&E POC, and Action Memoranda approving evaluations have been provided under separate cover.

**Conclusion:** The Mission is following MO 203-2 on Evaluation, and no further actions are needed. The Mission has fully addressed the recommendation.

The Mission requests that this recommendation be omitted from the final audit report.

**Recommendation 53.** USAID/Egypt implement a comprehensive plan to make sure draft reports for evaluations meet USAID's standards and minimum documentation requirements, and that management or program actions to address recommendations are documented.

**Response:** USAID/Egypt agrees with this recommendation. On March 19, 2014, the Mission adopted MO 203-2 on Evaluation. This MO describes the peer review process of evaluation reports, how the Mission will review findings and recommendations from evaluations, how the Mission will document acceptance of these recommendations and develop an action plan to address them, and how the Mission will ensure compliance of the evaluation report to Agency standards. In reviewing draft evaluation reports, the Program Office M&E team coordinates with the technical teams and other stakeholders on providing feedback on the report, mainly through providing written feedback on the draft report itself. Evaluation team members are provided with the Agency's evaluation report template and report review checklist, and the evaluation SOW clearly indicates criteria that the final report must meet to satisfy Agency standards. Official files are created for each evaluation containing all documents and communications related to design, implementation, and completion of an evaluation. These include SOWs and comments on SOWs, final approved SOWs, evaluation methodology and timeline, information on evaluation team members, draft reports and comments on them, final approved reports, and utilization plans.

In coordination with several technical offices, the Program Office has either developed or is in the process of developing utilization plans for completed evaluations. No additional plans are required.

**Conclusion:** Through adoption of MO 203-2 on Evaluation and other measures detailed above, the Mission has institutionalized processes and measures to ensure adherence to Agency's requirements on evaluation reports, including peer review, documentation of comments on reports, maintaining official files, and development of evaluation utilization plans. The Mission has fully addressed the recommendation, and no additional action plan is needed.

The Mission requests closure of this recommendation upon issuance of the final audit report.



March 29, 2016

**MEMORANDUM**

**TO:** James Charlifue, RIG/Frankfurt

**FROM:** Lewis Tatem, Acting Mission Director

**THRU:** Lyne Paquette, Controller

**SUBJECT:** Management response to the draft Audit Report of Selected Middle East Missions' Internal Controls Over Data Quality and Monitoring and Evaluation of Programs, Audit Report No. 8-000-16-0XX-P

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This memorandum transmits USAID/Jordan's management response to the above referenced audit report. The Mission wishes to extend its gratitude to the RIG Audit Team for their professionalism and for their open communication during and after the audit. The mission concurs in principle with the report's 18 recommendations on strengthening M&E practices at USAID/Jordan . However, it should be noted in the final audit report that this audit field work was conducted in June 2014. It may be misleading to the general reader who does not have this history to read the report as is without this note, especially since several key processes and changes have been implemented within the Mission which have substantially improved M&E efforts and compliance with Agency requirements. These include the following:

- Two full-time M&E Specialists were hired and started working just as the audit was being conducted in June 2014. The new staff completes the M&E team within the Program Office and increase the number of staff working on M&E (including an MIS/GIS specialist) to five people, which we believe is by far the largest M&E team within the region. In addition, an M&E POC has been identified within each DO team to further strengthen M&E processes and implementation.

- USAID/Jordan has a comprehensive M&E Support Program (MESP) in place that was still in its nascent phases at the time of the audit. It's is now in its third year of implementation and offers a range of support services from developing and refining Mission PMP and activity level M&E plans and capacity building of Mission and implementing partner staff to conducting external evaluations and installing a performance management information system.
- An automated, centralized performance management information system has been selected and is in place. This system captures both the Mission PMP indicators as well as the activity level indicators. To date, five quarters of performance data have been entered in the system.
- Several training programs on M&E have been held at the Mission, including the Evaluation for Program Managers training, a Performance Monitoring Workshop and several mini-workshops on DQAs and AMEP development. Design of additional relevant workshops is underway. Furthermore, all members of the Program Office M&E Team have taken the Evaluation for Evaluation Specialists two-week training. Finally, Community of Practice sessions are held periodically with attendance from Mission and implementing partner staff to discuss a variety of M&E topics and share experiences and lessons learned.
- Mission Orders on performance management, portfolio reviews and evaluations were revised to adhere to the Agency's standardized Mission Orders; they were signed in August 2014 and disseminated through mission-wide briefings.
- Several M&E templates have been developed to help Mission and implementing partner staff conduct their monitoring work better (e.g. DQA checklist, AMEP template, PIRS, Quarterly Progress Report template, site visit reports, and evaluation utilization tracker).
- Standards for evaluations – including quality of statements of work and final reports, timeliness of evaluations, and reporting on evaluations – have improved dramatically since the audit, especially with the availability of MESP and the training of staff.

| Recommendation   | Mission concurrence  | Planned (or taken) corrective action with a target completion date, or reason for disagreement   |
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| <b>Data Quality</b>  |  |  |
| <p>2. USAID/Jordan implement additional controls to make sure required DQAs are completed before submitting data in the annual PPR (page 9).</p> | <p>Mission has already complied with this recommendation. Controls have been put in place since FY2014 and all indicators reported to Washington have undergone rigorous DQAs.</p> | <p><b>Mission Response:</b> USAID/Jordan has already instituted processes place to ensure compliance with DQA requirements. The Mission has customized and adopted the Standardized Agency Mission Order (MO) on Performance Monitoring in August 2014. This MO clearly details the DQA requirements; the Mission also disseminated this MO through a mission-wide briefing on August 13, 2014. Furthermore, the Mission’s M&amp;E Specialists (hired in June 2014) developed a tracking sheet for all indicators to be reported in the PPR over three years indicating which ones require DQAs and the status of these DQAs. Additionally, in February 2014, the Mission (with support of our M&amp;E contractor) started conducting DQA trainings to Mission and implementing partner staff and continues to provide this training to all new staff. Finally, in collaboration with the M&amp;E Contractor, the Mission’s M&amp;E Team developed templates and guidelines for conducting DQAs; these have been widely disseminated to Mission and IP staff and are available on the Mission’s Knowledge Management Portal <a href="https://usaidjordankmportal.com/">https://usaidjordankmportal.com/</a>.</p> <p>In advance of the FY2014 and FY2015 PPR submissions the Mission completed all necessary DQAs to ensure quality of data submitted.</p> <p>Because the Mission has been in the process of revising the CDCS and corresponding Mission PMP, as well as changes to the F Standard Indicators, many new DQAs were conducted in FY2015 and more will be conducted in FY2016. The M&amp;E team in PRO (fully staffed up in June 2014) leads this effort, in</p> |



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|  |  | <p>collaboration with AORs/CORs and IPs.</p> <p><b>Target Completion Date:</b> All DQAs were completed in advance of submitting the 2014 and 2015 PPRs, and additional DQAs will be conducted later this year once PMP revisions are finalized and well in advance of the deadline of the 2016 PPR submission. The Mission feels that this recommendation has been fully addressed and requests its closure upon issuance of the report.</p>   |
| <p>5. USAID/Jordan's management implement a plan to reinforce sound methodologies with AORs and CORs for verifying implementers' data (page 10).</p> | <p>Mission has already complied with this recommendation. These processes have already been strengthened through capacity building, DQAs and introduction of DevResults.</p> | <p><b>Mission Response:</b> USAID/Jordan has reinforced with AORs/CORs the need to verify implementers' data. The Performance Monitoring Mission Order signed in August 2014 clearly notes need and methodology for AORs/CORs to verify data (through review of quarterly reports, site visits, and spot checks of implementers' files). In addition, in February 2014, the Mission (with support of our M&amp;E contractor) started conducting DQA trainings to Mission and implementing partner staff and continues to provide this training to all new staff. And in May 2015, USAID/Jordan conducted a 4-day Performance Monitoring Workshop with the participation of AORs/CORs along with implementing partners' M&amp;E specialists; the training reinforced the need for monitoring and evaluation measures to achieve results as well as the need and methodologies to verify data. Furthermore, the automated performance management information system, DevResults, has been rolled out to the Mission and implementing partners in July 2015; implementing partners enter their indicator data in DevResults and AORs/CORs must approve this data in the system. AORs/CORs are sent regular e-mails to remind them to review and verify this data before approving. To further strengthen data quality, the M&amp;E team in PRO, and with support from the MESP contractor, developed and disseminated</p> |

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|  |  | <p>to Mission staff and implementing partners relevant templates and guidance; this includes DQA checklist, Quarterly Progress Report that include data tables, and site visit checklist.</p> <p><b>Target Completion Date:</b> New Mission Order was signed in August 2014, detailing these controls and requirements. DevResults has been launched and is being successfully utilized for further verify data. And M&amp;E Specialists in PRO are working with AORs/CORs to help them verify implementers' data through clarifying and disseminating indicator definitions and conducting DQAs. The Mission feels that this recommendation has been fully addressed and requests its closure upon issuance of the report.</p>   |
| <p>8. USAID/Jordan's office directors implement a plan to make sure DQAs are complete (page 13).</p> | <p>Mission has already complied with this recommendation. Controls have been put in place since FY2014 and all indicators reported to Washington have undergone rigorous DQAs.</p> | <p><b>Mission Response:</b> As noted in response to Recommendation 2 above, USAID/Jordan customized and adopted the Standardized Agency Mission Order (MO) on Performance Monitoring in August 2014. This MO clearly details the DQA requirements and includes a recommended DQA checklist that the Mission has been utilizing since that date. In addition, training on DQAs has been conducted for Mission staff on periodic basis since February 2014. The Mission's M&amp;E Specialists (hired in June 2014) developed a tracking sheet for all indicators to be reported in the PPR over three years indicating which ones require DQAs and the status of these DQAs. These DQAs are conducted by AORs/CORs with support from the M&amp;E Specialists and the MESP contractor. They are then reviewed and signed by both the relevant office director and the Program Officer.</p> <p><b>Target Completion Date:</b> All DQAs for indicators reported in</p> |

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|  |  | the PPR since FY2014 have been completed and adhere to Agency requirements. The Mission feels that this recommendation has been fully addressed and requests its closure upon issuance of the report.   |
| 12. USAID/Jordan, in coordination with its technical offices, implement a plan to strengthen controls over its databases to reduce errors in reporting (page 16).                                | Mission has already complied with this recommendation. Mission now utilizes an automated, centralized management information system, DevResults. | <p><b>Mission Response:</b> USAID/Jordan has selected and installed in July 2015 a new performance management information system, DevResults. This replaces any/all ad hoc management information systems and databases that may have been utilized in the Mission prior to this point and is therefore enhancing internal controls and PRO oversight of data quality – especially for indicators being reported on by multiple implementing partners. Additionally, because PRO now has two M&amp;E Specialists on staff, these individuals provide direct support to all of the technical offices in conducting DQAs which is helping to ensure consistency and reliability of data with implementing partners. Data reported in the FY2015 PPR was verified with data generated in the new system.</p> <p><b>Target Completion Date:</b> A new centralized performance management system is in place and is being utilized successfully. The Mission feels that this recommendation has been fully addressed and requests its closure upon issuance of the report.</p> |
| 13. USAID/Jordan implement procedures to assess what AORs, CORs, and office directors need before the mission develops a new information management system for performance monitoring (page 16). | Mission has already complied with this recommendation. In the process of researching a centralized management information system,                | <p><b>Mission Response:</b> USAID/Jordan established a working group with cross-sectoral office representation to review and assess different information management systems available to the Mission. This working group incorporated AORs/CORs as well as support office staff. After refining the advantages and disadvantages of each system a presentation was prepared and given to the broader Mission as well as Mission Management. Since that time a new system (DevResults) has procured and</p>   |

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|  | <p>PRO consulted with AORs and CORs on several occasions to understand their needs and obtain their feedback.</p>  | <p>rolled out to Mission and implementing partners, training has been provided, and has been used to capture performance indicator data since Q2 of FY2015.</p> <p><b>Target Completion Date:</b> The Mission conducted discussions with technical office staff on their needs of a centralized, automated system and a system has been procured and rolled out since July 2015. The Mission feels that this recommendation has been fully addressed and requests its closure upon issuance of the report.</p>  |
| <b>Monitoring</b>  |  |   |
| <p>17. USAID/Jordan implement an action plan to make sure all activity and project PMP indicators feed into the mission PMP (page 18).</p> | <p>Mission has already complied with this recommendation. In revising the Mission's PMP, developing project designs and reviewing activity M&amp;E plans, Project Design and M&amp;E teams have ensured that activity and project M&amp;E plans feed into the Mission's PMP.</p> | <p><b>Mission Response:</b> The Performance Management Mission Order, signed August 2014, clearly indicates how PMP, Project M&amp;E Plans and Activity M&amp;E Plans are developed and that all three levels of M&amp;E plans must feed into each other. The initial Mission PMP was approved in April 2013, soon after the CDCS was approved in November 2012. Due to delays in project designs and procurement and changes in the operating environment, the CDCS was amended and approved in May 2015 and a revised PMP was approved in July 2015 and was disseminated to all implementing partners. As the PMP was being revised, the Project Design and M&amp;E teams within PRO ensured that new Results Frameworks and performance indicators were incorporated in project appraisal documents (PADs), solicitations and activity M&amp;E plans ensuring that activity and project level M&amp;E plans fed into the Mission's PMP. The introduction of the Mission's performance management system, DevResults, is also helping ensure that Mission PMP indicators are being reported against at the activity level by implementing partners.</p> <p><b>Target Completion Date:</b> The Mission has completed</p> |

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|  |  | revisions of the Mission PMP and M&E Specialists within PRO, working in collaboration with AORs/CORs, Project Design team, and implementing partners, have ensured that project and activity level M&E plans feed into the Mission PMP. The Mission feels that this recommendation has been fully addressed and requests its closure upon issuance of the report.   |
| 20. USAID/Jordan implement an action plan to make sure sex-disaggregated data are incorporated in activity PMPs (page 20). | Mission has already complied with this recommendation. The M&E team in PRO has ensured that all people-level indicators in the Mission's PMP and at the activity level are disaggregated by sex. | <p><b>Mission Response:</b> As the Mission PMP was being revised in summer of 2015 and the Mission's new performance management system, DevResults, was being introduced, the M&amp;E team in PRO ensured that all people-level indicators were at a minimum disaggregated by sex. Many of these indicators are being reported on by implementing partners and thus they are required to sex-disaggregate data. Furthermore, in reviewing activity level M&amp;E plans the M&amp;E team in PRO is ensuring that people-level indicators are sex-disaggregated.</p> <p><b>Target Completion Date:</b> In adherence to Agency requirements, USAID/Jordan's M&amp;E team has ensured that all people-level indicators are at a minimum disaggregated by sex. And this is further solidified through reporting in DevResults. The Mission feels that this recommendation has been fully addressed and requests its closure upon issuance of the report.</p> |
| 23. USAID/Jordan document the reallocation of budgeted funds to make sure enough money is dedicated to M&E (page 22).      | The Mission concurs with this recommendation and will revise the project financial plan template in PADs to ensure that sufficient funds   | <p><b>Mission Response:</b> The Mission allocates substantial level of funding to M&amp;E and these levels are on the rise each year. It should be noted that the Mission, along with other operating units across the Agency, have engaged in a discussion with Agency leadership in Washington regarding the required level of resources to be allocated to M&amp;E and evaluations and how they are calculated. For example, in the case of Jordan the Mission is making an argument that the Cash Transfer (which</p>   |

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|  | <p>are allocated to M&amp;E.</p>  | <p>makes up about 50% of our annual OYB) should not be counted when calculating the percentage allocated for M&amp;E. In addition, currently the calculation of funds allocated for M&amp;E does not capture the variety of M&amp;E tools and efforts used by the Mission and implementing partners, nor does it take into account the level of effort exerted by the Mission and implementing partners to perform the full range of M&amp;E tasks.</p> <p>That said, the Mission revised the financial plan template for PADs to allocate a minimum of 5% for M&amp;E per project.</p> <p><b>Target Completion Date:</b> The Mission revised the PAD financial plan template to ensure allocation of 5% for M&amp;E. The Mission feels that this recommendation has been fully addressed and requests its closure upon issuance of the report.</p>   |
| <p>28. USAID/Jordan implement additional tools (e.g., templates, standardized filing systems, handover checklists) that management deems appropriate for AORs and CORs to use when documenting and maintaining official files (page 24).</p> | <p>Mission has already complied with this recommendation. A checklist for a standardized filing system has been developed by AAO and shared with AORs/CORs.</p> | <p><b>Mission Response:</b> The Acquisition and Assistance Office (AAO) has developed a checklist for AORs/CORs based on which to set up their files. The AAO office sends this checklist to AORs/CORs once a new award is made and requires that they sign the checklist certifying that their files are complete and return the signed checklist to AAO. It should also be noted that 36 of our AORs/CORs have taken the PDM training and 39 have taken the required A&amp;A 104 or A&amp;A 102/3 trainings, both of which contain sessions on the requirements for official project management files.</p> <p><b>Target Completion Date:</b> A checklist for a standardized filing system for AOR/COR official files has been and circulated by AAO to all AORs/CORs. The Mission feels that this recommendation has been fully addressed and requests its closure upon issuance of the report.</p> |

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| <p>29. USAID/Jordan's contracting and agreement office implement a plan to work with AORs and CORs to reinforce requirements for documenting site visit reports and maintaining official files (page 24).</p>                 | <p>Mission has already complied with this recommendation. A checklist for a standardized filing system and a template for site visit reports have been developed by AAO, FMO and PRO and shared with AORs/CORs.</p> | <p><b>Mission Response:</b> As noted in the response to Recommendation 28 above, the AAO has developed a checklist for a standardized project management official filing system, which includes things like site visit reports. And, AORs/CORs have taken the mandatory A&amp;A and PDM trainings.</p> <p>Furthermore, a template for site visit reports is included in the Performance Monitoring Mission Order; this template was further refined in February 2016. A common folder on a shared drive was established for AORs/CORs to store copies of their site visit reports, and PRO sends periodic e-mails to staff to remind them to upload copies of their site visit reports to this shared folder.</p> <p><b>Target Completion Date:</b> A checklist for official project management files has been developed and disseminated, templates for site visit reports have been developed and shared with AORs/CORs, and a shared folder on the USAID network has been created to store site visit reports. The Mission feels that this recommendation has been fully addressed and requests its closure upon issuance of the report.</p> |
| <p>32. USAID/Jordan's office directors implement a plan to reinforce guidelines for AORs and CORs to conduct monthly site visits to provide oversight according to the mission order on performance monitoring (page 26).</p> | <p>Mission has already complied with this recommendation. Requirements for site visits and documentation of findings are incorporated into the Performance Monitoring Mission Order, and</p>                        | <p><b>Mission Response:</b> The Performance Monitoring Mission Order signed in August 2014 clearly states that site visits are required at least once every quarter, and that site visit reports are required after each visit. The Mission Order contains a template for site visit reports, and this template was further refined in February 2016. A mission-wide briefing was conducted in August 2014 to all staff on requirements for performance monitoring, including site visits; a refresher training on site visits and documenting findings through a standardized report was conducted in February 2016. A common folder on a shared drive was established for</p>   |

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|  | <p>Mission Management is regularly reminding AORs/CORs to conduct the required site visits.</p>                         | <p>AORs/CORs to store copies of their site visit reports, and PRO sends periodic e-mails to staff to remind them to upload copies of their site visit reports to this shared folder.</p> <p>In addition, the Financial Management Office (FMO) does not process vouchers unless site visit reports are included.</p> <p>PRO, FMO and Mission Management continue to reiterate on regular basis and remind AORs/CORs for the requirement to conduct site visits and document findings through site visit reports.</p> <p><b>Target Completion Date:</b> The Performance Monitoring Mission Order clearly stipulates the requirements for site visits. Templates and guidelines have been developed and trainings have been provided for AORs/CORs. And reminders have been sent to AORs/CORs and office directors on the requirement to conduct site visits. The Mission feels that this recommendation has been fully addressed and requests its closure upon issuance of the report.</p> |
| <p>36. USAID/Jordan implement measures to confirm that implementers, AORs, and CORs are informed of DEC submission requirements (page 29).</p> | <p>Mission has already complied with this recommendation. Requirements are included in activity procurement awards.</p> | <p><b>Mission Response:</b> Requirements for submitting reports and other deliverables to the DEC are included in solicitation and award documents. They are part of a general section on submissions to the DEC as well as part of the content of annual and final progress reports. Over the past several months, PRO has been working with AAO to strengthen the language in solicitations and awards related to M&amp;E deliverables, including submissions to the DEC. AOR/COR checklists for closeout of activities also include a line item to remind AORs/CORs to obtain a list of all documents submitted to the DEC, including their web link.</p>  |



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|  |  | <p><b>Target Completion Date:</b> Requirements on submissions to the DEC are included in solicitations and awards. The Mission feels that this recommendation has been fully addressed and requests its closure upon issuance of the report.</p>  |
| <p><b>Evaluations</b></p>  |  |   |
| <p>41. USAID/Jordan implement a plan to make sure the evaluation POC's workload in the program office is adequate so all required evaluations are completed in a timely manner and reviewed for quality control (page 32).</p> | <p>Mission has already complied with this recommendation. Four M&amp;E staff members within USAID/Jordan manage evaluations for the Mission, in addition to an institutional support contractor.</p> | <p><b>Mission Response:</b> While the M&amp;E Team leader is assigned as the official Evaluation POC for the USAID/Jordan, four M&amp;E Team members in PRO manage evaluations for the Mission. Furthermore, the Mission's institutional support contractor for M&amp;E support, MESP, is providing the necessary support to ensure that all evaluations are done in a timely manner and adhere to high quality standards as per the Agency's Evaluation Policy. It should also be noted that the Mission conducts between 2-4 evaluations per year, which is within a manageable workload. All these measures are ensuring that the necessary time and effort is dedicated to designing and completing evaluations in a timely manner with high quality and meeting Mission targets.</p> <p><b>Target Completion Date:</b> The Mission has four staff managing evaluations which is ensuring that the workload is manageable and adequate for managing evaluations that meet Agency standards. The Mission feels that this recommendation has been fully addressed and requests its closure upon issuance of the report.</p> |
| <p>42. USAID/Jordan implement and document a training and technical assistance plan to make sure key mission staff working on evaluations have received initial or refresher training on evaluation management and methods</p> | <p>Mission has already complied with this recommendation. All staff managing evaluations for the Mission have been</p>   | <p><b>Mission Response:</b> All four M&amp;E staff, including the Mission's Evaluation POC, have taken the Agency's 2-week Evaluation for Evaluation Specialists (EES) training course – the only training course available to agency staff to certify them in evaluations management. Furthermore, to date, two other USAID/Jordan staff members have taken the EES training and</p>   |

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| (page 32).  | trained on evaluation methods and management.   | <p>16 others have taken the 1-week Evaluation for Program Managers (EPM) training (including the one held in Jordan in April 2014). In addition, the Mission's M&amp;E support contractor held a workshop in September 2014 on writing evaluation SOWs and additional training is being planned for Mission staff during the course of the M&amp;E contract. Finally, the Mission also continues to support additional staff to take the Agency's new performance monitoring and evaluation courses.</p> <p><b>Target Completion Date:</b> All Mission staff who manage evaluations have taken the Agency's EES course, in addition to a large number of AORs/CORs who have taken the EPM course. Additional trainings are continuously being funded as part of the Mission's annual training plan for staff. The Mission feels that this recommendation has been fully addressed and requests its closure upon issuance of the report.</p> |
| 46. USAID/Jordan complete and document its calculations of the average size of projects and include all required large projects in its inventory (page 36). | Mission has already complied with this recommendation. The Evaluation MO and evaluation plan clearly indicate which evaluations are required to meet the Agency's 'large project' definition. | <p><b>Mission Response:</b> The Mission has customized and adopted the Standardized Agency Mission Order (MO) on Evaluation in August 2014. As per the MO, each large project (i.e. a set of executed interventions and activities) should undergo at least one external evaluation. As PRO has deemed that all Mission projects fall within the Agency's definition of 'large projects' as they're designed at minimum at the IR level, all projects will therefore undergo at least one external evaluation. In fact, the Mission plans to evaluate several activities or mechanisms within each project, which go well beyond the Agency's requirement. The Mission's evaluation plan clearly indicates this tagging.</p> <p>It should also be noted that the ADS revisions underway will be removing this requirement of evaluation of 'large projects' from the Agency policy as it has been confusing and unpractical for</p>         |

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|   |  | <p>missions.</p> <p><b>Target Completion Date:</b> The Mission’s Evaluation MO and evaluation inventory clearly indicate which activities and projects will undergo an evaluation in accordance with Agency policy on ‘large projects’. The Mission feels that this recommendation has been fully addressed and requests its closure upon issuance of the report.</p>  |
| <p>47. USAID/Jordan implement an action plan to make sure project design documents address the evaluation policy planning requirements (page 36).</p>         | <p>Mission has already complied with this recommendation. The Mission’s Project Design MO references requirements for evaluation planning in project design documents, and concerned PRO staff collaborate with technical teams to ensure adherence to this requirement.</p> | <p><b>Mission Response:</b> The Mission has customized and adopted the Standardized Agency Mission Order (MO) on Project Design in June 2015. The MO references ADS 203 and notes that the M&amp;E section of PADs must describe evaluation needs and plans. The Project Design and M&amp;E Teams in PRO collaborate extensively to ensure adherence to the MO and evaluation planning requirements for project design documents, solicitations, and AMEPs. Furthermore, evaluation questions are included in the Mission’s evaluation plan and are discussed regularly with technical offices during portfolio reviews, PMP revisions, and learning agenda development discussions.</p> <p><b>Target Completion Date:</b> The Mission is ensuring that adequate measures are in place to address evaluation policy planning requirements through project designs, solicitations, PMP and AMEP development, portfolio reviews, and other regular discussions with technical offices. The Mission feels that this recommendation has been fully addressed and requests its closure upon issuance of the report.</p> |
| <p>51. USAID/Jordan implement actions to make sure evaluation team members complete a statement of work checklist or an equivalent before they conduct an</p> | <p>Mission has already complied with this recommendation. The M&amp;E team in</p>  | <p><b>Mission Response:</b> The M&amp;E Team in PRO, USAID technical office staff, and M&amp;E Support contractor staff involved in the design and management of Mission evaluations all review the statements of work (SOW) for evaluations and document their</p>  |

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| <p>evaluation (page 41).</p>   | <p>PRO and the M&amp;E Support contractor managing evaluations review statements of work and document their comments/feedback either through completion of a checklist or on the draft SOW directly.</p>  | <p>comments and feedback either through a checklist or on the draft SOW directly. In all cases, the M&amp;E Team in PRO and the M&amp;E Support contractor utilize the Agency's recommended evaluation SOW template and checklist as a basis when developing SOWs for evaluations. It should be noted that the Agency's Evaluation Policy requires that SOWs are reviewed by the Mission and other relevant stakeholders and not by the evaluation team members; feedback and comments from these reviews should be provided to the evaluation team members.</p> <p><b>Target Completion Date:</b> Relevant Mission staff review evaluation SOWs and document their comments and feedback in writing either through completion of a checklist or on the SOWs themselves. The Mission feels that this recommendation has been fully addressed and requests its closure upon issuance of the report.</p>   |
| <p>54. USAID/Jordan implement a comprehensive plan to make sure draft reports for evaluations meet USAID's standards and minimum documentation requirements, and that management or program actions to address recommendations are documented (page 44).</p> | <p>Mission has already complied with this recommendation. The M&amp;E team in PRO and the M&amp;E Support contractor take the lead in ensuring compliance with Agency requirements on documenting requirements for evaluation reports and documenting approach to</p> | <p><b>Mission Response:</b> The Mission has customized and adopted the Standardized Agency Mission Order (MO) on Evaluation in August 2014. The MO describes the peer review process of evaluation reports, how the Mission will review findings and recommendations from evaluations and document acceptance of these recommendations and an action plan to address them, and how the Mission will ensure compliance of the evaluation report to Agency standards. In reviewing draft evaluation reports, the M&amp;E Team coordinates with the technical teams and other stakeholders on providing feedback on the report, mainly through providing written feedback on the draft report itself. Evaluation team members are provided with the Agency's evaluation report template and the evaluation SOW clearly indicates that the final report must meet Agency standards. Furthermore, with support from the M&amp;E Support contractor, the Mission develops an evaluation utilization plan</p> |

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|  | <p>addressing evaluation recommendations.</p> | <p>that documents whether the recommendations were sound and how they were or will be utilized by the Mission or relevant stakeholders. Official files are created for each evaluation containing all documents and communications related to design, implementation, and completion of an evaluation; these include SOWs and comments on SOWs, final approved SOWs, evaluation methodology and timeline, information on evaluation team members, draft reports and comments on them, final approved reports, and utilization plans.</p> <p><b>Target Completion Date:</b> The Mission has institutionalized processes and measures to ensure adherence to Agency’s requirements on evaluation reports, including peer review, documentation of comments on reports, maintaining official files, and development of evaluation utilization plans. The Mission feels that this recommendation has been fully addressed and requests its closure upon issuance of the report.</p> |
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UNCLASSIFIED

**Date:** April 11, 2016

**To:** Regional Inspector General, Frankfurt, James Charlifue

**From:** Acting Mission Director, USAID West Bank and Gaza, Jonathan Kamin /S/

**Through:** Acting Deputy Mission Director, Monica Smith

**Subject:** Mission's Comments on the Draft Report of the Audit of Selected Middle East Missions' Internal Controls Over Data Quality and Monitoring and Evaluation of Programs

Draft Audit Report No. 8-000-16-0XX-P dated March 3, 2016

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USAID/WBG wishes to thank the Regional Inspector General/Frankfurt (RIG/Frankfurt) for, and appreciates this opportunity to comment on, the draft audit report and the recommendations therein as the RIG/Frankfurt prepares to issue the final draft report.

In July 2015, USAID/West Bank and Gaza (USAID/WBG) provided its comments and supporting documents to the lead auditor on this audit after the exit conference. We are resubmitting these documents as part of these Mission comments.

The subject draft audit report has been thoroughly reviewed by the Mission's Strategic Planning and Analysis (SPA) office and the Office of Acquisition and Assistance (OAA) in collaboration with other offices of the Mission.

The draft report contains 55 recommendations in total to the three Missions covered under this audit (Egypt, Jordan, and WBG) of which 19 recommendations are for USAID/WBG. Each Mission will submit its comments on its recommendations in the report separately. Following are USAID/WBG's comments and/or corrective actions taken on Recommendations No. 3, 6, 9, 14, 15, 18, 21, 24, 25, 30, 33, 37, 38, 43, 44, 48, 49, 52, and 55.

**Recommendation No. 3:**

*We recommend that USAID/West Bank and Gaza implement additional controls to make sure required data quality assessments are completed before submitting in the annual performance plan and report.*

Response:

The USAID/WBG has already instituted processes to ensure compliance with ADS 203, Project Performance Report (PPR) guidance and Data Quality Assessment (DQA) requirements and the Performance Monitoring Mission Order (MO) that was approved in June 2014.

The USAID/WBG Mission conducted DQAs for all active PPR indicators for the years 2014 and 2015, and created tools to track each indicator through the life of activity, including: 1) a DQA Plan Template and 2) a DQA Tracker. All DQAs were completed in advance of submitting the 2014 and 2015 PPRs. Additional DQAs will be conducted later this year once Project Monitoring Plan (PMP) revisions are finalized and will be submitted well in advance of the deadline for the 2016 PPR submission.

Additionally, the SPA office's Monitoring and Evaluation (M&E) team provides annual formal and informal DQA training for all USAID staff and implementing partners, and supports Agreement/Contracting Officer Representatives (A/CORs) to conduct DQAs and follow-up on findings and recommendations.

Attached are the following supporting documents: 1) the list of indicators for which a DQA was completed in FY 2014/FY 2015 (Attachment 1); 2) a sample of DQA plans/schedule for 2014-2015 (Attachment 2); and 3) the DQA tracker for FY 2014 & 2015 (Attachment 3); and 4) DQA training participants (Attachment 4).

The Mission believes that it has taken corrective action to address this recommendation, and requests that RIG/Frankfurt closes it upon issuance of the report.

**Recommendation No. 6:**

*We recommend that USAID/West Bank and Gaza's management implement a plan to reinforce sound methodologies with agreement officer's representatives and contracting officer's representatives for verifying implementers' data.*

Response:

USAID/WBG has reinforced with its A/CORs the need to verify implementers' data. The Performance Monitoring MO No. 203-1 signed in June 2014 clearly notes the need and the methodology for A/CORs to verify data (through review of quarterly reports, site visits, and spot checks of implementers' files).

The SPA Office's M&E team provides annual formal and informal DQA training (o/a May of each year) for all USAID staff and implementing partners, and provides them with standard templates, as well as supports A/CORs to conduct DQAs and follow-up on findings and recommendations.

Furthermore, the Mission's Geo-Management Information System (Geo-MIS) requires implementing partners to enter their indicator data in the portal and A/CORs must approve this data in the system. A/CORs are sent regular e-mails and notifications automatically from the system to remind them to review and verify this data on a regular basis and to upload oversight visit reports. To further strengthen data quality, the M&E team developed and disseminated to

the Mission's staff and implementing partners relevant templates and guidance; this includes a DQA checklist, and site visit template and checklist.

Finally, as was mentioned above, the Mission conducted DQAs for all active PPR indicators for the years 2014 and 2015, and created tools to track each indicator through the life of activity, including: 1) a DQA Plan Template/Schedule (Attachment 2) and 2) a DQA Tracker (Attachment 3).

The Mission believes that it has taken corrective action to address this recommendation, and requests that RIG/Frankfurt closes it upon issuance of the report.

**Recommendation No. 9:**

*We recommend that USAID/West Bank and Gaza's office directors implement a plan to make sure data quality assessments are complete.*

Response:

As noted in the response to recommendation no. 3 above, USAID/WBG customized and adopted the Standardized Agency MO on Performance Monitoring in June 2014. This MO clearly details the DQA requirements and includes a recommended DQA checklist that the Mission has been utilizing since that date. Training on DQAs are conducted for Mission staff and implementing partners on a regular basis. Furthermore, each year, the M&E team develops and shares with the technical teams a DQA plan that includes the list of indicators to be analyzed, the responsible A/COR, and a schedule. The M&E team works with each technical team to complete the plan and schedule DQA's accordingly. The M&E team also delivers DQA and monitoring training for all relevant implementing partners and A/CORs. The M&E team accompanies the A/COR to the field and participates in conducting the DQA. The cognizant A/COR is responsible for drafting and sharing a DQA memo with the M&E team for review and comment. The final version is then shared with the relevant office director for approval and signature.

All completed DQAs are entered into the DQA tracker and in Geo-MIS. The M&E team works with the cognizant A/COR to devise a plan for addressing recommendations and findings within the agreed upon time frame. (See Attachments 2,3,4 &12).

Based on the above, the Mission believes that it has taken corrective action to address this recommendation, and requests that RIG/Frankfurt closes it upon issuance of the report.

**Recommendation No. 14:**

*We recommend that USAID/West Bank and Gaza document an assessment and decision whether to hire an outside firm or other alternative to provide technical assistance for local nongovernmental organizations on USAID's requirements.*

Response:

The Mission's SPA office works with all local partners to build their M&E in accordance with Agency requirements. SPA and OAA provide regular, ongoing technical training and support opportunities including, but not limited to, performance monitoring training; Geo-MIS training; standardized, simplified M&E guidance and reporting requirements templates; and in-



person/online guidance and support. The Mission documents and maintains records of all training, guidance, and correspondence with partners and periodically follows up with partners to assess further support needed. The Mission believes that currently it is adequately staffed to provide this support, and therefore, is not planning to hire an outside firm to provide these functions.

The Mission believes that it has taken corrective action to address this recommendation, and requests that RIG/Frankfurt closes it upon issuance of the report.

**Recommendation No. 15:**

*We recommend that USAID/West Bank and Gaza conduct an assessment with its staff and implementers to find ways of improving the Geo-Management Information System for performance monitoring and reporting, and document an action plan with timelines to address the assessment's findings.*

Response:

The Mission conducts a bi-annual review of the Geo-MIS, and based on user (e.g. A/CORs, partners) feedback and Agency requirements, updates the system as necessary. Because the system serves the needs of various users (A/CORs, mission management, implementing partners), not every user is privy to how the system is being utilized in every aspect. For example, answering ad hoc Congressional questions may not be connected to the daily activity management. The M&E team is conducting various Geo-MIS training courses to help users understand the systems capabilities and solicits feedback on Geo-MIS in order to support better project monitoring, oversight, management, and reporting. As a result of these ongoing assessments and surveys, new updates have been implemented.

Recent updates include: 1) enhanced user notifications, and 2) developed data quality control reports. The Mission is also working with USAID's CIO to create an application that will allow users to open and manipulate the system via smartphones and tablets. This new function will provide better support to A/CORs gathering and validating data while in the field.

Lastly, the M&E team conducts annual Geo-MIS training for new users and refresher training for existing users that covers new features and requirements, and system utilization.

Attached are the following supporting documents: 1) Geo-MIS training PowerPoint presentation (Attachment 5); 2) list of training participants (Attachment 6); and 3) refresher training outline (Attachment 7).

The Mission believes that it has taken corrective action to address this recommendation, and requests that RIG/Frankfurt closes it upon issuance of the report.

**Recommendation No. 18:**

*We recommend that USAID/West Bank and Gaza develop a mission-wide performance management plan.*

Response:

Because of the dynamic environment affecting WBG, U.S. Government political and programmatic priorities shift regularly. In 2014, Policy, Planning and Learning (PPL) and the Middle East Bureaus exempted the Mission from developing a Country Development Cooperation Strategy. Though the Mission did not have a formalized strategy in place, all projects and activities included strategic and operational indicators to aid in tracking/measuring progress toward stated goals. In 2015, USAID contributed to the Embassy's and Consulate General's Integrated Country Strategies (ICS). The Mission began to re-align projects/activities and align new projects/activities to the respective approved ICS.

The Mission is currently finalizing a Results Framework (RF) delineating planned development objectives (DOs), intermediate results, and sub-intermediate results that will be achieved over the next five years. The Mission will use this RF to guide its strategic direction/thinking. The Mission will work with PPL and the Middle East Bureau to explore the development of a PMP based on the approved RF.

The Mission believes that it has taken corrective action to address this recommendation, and requests that RIG/Frankfurt closes it upon issuance of the report.

**Recommendation No. 21:**

*We recommend that USAID/West Bank and Gaza implement an action plan to make sure sex-disaggregated data are incorporated in activity performance management plans.*

Response:

At the time of the audit, six of the Mission's 75 PPR indicators (one standard and five customized indicators) were not disaggregated by sex in FACTS Info. The standard indicator (indicator 4.5.2.7) was disaggregated by sex in the Feed the Future Monitoring System. These figures were not transferred over to FACTS Info. The remaining five customized indicators were not disaggregated by sex in FACTS Info as the system did not allow for this option.

A/CORs are required to work with partners to develop activity M&E Plans. During this process, A/CORs and the M&E team conduct a review of each M&E plan to ensure that participant indicators are disaggregated by sex and targets are set for these indicators. This information is then uploaded into Geo-MIS and tracked through the life of activity.

Attached is a Geo-MIS generated list of all FY 2016 indicators disaggregated by sex (Attachment 8). The Mission will continue to disaggregate all necessary indicators by sex and maintain a record in Geo-MIS.

The Mission believes that it has taken corrective action to address this recommendation, and requests that RIG/Frankfurt closes it upon issuance of the report.

**Recommendation No. 24:**

*We recommend that USAID/West Bank and Gaza document the reallocation of budgeted funds to make sure enough money is dedicated to monitoring and evaluations.*

Response:

During and subsequent to the annual budgeting request, Section 653(a) process, the SPA office in collaboration with the Mission's Front Office (FO) assesses current year budget allocations and determines certain percentages of program funds needed to support Mission programs. The program support budget includes administrative and oversight (A&O), and project design and learning funds (PD&L). In accordance with ADS 203.3.2.3, and based on the 653(a) control level, the Mission ensures that the PD&L includes a sufficient amount of resources needed to support all M&E functions, this includes Geo-MIS, third-party monitoring, and planned evaluations per the Mission annual evaluation plan. Because of the dynamic programming environment and political context, the Mission experiences constant budget fluctuations and must plan accordingly. This affects budgeting for M&E; however, the Mission believes that it continues to maintain an adequate M&E budget. Unfortunately, it is difficult to reach the 5% allocation discussed in ADS 203.

Attached are the following supporting documents detailing the Mission's planned budget for FY 2012 – FY 2014 (Attachments 9, 10, 11, 19, and 20).

The Mission believes that it has taken corrective action to address this recommendation, and requests that RIG/Frankfurt closes it upon issuance of the report.

**Recommendation No. 25:**

*We recommend that USAID/West Bank and Gaza implement changes to its budgeting process to make sure the monitoring and evaluations point of contact has input on how monitoring and evaluation funds are allocated.*

Response:

As was stated above in the response to recommendation no. 24, during and subsequent to the annual budgeting request, Section 653(a) process, the SPA office in collaboration with the Mission's FO assesses current year budget allocations and determines certain percentages of program funds needed to support Mission programs. The program support budget includes A&O, and PD&L funds. In accordance with ADS 203.3.2.3, and based on the 653 (a) control level, the Mission ensures that the PD&L includes a sufficient amount of resources needed to support all M&E functions, this includes Geo-MIS, third-party monitoring, and planned evaluations per the Mission annual evaluation plan. Because of the dynamic programming environment and political context, the Mission experiences constant budget fluctuations and must plan accordingly. This affects budgeting for M&E; however, the Mission continues to maintain an adequate M&E budget.

Attached are the following supporting documents detailing the Mission's planned budget for FY 2012 – FY 2014 (Attachments 9, 10, 11, 19, and 20).

The Mission believes that it has taken corrective action to address this recommendation, and requests that RIG/Frankfurt closes it upon issuance of the report.

**Recommendation No. 30:**

*We recommend that USAID/West Bank and Gaza's contracting and agreement office implement a plan to work with agreement officer's representatives and contracting officer's representatives to reinforce requirements for documenting site visit reports and maintaining official files.*

**Response:**

Both the Mission's SPA and OAA offices have been continuously training Mission A/CORs in fulfilling their obligations for conducting and documenting site visits consistent with the requirements of ADS 203 and the Performance Monitoring MO No. 203-1, dated June 13, 2014.

Per MO No. 203-1, A/CORs should perform site visits as part of their award oversight responsibilities including the completion of site visit reports following every site visit. Those reports must be uploaded by the A/CORs into the Geo-MIS while keeping a copy in their official activity management files with an explanation of both positive and negative findings and any required follow-up actions.

Furthermore, Geo-MIS has standard templates for site visit reports in the Geo-MIS monitoring visits section. The system allows the A/COR to choose between uploading the on-line template or her/his office's own template. Such capability has been available to the A/CORs since 2002.

SPA trainings have emphasized monitoring and data quality, and uploading reports and data in Geo-MIS. A record of these trainings' participants is attached for the years 2014-2016 as well as a sample of site visit reports that were uploaded in Geo-MIS.

In addition to the SPA's efforts, OAA has conducted training of A/CORs since the beginning of 2015 and continues to do so. These training emphasize the need for A/CORs to document site visits and maintain official files. In January 2015 and February 2016, the Mission conducted three-hour mandatory refresher sessions for all Mission A/CORs. Each session reviewed the necessity of maintaining high standards of file documentation of site visits and A/COR interactions with implementing partners. Furthermore, in October-November 2015, the Mission's Contracting Officer (CO) provided guidance to the Mission's technical offices during senior staff meetings on the need for A/CORs to properly document their site visits.

By April 15, 2016 the Director of OAA will send a reminder email to all A/CORs to emphasize the need to document their site visits and to maintain the reports in their official files.

Attached are the following supporting documents: 1) Attachment 12 - Performance Monitoring MO 203; 2) Attachment 13 - Standard Site Visit Report Template in Geo-MIS for 2014-2015; 3) Attachment 14 - sample non-standard Site Visit Report Template; 4) Attachment 15 - screen shot of one activity with 24 site visit reports over its implementation life; and 5) Attachment 16 - Geo-MIS lists of training participants.

**Recommendation No. 33:**

*We recommend that USAID/West Bank and Gaza's office directors implement a plan to reinforce guidelines for agreement officer's representatives and contracting officer's representatives to conduct site visits to provide oversight.*

Response:

Further to our response to Recommendation No. 30, in the past year, USAID/WBG has made important strides in developing a plan to reinforce guidelines for conducting site visits. Meetings on site visit reporting guidelines were held on May 28, 2015 and June 26, 2015, and were attended by representatives of all technical offices across the Mission. In addition, during 2015, discussions were initiated on improving Mission's tracking of site visits. While this initiative was paused as a result of Mission restructuring in 2015, OAA and SPA plan to reconvene the Site Visit Reporting team in May 2016 when the Mission's restructuring is expected to be approved and finalized. The team will revisit the Mission's current process on site visit reporting and review the tools/templates available to the Mission's A/CORs and make any adjustments, if found necessary. It is expected that by October 31, 2016, the Mission's CO will send an email to the Mission's A/CORs reiterating the requirements for conducting and documenting site visits and referring them to the available tools highlighting any new guidance as the CO may deem necessary.

**Recommendation No. 37:**

*We recommend that USAID/West Bank and Gaza implement measures to confirm that implementers and agreement officer's representatives and contracting officer's representatives are informed of Development Experience Clearinghouse submission requirements.*

Response:

On March 14, 2016 the Director of OAA issued a notice to the Mission's Contractors and Grantees reiterating the requirements under their awards to submit documents to the Development Experience Clearinghouse (DEC) in accordance with the terms and conditions of their awards and consistent with ADS 540 "Policy Directives and Required Procedures". In addition, he followed this notice with an e-mail to the Mission's A/CORs to reiterate this requirement and to ask their assistance in ensuring that our implementing partners comply with this requirement and to bring to the A/COR attention any instances where assistance might be needed (Attachment 17 and 18).

Based on the above, the Mission believes that it has taken corrective action to address this recommendation, and requests that RIG/Frankfurt closes it upon issuance of the report.

**Recommendation No. 38:**

*We recommend that USAID/West Bank and Gaza's contracting office implement a plan to confirm that contracting performance report requirements are met.*

Response:

OAA has dedicated one staff member to ensure that all contractor performance reports are processed in a timely manner as required for the specific awards. This information is managed

closely by the Director of OAA who tracks progress made on a regular basis and pursues any report that is overdue. In addition, it is worth noting that OAA/Washington has been tracking the progress in finalizing the contractor performance reports for all missions on a regular basis. As a result, an email is routinely sent by the head of OAA/Washington to the Mission Director on a monthly basis notifying him of the progress made by the mission and the percentage of completion of Contractor Performance Reports on that particular date of reporting. It is important to note that currently there are only 8 reports out of 40 awards that are overdue. These reports are in various stages of completion and are being tracked closely by the Director of OAA to ensure that these are finalized and are submitted.

Based on the above, the Mission believes that it has taken corrective action to address this recommendation, and requests that RIG/Frankfurt closes it upon issuance of the report.

**Recommendation No. 43:**

*We recommend USAID/West Bank and Gaza implement a plan to make sure the staffing levels and workloads of program office employees, including the evaluation point of contact, are adequate so all required evaluations are completed in a timely manner and reviewed for quality control.*

Response:

As of August 2014, the SPA office consisted of nine staff: Supervisory Program Officer, Deputy Program Officer, Budget Specialist; Strategy Specialist; M&E Specialist, Inclusive Development Specialist; AID Development Specialist; Office Manager; and a Program Intern.

The Deputy SPA Officer manages the office's M&E team, which includes the M&E Specialist, Inclusive Development Specialist, and AID Development Specialist. Each person in the team provides M&E support, guidance, and training to the Mission's technical teams. The M&E Specialist serves as the Mission's evaluation POC; however, the Inclusive Development Specialist and the AID Development Specialist work directly with technical teams through the evaluation statement of work (SOW) development and implementation process. The M&E team also maintains a Mission-wide evaluation plan used to manage the evaluation process through implementation, dissemination, and learning. See attached the Mission's evaluation plan for 2014-2016 (Attachments 19 and 20).

The Mission believes that it has taken corrective action to address this recommendation, and requests that RIG/Frankfurt closes it upon issuance of the report.

**Recommendation No. 44:**

*We recommend USAID/West Bank and Gaza implement and document training and technical assistance plan to make sure key mission staff working on evaluations have received initial or refresher training on evaluation management and methods.*

Response:

The Mission's M&E team conducts performance monitoring training throughout the year. Training topics include M&E; Data Quality Analysis; and Geo-MIS. Additionally, the M&E team uses ADS 203, the Agency Evaluation Policy, and an Evaluation MO to guide and coach

technical teams through the evaluation process. Lastly, the Mission (via the SPA and the OAA offices) recommends that all A/CORs maintain their Continuous Learning Points via participation in the Agency's Performance M&E course offerings.

The Mission, in coordination with PPL, will hold a Performance M&E course in July 2016.

The Mission believes that it has taken corrective action to address this recommendation, and requests that RIG/Frankfurt closes it upon issuance of the report.

**Recommendation No. 48:**

*We recommend that USAID/West Bank and Gaza document its calculations of the average size of projects and include all required large projects in the mission's inventory and annual performance, plan, and report evaluation registry.*

Response:

Per Agency requirements (i.e. ADS 200 series, Evaluation Policy, and the WBG MO on Evaluations 203-2 dated June 2014), the Mission has developed an evaluation plan that helps guide and manage planned evaluations per project. Based on this plan, the Mission identifies evaluations that meet the Agency's criteria to be considered "required" and allocates funds to conduct the selected evaluation. See attachments 9, 10, and 11 for information on the Mission's budget calculations for evaluations, and attachments 19 and 20 for information on the Mission's evaluation plans.

The Mission believes that it has taken corrective action to address this recommendation, and requests that RIG/Frankfurt closes it upon issuance of the report.

**Recommendation No. 49:**

*We recommend that USAID/West Bank and Gaza implement an action plan to make sure project design documents address the evaluation policy planning requirements.*

Response:

Per Agency requirements (i.e. ADS 200 series, Evaluation Policy, and the WBG MO on Evaluations 203-2 dated June 2014), the Mission ensures that all project design documents include a descriptive M&E section which describes the main results and impact expected from the project. The project design document also includes 1) a link to relevant DOs and their intermediate results; and 2) the F Framework Objectives and program areas and their associated standard performance indicators, including gender, conflict, and youth-related indicators. These can be standard or customized. The project design document also describes the project's evaluation plan, including the type of evaluation(s) and illustrative evaluation questions as well as top line indicators (Attachment 21).

The Mission believes that it has taken corrective action to address this recommendation, and requests that RIG/Frankfurt closes it upon issuance of the report.

**Recommendation No. 52:**

*We recommend that USAID/West Bank and Gaza implement actions to make sure evaluation team members complete a statement of work checklist or an equivalent before they conduct an evaluation.*

Response:

Per Agency requirements (i.e. ADS 200 series, Evaluation Policy, and the WBG MO on Evaluations 203-2 dated June 2014), during the evaluation planning process, the M&E team works with the respective technical team to prepare a SOW for the M&E team review. The SOW development follows the agency guidance and the SOW checklist.

Attached are the following supporting documents: 1) Attachment 22 - Evaluation SOW Template; 2) Attachment 23 - Evaluation SOW for COMPETE Project managed by DAI; and 3) Attachment 24 - Evaluation MO 203-2.

The Mission believes that it has taken corrective action to address this recommendation, and requests that RIG/Frankfurt closes it upon issuance of the report.

**Recommendation No. 55:**

*We recommend that USAID/West Bank and Gaza implement a plan to document management or program actions to address recommendations and maintain documentation in a central location.*

Response:

On March 14, 2016 the Director of OAA issued a notice to the Mission's Contractors and Grantees reiterating the requirements under their awards to submit all documents, including evaluations, to the DEC in accordance with the terms and conditions of their awards and consistent with ADS 540 "Policy Directives and Required Procedures". In addition, he followed this notice with an e-mail to the Mission's A/CORs to reiterate this requirement and to ask their assistance in ensuring that our implementing partners comply with this requirement and to bring to the CO/AO attention any instances where assistance might be needed.

Per the Evaluation MO 203-2, dated June 2014, each evaluation must include a plan to disseminate findings among internal and external stakeholders for learning purposes and addressing recommendations (Attachment 24). Furthermore, SPA maintains a record and copies of all USAID and partner managed evaluations, recommendations, and appropriate follow-up.

Attached are the following supporting documents: 1) Attachment 17- Mission Notice to Implementing Partners; and 2) Attachment 18 – CO's reminder e-mail to A/CORs.

Based on the above, the Mission believes that it has taken corrective action to address this recommendation, and requests that RIG/Frankfurt closes it upon issuance of the report.



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