

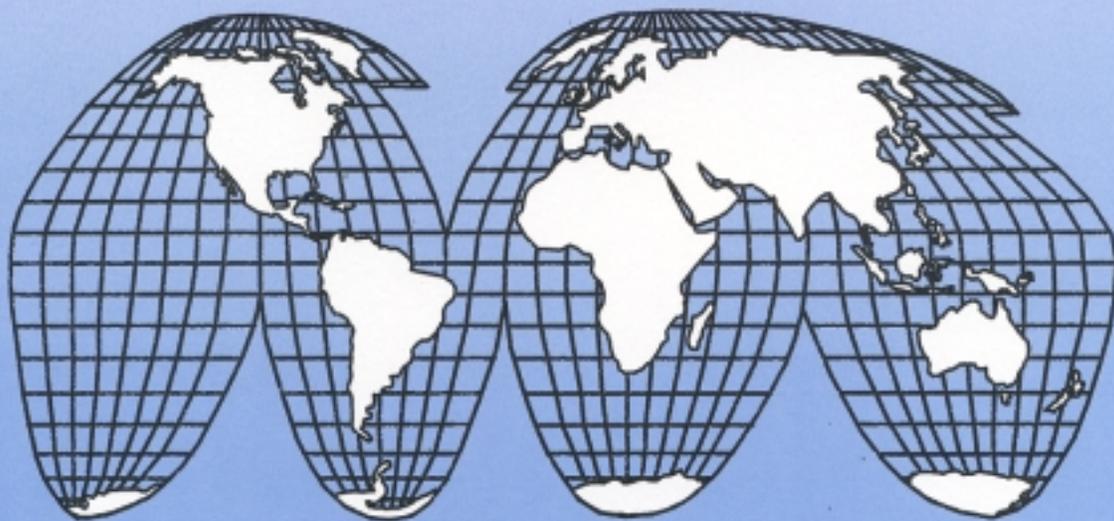
USAID

OFFICE OF INSPECTOR GENERAL

Audit of USAID/Zambia's Monitoring of the Performance of Its HIV/AIDS Program

Audit Report Number 9-611-01-004-P

September 17, 2001



**U.S. Agency for International Development
Washington, D.C.**



U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

Performance Audits Division

September 17, 2001

MEMORANDUM

FOR: USAID/Zambia Director, Allan E. Reed

FROM: IG/A/PA Director, Dianne L. Rawl

SUBJECT: Audit of USAID/Zambia's Monitoring of the Performance of Its HIV/AIDS Program (Report No. 9-611-01-004-P)

This is our final report on the subject audit. In finalizing this report, we considered management's comments on our draft report. We have included those comments, in their entirety, as Appendix II.

This report contains one procedural recommendation that has two subparts. Based on your response to our draft report we do not consider Recommendation Nos. 1.1 or 1.2 to have received a management decision. Consequently, we request that you provide written notice within 30 days relating to actions taken, or planned with accompanying target dates, to complete the corrective actions for both subparts of the recommendation.

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

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Summary of Results

USAID funding for HIV/AIDS has increased dramatically over the last three years—from \$142 million in fiscal year 1999 to over \$300 million in fiscal year 2001. This increase in funding has created a demand for greater accountability on the part of USAID and its operating units, both as to monitoring progress and achieving intended results. (See pages 4-5.)

USAID procedures for monitoring programs, including its HIV/AIDS programs, are contained in its Automated Directives System (ADS). The ADS sets forth requirements that operating units must follow in managing their programs, such as the establishment of indicators, identification of data sources, and planned methods by which data are to be collected. We tested USAID/Zambia’s monitoring of its HIV/AIDS program against eleven controls contained in the ADS. USAID/Zambia had implemented ten of the eleven controls and had partially implemented the eleventh. We recommend that USAID/Zambia fully implement the eleventh control by performing and documenting data quality assessments for all indicators. (See pages 6-9.)

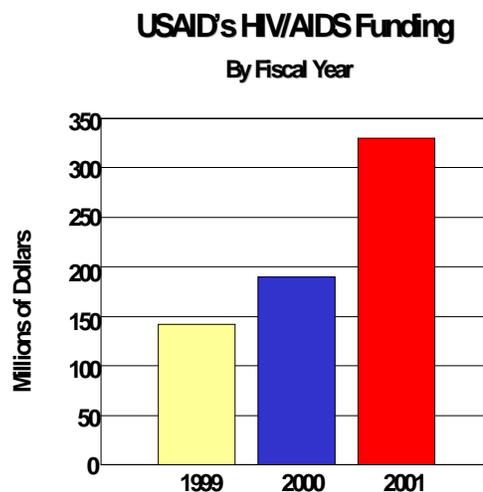
Results-oriented management must be used to reasonably ensure that programs achieve their intended results. USAID/Zambia uses three indicators—condom sales, condom use, and sexually transmitted infections (STI) diagnosis and treatment—to measure results in its HIV/AIDS program. A review of the three indicators showed that the Mission was achieving the intended results with regard to the first two indicators, but not the third. The inability to reach the intended results in this third program area appeared to be due to circumstances beyond USAID/Zambia’s control. Therefore, we are not recommending that USAID/Zambia take any corrective actions in that regard. (See pages 10-16.)

To improve the monitoring process for its HIV/AIDS program, USAID has drafted a “Monitoring and Evaluation Guidance” USAID’s Expanded Response to the Global HIV/AIDS Pandemic. The Guidance establishes several global targets USAID expects to achieve because of the additional funding it anticipates receiving and requires missions to routinely monitor and evaluate their HIV/AIDS programs using standard indicators. As a recipient of significant additional funding, USAID/Zambia is preparing to meet these additional monitoring requirements. The results of our review indicate that the Mission should be able to meet its requirements under the new Guidance. (See pages 17-18.)

Credit sales for condoms under a social marketing program were not being collected in a timely manner. This resulted in a loss of funds that could have been used to further the program and increased the risk of irregularities against cash and assets. Consequently, we suggest that USAID/Zambia closely monitor the collection of overdue accounts receivable. (See page 18.)

Background

USAID funding for HIV/AIDS has increased dramatically over the past three years—from \$142 million in fiscal year 1999 to over \$300 million in fiscal year 2001¹ (see graph below). USAID is organizing its response to HIV/AIDS around the following three categories of countries: rapid scale-up, intensive focus, and basic. These categories were developed based on 1) the amount of resources that USAID intends to apply and 2) expectations as to when a measurable impact might be achieved. For example, USAID defines rapid scale-up countries as those that will receive a significant increase in resources to achieve measurable impact within one to two years. (See Appendix III for a more complete description of these categories.)



Zambia, a landlocked country in Southern Africa with a population of about 10 million, is one of four rapid scale-up countries. HIV/AIDS is a major public health problem in Zambia, with an estimated prevalence rate of about 20 percent as reported by Zambia's Ministry of Health. Two transmission mechanisms account for most of the new HIV infections in Zambia—heterosexual contact and perinatal transmission. Several factors contribute to the rapid spread of HIV/AIDS in Zambia. These include a high prevalence of other sexually transmitted infections (STIs), a norm of multiple sexual partners, low condom use, cultural beliefs, poverty, poor health status, and the low social and economic status of women. According to USAID/Zambia, Mission funding for HIV/AIDS and related programs for fiscal year 2000 was about \$9.6 million.

¹ Information was provided by USAID and is unaudited.

There has been much interest in monitoring the impact of USAID assistance on the HIV/AIDS epidemic. In March 2000, USAID published a handbook that discusses standard indicators for monitoring and evaluating HIV/AIDS programs, and in February 2001, USAID issued draft “Monitoring and Evaluation Guidance” USAID’s Expanded Response to the Global HIV/AIDS Pandemic, which summarizes new reporting requirements for USAID’s HIV/AIDS program. In March 2001, the U.S. General Accounting Office (GAO) issued a report on USAID’s fight against HIV/AIDS in Africa.² The GAO report observed that USAID had contributed to the fight against HIV/AIDS in sub-Saharan Africa, but that missions and regional offices used inconsistent indicators to measure performance, data collection was sporadic, and there was no requirement for missions and regional offices to regularly report the data they collect. GAO recommended that USAID select standard indicators, gather performance data on a regular basis, and report this data to a unit, to be designated by the USAID Administrator, for analysis.

Audit Objectives

This audit is the first of a series of audits to be conducted worldwide of USAID’s monitoring of the performance of its HIV/AIDS program at the operating unit level. The audits will be conducted by USAID’s Office of Inspector General.

The audit objectives and the scope and methodology for the audit were developed in coordination with USAID’s HIV/AIDS Division in the Bureau for Global Programs, Field Support and Research. The Office of Inspector General performed this audit in Zambia to review USAID/Zambia’s HIV/AIDS program and specifically, to answer the following audit objectives:

- Did USAID/Zambia monitor performance of its HIV/AIDS program in accordance with Automated Directives System (ADS) guidance?
- Is USAID/Zambia achieving intended results from its HIV/AIDS program?
- What is the status of USAID/Zambia’s efforts to meet anticipated HIV/AIDS reporting requirements?

Appendix I describes the audit’s scope and methodology.

² *U.S. Agency for International Development Fights AIDS in Africa, but Better Data Needed to Measure Impact* (GAO-01-449, March 2001).

Audit Findings

Did USAID/Zambia monitor performance of its HIV/AIDS program in accordance with Automated Directives System (ADS) guidance?

USAID/Zambia generally monitored performance of its HIV/AIDS program in accordance with USAID's ADS. The ADS outlines USAID's policies and procedures for implementing a performance monitoring system. However, one aspect of the Mission's performance monitoring system that should be improved was the performance and documentation of data quality assessments for all of its key HIV/AIDS indicators.

USAID/Zambia's Performance Monitoring Plan (PMP) included the following three performance indicators which it used to monitor its HIV/AIDS activities: (1) Condom Use, (2) Number of "Maximum" Brand Male Condoms Sold, and (3) Sexually Transmitted Infections (STI) Diagnosis and Treatment. In accordance with the ADS, the Mission prepared a detailed PMP that included most of the required information, such as indicator descriptions, data sources, data collection methods, data collection schedules, assignment of responsibility, and disclosure of data limitations. In addition, the Mission established baselines for the indicators in the plan and reported data for the indicators which agreed with the data sources specified in the plan. The Mission also used other monitoring tools such as independent surveys and reports as a further check of data consistency. (See Appendix IV.)

However, the Mission did not perform and document data quality assessments for all of its key HIV/AIDS indicators.

Data Quality Assessments Should Be Performed and Documented

USAID policy, as articulated in its ADS, requires that data quality assessments be performed at least every three years for all indicators reported in USAID's annual operating units' Results Review and Resource Request (R4) reports and for other data included "in special reports to Congress or other oversight agencies." Such assessments are intended to ensure that performance information is sufficiently complete, accurate, and consistent. The guidance further notes that, when conducting data quality assessments, operating units must:

- verify and validate performance information to ensure that data are of reasonable quality;
- review data collection, maintenance, and processing procedures to ensure that they are consistently applied and continue to be adequate; and

-
- retain documentation of the assessment in performance management files - a requirement that is in accord with general Federal requirements to document significant events and to retain such documentation for future examination.

The ADS further notes that “Meeting requirements for data quality assessments need not be excessively onerous....” The ADS goes on to say that the requirement might be met by activities such as:

- reviewing partner reports;
- making site visits to spot check for reliability; or
- holding discussions with data source agencies on quality assurance procedures, provided these discussions are sufficiently detailed, cross checked and well documented.

In any case, the goal of a data quality assessment is to ensure that one is aware of data strengths and weakness and the extent to which data can be trusted when making management decisions.

However, of the three HIV/AIDS performance indicators we reviewed, the Mission did not perform data quality assessments for one of the indicators, “Number of...Condoms Sold,” and did not document data quality assessments for the other two indicators, “Condom Use” and “STI Diagnosis and Treatment.” While only the first of these three indicators currently appears in USAID/Zambia’s R4 report, we believe that the Mission should nevertheless assess and document the data quality of all key HIV/AIDS indicators. While the ADS requirement to do assessments of data outside of those reported in the R4, is not entirely clear, we believe that data quality assessments are an important management control in ensuring that results are reliable. In addition, with increased funding for HIV/AIDS and with expanded reporting requirements (see third audit finding below), we believe that it is even more urgent that missions ensure that the data collected for all key indicators used to manage their HIV/AIDS programs is reliable. Indeed, the ADS also notes that “prudence dictates that managers be fully aware of the strengths and weaknesses of the data they use.” Performing periodic data quality assessments—and documenting the results—will help ensure that such strengths and weaknesses are recognized.

The following is a brief discussion of the three indicators which USAID/Zambia used to monitor its HIV/AIDS activities and the entities that collected the data for these indicators.

Condom Sales - The Society for Family Health (SFH) is a non-government organization (NGO) responsible for managing the social marketing program for Maximum-brand condoms in Zambia and for collecting data on condom sales.

Marketing takes place through a distribution system that ensures that Maximum condoms are available through a variety of large and small retail outlets.

We were unable to trace to original documents the aggregated data reported to the Mission for calendar year 2000 under the indicator, “Number of Maximum Brand Condoms Sold.” However, SFH recently instituted new procedures for calendar year 2001 that appear to adequately address these problems. These procedures include a new dual accounting system. This system allows the main office in the capital city to compare its data against that reported by its regional offices prior to the final monthly posting, thereby eliminating the need to document adjustments to condom sales and providing an audit trail showing how the aggregated sales totals were computed. The grantee has also initiated a new filing system. While we did not find evidence that would lead us to question the accuracy of the sales data reported for calendar year 2000, we do have a concern about uncollected accounts receivable (see discussion - Other Matters - page 18) and believe the Mission should, in accord with ADS guidance, make its own assessment of the quality of the data.

Condom Use and STI Diagnosis and Treatment - The biennial Zambia Sexual Behavior Survey (ZSBS) is the vehicle used to monitor results for the two other indicators—Condom Use and STI Diagnosis and Treatment. The Zambia Central Statistical Office, a quasi-governmental entity, conducts the survey under a contract with a U.S. university which has a cooperative agreement with USAID/Washington to conduct surveys of changes in sexual behavior worldwide.

USAID/Zambia was not able to provide written documentation of the assessments it said it had performed on data collected by the ZSBS for these two indicators. Mission personnel, however, were able to describe orally what actions they had taken to ensure that data were reliable. They described their oversight actions before and during the survey process, and their subsequent involvement during data analysis. They were also aware of the procedures that were used to ensure that interviewers were trained, data collection procedures were checked, protocols were followed, and data entry was correct. Even though documentation was not available, it appears that the Mission had in fact assessed data quality.

Mission officials gave a number of reasons for not performing data quality assessments, or for not documenting them. With regard to not performing an assessment on the indicator, “Number of Condoms Sold,” reasons included: 1) the Mission’s reliance on the grantee, Society for Family Health, to ensure data quality, and 2) the fact that Mission personnel did not understand the extent of testing or monitoring procedures required to validate the accuracy of the data. With regard to not documenting assessments for the other two indicators, Mission officials stated that data quality assessments were conducted for the Condom Use and STI Diagnosis and Treatment indicators but that Mission personnel had simply not documented their actions.

Another possible cause for the lack of data quality assessments and/or documentation for the three indicators discussed above might be attributed to the fact that the PMP did not describe how or how often these assessments were to be done. The Plan did not discuss what the Mission planned to do to assess each indicator nor what actions would be the responsibility of the NGO or the grantee.

Data quality assessments are a key element of USAID's performance monitoring system. Without such assessments the quality of data being collected and reported is simply assumed and data limitations, if any, are not documented and recognized. As a result, flawed data may be reported and erroneous management decisions could be made based on defective data. Documenting such assessments helps ensure that they are done and that the results of Mission assessments are available to successive managers.

A requirement to include a description of how assessments were to be done in the PMP is a new ADS requirement and was not effective until after our audit work was completed.³ Nevertheless, in addition to our recommendation for performing and documenting assessments we are recommending that the PMP be amended in line with this new requirement to describe how the Mission plans to perform data quality assessments for each of the key HIV/AIDS indicators in the PMP.

Recommendation No. 1: We recommend that USAID/Zambia:

- 1.1 perform and document data quality assessments for the indicator “Number of Maximum Brand Condoms Sold,” and modify the Performance Monitoring Plan to describe actions USAID/Zambia will take to assess data quality for all HIV/AIDS indicators; and**
- 1.2 perform data quality assessments for all other HIV/AIDS indicators and maintain documentation of such in the Mission’s files.**

³ The new PMP requirements were added to the ADS as of September 1, 2000 and became effective on June 1, 2001.

Is USAID/Zambia achieving intended results from its HIV/AIDS program?

In fiscal year 2000, USAID/Zambia achieved its targets for condom sales and condom use. Although the Mission did not achieve its target for STI diagnosis and treatment, we believe this was due, for the most part, to circumstances beyond the Mission's control. Consequently, we are not including a recommendation in this report that USAID/Zambia take action to correct this situation. Intended results were not achieved for STI diagnosis and treatment due to the host government's banning of health care training programs and the unavailability of STI drugs. As a result, an undetermined number of individuals with sexually transmitted infections did not receive needed diagnosis and treatment.

Office of Management and Budget (OMB) Circular A-123 requires that agencies and individual Federal managers take systematic and proactive measures to develop and implement management controls for results-oriented management. It goes on to state that management controls are the policies and procedures used to reasonably ensure that programs achieve their intended results. These controls consist of establishing indicators to manage for results, collecting baseline data for these indicators prior to project intervention, setting targets for these indicators, periodically collecting data to monitor results, and assessing the quality of the data being collected.

USAID/Zambia used three key indicators to manage its HIV/AIDS program:

- condom sales by year;
- condom use during last sexual act with a non-regular partner; and
- sexually transmitted infections (STIs) properly diagnosed and treated according to standard treatment guidelines.

According to data gathered by USAID/Zambia to monitor its HIV/AIDS program, with regard to the first two indicators—condom sales and condom use—the Mission achieved its intended results, but with regard to the third—diagnosis and treatment of sexually transmitted infections—it did not.

Condom Sales - Because heterosexual contact is the main form of transmission of HIV/AIDS in Zambia, condom accessibility and use are major components of the USAID/Zambia HIV/AIDS program. The Mission's social marketing program to increase the accessibility of condoms through private sector sales has been in effect since 1992. While condom sales are not a perfect proxy of condom use, the Mission believes condom sales are still a reasonable indicator of behavioral intention.

To increase accessibility to condoms, the Mission, through a local NGO partner, designed a marketing strategy to increase sales of condoms to urban and suburban youth. A national distribution network was established, and both traditional and non-traditional outlets (supermarkets, groceries, kiosks, nightclubs, bars, etc.) were identified as effective marketing locales. Using market research techniques, the brand name Maximum was developed.

Applying social marketing techniques, the NGO launched its brand name and developed strategies to expand consumer confidence in its product. This strategy resulted in high name recognition for Maximum throughout the country.



Sign outside bar in Livingston, Zambia, advertising Maximum brand condoms, sold as part of a USAID-funded social marketing program (April 2001)

Sales data are provided by the NGO from a sales database, which is part of the inventory management system. According to the NGO, data are to be verified through the reconciliation of sales figures with bank accounts and inventory figures and with spot checks of sales invoices. Annual targets and actual sales can be seen in the following chart.

Year	Annual Condom Sales (Millions)	
	Target	Actual
1993	N/A	4.7
1994	5.8	6.2
1995	6.0	6.3
1996	6.5	6.5
1997	7.0	5.8
1998	7.3	5.3
1999	8.0	6.6
2000	7.5	8.6

USAID/Zambia's condom sales program was initiated in 1992, and condom sales have grown from 4.7 million in 1993 to 8.6 million in 2000. The sales target for fiscal year 2000 was 7.5 million condoms. Because fiscal year 2000 condom sales of 8.6 million well exceeded the targeted level of 7.5 million, and represented an almost two-fold increase over the baseline 1993 sales figure, the Mission achieved its intended results in condom sales for fiscal year 2000. Data on condom use (see section below) and overall survey results further support this conclusion.⁴ However, during our review of condom sales, we noticed some problems with the program's accounts receivable which are discussed under Other Matters on page 18.

Condom Use - Establishing safer sexual behavior has probably been the most important area of programming for most national HIV/AIDS programs to date. Programs seek to delay first sex among young people and encourage lifelong, mutually monogamous partnerships. Because such partnerships are more the exception than the norm in many cases, programs also encourage reducing the overall number of sexual partners and using condoms, especially with partners other than one's spouse.

USAID/Zambia has several programs designed to encourage condom use. One example is the cross-border initiative, which targets high-risk groups such as sex workers and truck drivers at several Zambian highway border crossings. Peer educators visit local bars and other locations that attract individuals involved in high-risk sexual behavior. Counseling is provided concerning condom use as well as the availability of STI medical screening and treatment.

⁴ According to the Mission, sales in 1997-1999 did not achieve anticipated results because of a Government of Zambia restriction on the advertising of condoms.



Street entertainers attract crowds, then offer skits and lectures on HIV/AIDS prevention, as part of USAID-funded Cross-Border Initiative. (April 2001)



USAID-funded peer educators counsel sex workers on lifestyles and health Matters in Livingston, Zambia. (April 2001)

Condom use is measured by the percent of persons who report the use of a condom during their last sexual act with a non-regular sex partner. This data is collected countrywide by a USAID/Zambia-funded biennial survey called the **Zambian Sexual Behavior Survey**. The survey is a population-based behavioral and health facility survey that costs about \$400,000. Data quality is assessed through field checks of data collection procedures, review of the data entry

process, and hand corrections during data-set cleaning. Biennial targets and actual use can be seen in the following chart.

Year	Percent of Persons Using Condoms During Last Sexual Act With Non-Regular Partner	
	Target	Actual
1998	N/A	24 Female 33 Male
2000	28 Female 35 Male	34 Female 40 Male

Fiscal year 2000 survey results showed actual condom use during last sexual act with a non-regular partner at 34 percent for females and 40 percent for males. These levels were well above the indicator target levels for condom use of 28 percent for females and 35 percent for males set by USAID/Zambia. Based on this data, along with the data for condom sales and other survey data, USAID/Zambia achieved its intended results for condom use in fiscal year 2000.

The HIV/AIDS program in Zambia has produced positive results due to the combined efforts of USAID and other international donors. For example:

- A sentinel surveillance report published in 1999 stated that at four sites in Lusaka, the capital city, there was an average decline in HIV prevalence rates in women in the 15 to 19 age group from 28 percent to 15 percent over a five year period. A similar trend was also found in some rural areas.
- Declining HIV prevalence and risk behaviors in Zambia during the 1990s is shown in a national surveillance and population-based survey. This report stated that prevalence was reduced among urban women aged 15 to 29 from 28 percent to 24 percent. Prevalence among rural women aged 15 to 24 was reduced from 16 percent to 12 percent.
- Urban men and women reported less sexual activity, fewer multiple partners, and more consistent use of condoms. The proportion of urban men aged 15 to 19 who report engaging in sexual activity in the previous 12 months declined from 47 percent to 23 percent, and the proportion with two or more sexual partners fell from 52 percent to 38 percent.
- Zambia Sexual Behavior Survey reported an increase in the percentage of individuals that said they used a condom during their last sexual act with a non-regular partner (as shown in the chart above).

-
- SFH reported an increase in the number of condoms sold from 5.3 million in 1998 to 8.6 million in 2000.

We recognize that behavior in populations changes over time, but it appears that those changes are occurring, and, at least among the younger segment of the population, HIV/AIDS prevalence is declining.

STI Diagnosis and Treatment - USAID/Zambia did not achieve intended results in the third program area we reviewed. The indicator for this area measures the percentage of persons with STIs properly treated, according to standard treatment guidelines, at selected health facilities. We believe the failure to achieve intended results was due for the most part to circumstances beyond the Mission's control.

STIs are a major health problem in many countries, including Zambia. Because the presence of STIs increases the likelihood of HIV transmission, the advent of AIDS has led to a new push to treat and prevent STIs. Toward this end, USAID/Zambia promotes a basic diagnostic technique that substitutes an examination and interview approach for expensive and, often unavailable, laboratory testing. Properly trained personnel will conduct the examination and interview and determine if a STI is part of the diagnosis. This approach requires a large investment in training for nurses and other health workers.

Until 1998, the Mission supported a program that trained approximately 100 health workers in STI care management. It was on the basis of this training program that the indicator was formulated and the baseline and targets established. The indicator baseline and indicator targets were established from a 1995 survey in one province. A follow-up survey, in that province, in 1996 provided actual data for that year. Actual data for 1998 and 2000 were collected countrywide by the Zambia Sexual Behavior Survey. This is the same survey discussed above concerning condom use.

USAID/Zambia has not had a significant STI management training program since 1998. In 1998, a combination of a Government of Zambia policy restricting health care training programs and the failure of another donor to provide anticipated STI drugs made continuation of the training program impractical.

Survey results were mixed, as can be seen from the following chart showing targets and the percentage of Zambian STI patients receiving acceptable treatment.

Year	Percent of Persons Receiving Acceptable STI Diagnosis and Treatment at Selected Health Facilities	
	Target	Actual
1996*	15	18
1998	25	19
2000	40	10

*survey results from one province only

While the survey results for the indicator were disappointing for the year 2000, we believe the limited STI training held between 1998 and 2000—due in part to the unavailability of drugs during that time period—was probably the main reason for the overall drop. USAID/Zambia will initiate new STI training programs in fiscal year 2001. In addition, another donor is expected to provide STI drugs. Based on these conditions, we are not making any recommendations.



Health clinic in Livingston, Zambia offers USAID-funded STI diagnosis and treatment. (April 2001)

What is the status of USAID/Zambia's efforts to meet anticipated HIV/AIDS reporting requirements?

Our review indicates that USAID/Zambia should be able to meet future HIV/AIDS reporting requirements in USAID's newly-drafted guidance.

Due to the significant increase in HIV/AIDS funding from 1999 to 2001, there has been a great deal of interest in monitoring the results of USAID's assistance in this area. In March 2000 USAID's Global Bureau developed a handbook of standard indicators that operating units could use to measure the progress of their HIV/AIDS programs. In March 2001, the U.S. General Accounting Office (GAO) issued its report on USAID's fight against AIDS in Africa, which reported the need to be able to better monitor progress (see page 5). In its report GAO recommended that USAID's operating units adopt standard indicators to measure program performance, gather performance data on a regular basis, and report data to a central location for analysis.

To improve the monitoring process for its HIV/AIDS program, USAID has drafted a "Monitoring and Evaluation Guidance" USAID's Expanded Response to the Global HIV/AIDS Pandemic. This new guidance establishes several global targets USAID expects to achieve with its additional funding and requires missions to routinely monitor and evaluate their HIV/AIDS programs in a definitive, systematic way and to report on their progress. As a "rapid scale-up country," the draft guidance would require USAID/Zambia to implement this enhanced monitoring and reporting system. The system would collect and report information at three levels:

- At the first level, USAID/Zambia would be required, by 2007, to develop a national sentinel surveillance system to report annually on HIV incidence rates so as to measure the overall effect on the pandemic of national HIV/AIDS prevention and mitigation programs. The standard indicator for this measurement, according to the draft guidance, would be HIV prevalence rates for 15-24 year olds. USAID/Zambia expects to have a surveillance system in place before the 2007 deadline.
- The second level would require the Mission to conduct standardized national sexual behavior surveys every 3-5 years, beginning in 2001. USAID/Zambia has already conducted the Zambia Sexual Behavior Survey in 1998 and 2000 and will continue the survey every two years. Standard indicators proposed in the draft guidance for this area are "number of sexual partners" and "condom use with last non-regular partner." The Mission is presently using one of the two standard indicators (condom use with last non-regular partner) as an indicator and has the necessary data from the survey to report on the second.
- At the third level, Missions would be required to report annually, not only on trends at the national level - which may or may not directly reflect USAID-funded activities - but on progress toward implementing USAID's

HIV/AIDS programs and increasing the proportion of the target population covered by these programs. The draft guidance lists seven standard indicators that missions might use to measure progress in selected program areas. USAID/Zambia presently is using two of the standard indicators (total condoms sold and percent of STI patients treated according to national standards). The Mission is also formulating other indicators for its newer programs in the areas of voluntary counseling and testing, orphans and vulnerable children, and mother-to-child transmission. These indicators are in line with the standard indicators proposed by the draft guidance for these areas.

In short, USAID/Zambia appears to be well on its way to meeting requirements for collecting all three levels of data anticipated by the draft guidance. A national sentinel surveillance system should be in place before the 2007 deadline, a biennial sexual behavior survey required by 2001 has been in place since 1998, and standard indicators either are being used or are being adopted to monitor the progress of USAID-funded activities.

Other Matters

During our review of sales data for condoms sold under the social marketing program, we noted that a significant portion of condoms and other social marketing products were sold on credit, and the accounts receivable were not collected in a timely manner. Sales of condoms and other health products, such as mosquito nets and water purification kits, represent an integral part of USAID/Zambia's social marketing program. In February 2001, sales of these products totaled 258.8 million Kwacha⁵ (\$89,875). Approximately 83 percent of those sales were on credit. Accumulated overdue accounts receivable as of that month totaled \$95,513, of which 60.7 percent were more than 90 days overdue. At the time of our audit, the NGO managing the program was in the process of instituting measures to implement a more aggressive approach to the debt collection process. Since the proceeds from these sales are used to partially cover operational costs, the untimely receipt or non-payment of these proceeds will result in reduced local funding available for the program. We believe that the accumulation of large overdue balances may increase the likelihood of credit sales becoming uncollectible and may also create a perception that products, such as condoms, can be obtained under the program for free. This may lead to abuse that could undermine the objectives of the program. As a result, we suggest that USAID/Zambia closely monitor progress achieved in reducing these overdue accounts receivable balances.

⁵ 1 U.S. Dollar = Approximately 2,880 Zambian Kwachas

Management Comments and Our Evaluation

In response to Recommendation No.1.1, in which we recommended that USAID/Zambia perform and document data quality assessments for the indicator “Number of Maximum Brand Condoms Sold,” Mission management agreed that data quality assessments should be performed and said they will do so by sampling invoices and computerized records at the Society for Family Health. In Recommendation No. 1.1, we also recommended that USAID/Zambia modify its Performance Monitoring Plan (PMP) to describe actions USAID/Zambia will take to assess data quality for all HIV/AIDS indicators. However, the Mission’s response did not address this issue. The PMP, as stated in the Automated Directives System (ADS), is the cornerstone of the Strategic Objective Team’s performance management system. According to the ADS, the PMP must, at a minimum, describe the quality assessment procedures that will be used to verify and validate the measured values of actual performance. Therefore, we do not consider Recommendation No. 1.1 to have received a management decision. We request that management advise us within 30 days as to how and when it intends to address the PMP portion of Recommendation No. 1.1.

In Recommendation No. 1.2 we recommended that USAID/Zambia perform data quality assessments for all other HIV/AIDS indicators and maintain documentation of such assessments in the Mission’s files. The Mission agreed that data quality assessments should be performed and documented. However, Mission management requested that the Inspector General clarify the recommendation, since in management’s opinion, the ADS only requires assessments for those indicators included in the R4 report. Although the ADS, as currently written, is not entirely clear on this issue, data quality assessments are an important management control in ensuring that reported results are reliable. The OIG believes that missions should perform data quality assessments on all indicators included in the PMP. Consequently, the OIG is recommending in another audit report, that USAID revise its ADS to clearly state that assessment of indicators at inception, and their reassessment at least every three years thereafter, must apply to all indicators used to measure USAID performance, not simply to indicators reported in the R4s.⁶ Meanwhile, until we receive agreement by the Mission, with a proposed timetable, to perform data quality assessments for all HIV/AIDS indicators, we do not consider Recommendation 1.2 to have received a management decision. We request that management advise us within 30 days as to how and when it intends to address Recommendation No. 1.2.

Concerning the subject noted in the Other Matters section of our report, during our audit work we determined that a significant balance of overdue accounts

⁶ See Recommendation No. 2 in our draft report, issued August 21, 2001 on the Performance Monitoring for Indicators Appearing in Selected USAID Operating Units’ Results Review and Resource Request Reports.

receivable had resulted from USAID/Zambia's social marketing program. To correct this problem, we originally included Recommendation No. 2 in our draft report which recommended that USAID/Zambia obtain an independent confirmation of accounts receivable for the social marketing program. Based upon management's comments to our draft report, and further deliberation, we decided to eliminate Recommendation No. 2 from this final report. However we suggest that USAID/Zambia closely monitor progress achieved in reducing the overdue accounts receivable balances.

In its response to the draft report, management mentioned that the OIG did not provide enough information regarding the achievements in USAID's HIV/AIDS program in Zambia. Consequently, we have added text under the second objective on pages 14 and 15 that addresses a reduction in prevalence rates and behavioral changes. In addition, management believed that the report should have provided additional discussion of the positive findings that appeared in Appendix IV. We noted in both Appendix IV and the first two paragraphs under the first objective on page 6 that USAID/Zambia generally monitored performance of its HIV/AIDS program in accordance with USAID's policies and listed the individual elements that had been performed in accordance with USAID guidelines. We also stated that the Mission used other monitoring tools such as independent surveys and reports as a further check of data consistency and that Mission staff were aware of the data quality assessment procedures the contractor used in performing the Zambia Sexual Behavior Survey and preparing the resulting report.

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

The Performance Audits Division of the Office of Inspector General conducted this audit in accordance with generally accepted government auditing standards. The purpose of the audit was to determine: (1) if USAID/Zambia was monitoring performance of its HIV/AIDS program in accordance with ADS guidance, (2) if USAID/Zambia is achieving intended results from its HIV/AIDS programs, and (3) the status of efforts to improve reporting on the results of the Mission's HIV/AIDS programs. The audit covered all three HIV/AIDS indicators in USAID/Zambia's performance monitoring plan. Determination as to whether intended results had been achieved was based on the fiscal year 2000 results. In evaluating for intended results we recognized that in many cases other entities—as well as the host country—also participated in achieving these results. Fieldwork was conducted at USAID/Zambia in Lusaka, and in Livingston, Zambia between March 26 and April 18, 2001.

We used performance results reported in the Zambia Sexual Behavior Survey (ZSBS) to measure results for the Condom Use and STI Management and Treatment indicators, and the Society for Family Health (SFH) provided data for Condom Sales results. The ZSBS was conducted by a well-known and highly regarded entity, and we relied upon their controls, and statements of Mission personnel's involvement, to ensure reliable data. The Mission relied upon SFH's internal reviews and reconciliation procedures to ensure data reliability.

Our review of management controls focused on USAID/Zambia's Performance Monitoring Plan and how well the Mission complied with USAID, OMB, and GAO policies and guidance.

Methodology

To answer the first audit objective, we reviewed the Mission's Performance Monitoring Plan and compared it to the requirements set forth in USAID's Automated Directives System. We determined if data quality assessments were completed, baselines were established, and if data agreed to source documents. We also obtained information as to what other methods for monitoring HIV/AIDS program performance were being used by the Mission. To answer the second objective, we analyzed planned and actual data for the indicators presented in the Mission's performance monitoring plan. Actual data were traced to source documents. For condom sales, we reviewed sales data - including data on accounts receivable. To answer the third objective, we reviewed baseline data and targets and compared actual data to targets which the Mission had set. We also reviewed USAID's "Handbook of Indicators for

HIV/AIDS/STI Programs,” “Monitoring and Evaluation Guidance” USAID’s Expanded Response to the Global HIV/AIDS Pandemic (draft dated February 2001), and the status of the Mission's implementation of this guidance. For all the above efforts, we reviewed applicable Federal and USAID regulations and guidance, interviewed Mission officials and reviewed Mission documents; interviewed project officials and reviewed project documents; interviewed program recipients; and visited program sites.

We traveled to Livingston, Zambia and visited USAID-funded programs that included the cross-border initiative, and programs for orphans⁷ and vulnerable children. The cross-border initiative is a project that targets high-risk groups (truck drivers and sex workers) at border crossings and sites with high commercial traffic. Livingston is one of six Zambian cities included in the program. We also visited a facility that works with orphans and vulnerable children in a rural community and toured a community elementary school and several small farms that were operated by orphans and families caring for orphans.

In assessing accuracy, we used two materiality thresholds. First, for transcription error, we used an accuracy threshold of plus or minus one percent. Second, for computation accuracy we used an accuracy threshold of plus or minus five percent.

⁷ Children without parents are not considered “orphans” in Zambia. The community structure accepts children that lost parents into the homes of family members and friends. USAID assists community organizations by providing seed and fertilizer to families in order to encourage economic sustainability.

**Management
Comments:**

August 13, 2001

MEMORANDUM

TO: Division Director, IG/A/PA, Dianne L. Rawl

FROM: Acting Mission Director, USAID/Zambia, Robert Clay

SUBJECT: Reply to the Audit of USAID/Zambia's Monitoring of the Performance of Its HIV/AIDS Program (Report No. 9-611-01-XXX-P)

Thank you for this opportunity to reply to the Inspector General's "Draft Report of the USAID/Zambia's Monitoring of the Performance of Its HIV/AIDS Program." We understand that these comments will be included in their entirety in Appendix II of the final report.

Overall, we felt that the report missed an opportunity to give a balanced view of the HIV/AIDS program here in Zambia. Most of the report was focused on one area of performance monitoring controls, data quality assessments, and did not address the performance in the other nine control areas. For example, we do not understand why the findings noted in Appendix IV, "Summary of USAID/Zambia's Performance Monitoring Controls" were not further described. This table shows that positive findings were made in each area of performance monitoring controls except for the area of data quality assessments. And even here, as the report states, for two indicators these assessments were carried out but simply not documented. The text in the main document spends four pages on data verification, to the exclusion of the other critical areas of control. We request that more discussion of these positive findings in Appendix IV should appear in the body of the text.

On the issue of data verification, USAID/Zambia uses internationally established surveys to collect and analysis the data. These include the Demographic and Health Survey (DHS) and the Sexual Behavioral Survey designed, carried out, analyzed and verified and reported by the Measure project and the Zambian Central Statistical Office (CSO). High standards in survey methodology are observed. This includes standardized training procedures, field supervision, cross-translation of questionnaires, consistency checks and data cleaning, and review of preliminary reports.

To help provide more balance to the report, we suggest adding some of the major achievements in HIV/AIDS that have happened here in Zambia to the background section. These results were only possible because of the strong monitoring of performance that the program has developed. These results include:

- In Lusaka, HIV prevalence among 15 to 19 year olds dropped from 28% in 1993 to 15% in 1998. The decline is equivalent to a 42 percent reduction in prevalence. This trend was also found in other urban centers and to a lesser extent in some rural areas. An international technical team from UNAIDS/Geneva verified this data.

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- Further analysis has shown that the decline in prevalence in urban areas extends to the 20-24 age groups among antenatal clinic (ANC) clients. In the general urban population, the decline was significant for women aged 15-29 years, from 28% to 24%.
 - The analysis also shows that the proportion of urban men aged 15-19 reporting any sexual activity over the previous 12 months declined from 47% to 23%, while the proportion with two or more sexual partners fell from 52% to 38%.
 - The Zambia Sexual Behavior Survey was conducted in 1998 and again in 2000. These data show that condom use among men and women with non-regular partners increased significantly between 1998 and 2000: from 33% to 40% (men) and 24% to 34% (women). In addition, there was a significant decline in the proportion of men reporting a non-regular partner from 30% to 23%.

Recommendation No. 1.1 –USAID/Zambia agrees that data quality assessment for “Number of Maximum Brand Condoms Sold” should be performed. We will be doing a sampling of invoices and computerized records at the Society for Family Health (SFH) to ensure consistency. We do feel that SFH has a rigorous system in place that was recently upgraded (as acknowledged on page 9 of the report), so we have a high level of confidence in this monitoring system.

Recommendation No. 1.2 – Although we agree we should perform and document data quality assessments, it is unclear exactly what actions the Inspector General recommends. As stated in the audit report, the ADS only requires assessment for those indicators in the R4 report. This recommendation implies all HIV/AIDS indicators. If the issue is more from a guidance and policy standpoint, rather than specific performance, we would appreciate this clarification in the recommendation.

Recommendation No. 2 – This recommendation does not seem to be related to the audit objective “Is USAID/Zambia achieving intended results from its HIV/AIDS program?” USAID/Zambia does not have any results concerned with credit sales, or the collection thereof, and it does not appear from your report that any evidence of abuse or illegal acts involving the credit sales was found that would require you to include them in the audit report. We believe this topic could be better addressed in a Management Letter. Therefore, we request that this finding and recommendation be taken out of the audit report.

Rapid Scale-Up and Intensive Focus Countries

- Rapid Scale-Up Countries are defined as countries that will receive a significant increase in resources to achieve measurable impact within one-to-two years. This will result in an extremely rapid scaling up of prevention programs and enhancement of care and support activities. Rapid Scale-Up countries include:

Cambodia Kenya Uganda Zambia

- Intensive Focus Countries are defined as countries where resources will be increased and targeted to reduce prevalence rates (or keep prevalence low in low prevalence countries), to reduce HIV transmission from mother to infant and to increase support services for people (including children) living with and affected by AIDS within three-to-five years. Intensive Focus Countries include:

Ethiopia	Nigeria	Brazil
Ghana	Rwanda	India
Malawi	Senegal	Russia
Mozambique	South Africa	
Namibia	Tanzania	

- Basic Countries are defined as countries that USAID will support host country efforts to control the pandemic. USAID programs will continue to provide assistance, focusing on targeted interventions for populations who engage in high-risk behavior. In these countries, there will be an increased emphasis on maintaining credible surveillance systems in order to monitor HIV trends and allow timely warning of impending concentrated epidemics of HIV. In addition, USAID will assist country institutions to identify additional sources of funding to expand programming.

Appendix IV

SUMMARY OF USAID/ZAMBIA'S PERFORMANCE MONITORING CONTROLS

Indicator	Performance Monitoring Plan							8. Data Quality Assessment Done**	9. Baseline Established	10. Data Agrees To Source	11. Other Means of Monitoring (If yes, indicate type)
	1. Indicator Precisely Defined	2. Data Sources Identified	3. Data Collection Method Described	4. Data Collection Schedule Specified	5. Responsibility Assigned	6. Data Limitations Disclosed*	7. Quality Assessment Procedures Described*				
Condom Sales	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes (External Evaluations)
Condom Use	Yes	Yes	Yes	Yes	Yes	Yes	No	No***	Yes	Yes	Yes (External Studies/Reports)
STI Management	Yes	Yes	Yes	Yes	Yes	Yes	No	No***	Yes	Yes	N/A

*Note that these requirements were added to the ADS as of September 1, 2000, and must be implemented starting June 1, 2001.

**Per the ADS data quality assessments are required for indicators used to report progress in the annual Results Review and Resource Request (R4) report, and for data included in special reports to Congress or other oversight agencies, such as annual HIV/AIDS or micro-enterprise reports.

***Mission staff indicated that they performed data quality assessments. However, they did not include the results of their actions in Mission files.