



Office of Inspector General

**Fiscal Year 2017 Coordinated Oversight Plan
of
Foreign Assistance To Combat
HIV/AIDS, Tuberculosis, and Malaria**

of the

**Offices of Inspector General
of the
U.S. Agency for International Development,
U.S. Department of State, and
U.S. Department of Health and Human Services**

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TABLE OF CONTENTS

Foreword	i
U.S. Agency for International Development.....	1
U.S. Department of State	4
U.S. Department of Health and Human Services	5
Points of Contact	7

FOREWORD

HIV/AIDS, tuberculosis, and malaria are three of the world's deadliest infectious diseases, cause tremendous human suffering and economic loss, and threaten political stability in many countries in sub-Saharan Africa and the developing world. In 2003, the Administration established the President's Emergency Plan for AIDS Relief (PEPFAR) to help save the lives of those suffering from HIV/AIDS around the world, and the U.S. Congress passed the Leadership Against HIV/AIDS, Tuberculosis, and Malaria Act. The act established the Office of the Global AIDS Coordinator (OGAC) at the Department of State (State) and gave OGAC primary responsibility for coordinating all resources and international activities of the U.S. Government to combat the HIV/AIDS pandemic. OGAC also allocates appropriated funds to PEPFAR implementing agencies, particularly the Department of Health and Human Services' (HHS) Centers for Disease Control and Prevention (CDC) and the U.S. Agency for International Development (USAID). CDC and USAID obligate the majority of PEPFAR funds for HIV treatment, care, and prevention activities through grants, cooperative agreements, and contracts with selected implementing partners, such as U.S.-based nongovernmental organizations (NGO), and partner-country governmental entities.¹

The U.S. Government's strategy to combat these diseases is a coordinated effort between Federal agencies, NGOs, partner-country Government entities, and other implementing partners. Given the coordination required to implement this strategy, it is equally critical for inspectors general of the implementing agencies to coordinate oversight of the foreign assistance to combat HIV/AIDS, tuberculosis, and malaria. Therefore, the Offices of Inspector General of USAID, State, and HHS prepared this fiscal year 2017 coordinated oversight plan for providing oversight of foreign assistance to combat HIV/AIDS, tuberculosis, and malaria.²

Consistent with past practice, the offices of inspector general will continue to coordinate their activities with the Government Accountability Office, as well as with the Offices of Inspector General of the Departments of Commerce, Defense, and Labor and of the Peace Corps. We have also shared this plan with the Office of the Global AIDS Coordinator and the U.S. Global Malaria Coordinator.

¹ Other implementing agencies include the Peace Corps and the Departments of State, Defense, Labor, and Commerce. In addition, other HHS offices and agencies receiving PEPFAR resources include the Office for Global Affairs, the Food and Drug Administration, the Health Resources and Services Administration, the National Institutes of Health, and the Substance Abuse and Mental Health Services Administration.

² The coordinated plan is required by the United States Leadership against HIV/AIDS, Tuberculosis, and Malaria Act of 2003 as amended by the United States Global Leadership against HIV/AIDS, Tuberculosis, and Malaria Reauthorization Act of 2008, Pub. L. 110-293, and the PEPFAR Stewardship and Oversight Act, Pub. L. 113-56 (22 USC Chapter 83 § 7611).

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U.S. Agency for International Development Office of Inspector General

USAID has focused for many years on strengthening primary health care systems in order to prevent, and more recently to treat and care for, a number of communicable diseases, including HIV/AIDS, tuberculosis, and malaria. USAID's foreign service officers, trained physicians, epidemiologists, and public health advisors work with governments, NGOs, and the private sector in order to provide training, technical assistance, and commodities (including pharmaceuticals) to prevent and reduce the transmission of these diseases and to provide treatment and care to people living with these diseases. To date, USAID Office of the Inspector General (OIG) has conducted more than 90 audits of USAID's HIV/AIDS, tuberculosis, and malaria programs which helped USAID, contractors and grantees learn important lessons that apply in ongoing and future responses to infectious diseases.

For the FY 2017 coordinated oversight plan, USAID OIG is reporting on the status of its ongoing audits from the FY 2016 plan and on the audits we plan to undertake in FY 2017. In addition, we list other activities we perform to provide oversight of the foreign assistance to combat HIV/AIDS, tuberculosis, and malaria. We are revising our audit planning process for FY 2017 to ensure that we are targeting high-risk programs and addressing our stakeholders' needs for information on USAID operations and oversight activities. As part of this process, we will assess whether any changes or additional audits related to HIV/AIDS, malaria, or tuberculosis might be warranted and will notify all oversight bodies accordingly.

Ongoing Audits From the FY 2016 Coordinated Plan

- **Audit of Selected HIV Care and Treatment Activities at USAID/Ethiopia**
USAID/Ethiopia receives significant funding for its HIV/AIDS activities, with obligations of more than \$90 million in FY 2015. The audit objective is to determine whether USAID/Ethiopia's construction and renovation of health centers are helping improve patient access to quality HIV-related public health and clinical services. This audit was included in the FY 2016 plan. We began conducting fieldwork for this audit in FY 2016 and will continue it in FY 2017.
- **Audit of USAID/Cambodia's HIV/AIDS Flagship Project**
The goal of this project, which was initiated in 2012, is to enhance the effectiveness of the national response to HIV/AIDS through technical innovation and improvements in the capacity to deliver sustainable services. This audit was not included in the FY 2016 coordinated audit plan. We initiated this audit because it is a \$30 million project with heightened risk from implementing it through local organizations. The audit objectives are to determine whether the project is achieving its planned results and whether the results are sustainable. We began conducting fieldwork for this audit in FY 2016 and will continue it in FY 2017.

- An audit of the performance of USAID/Haiti's Procurement for Prevention Project was included in the FY 2016 coordinated audit plan. Because USAID/Haiti cancelled the project, we will not be conducting this audit.

Planned Audits for FY 2017

- **Audit of the Health Systems Strengthening Programs in Selected USAID Missions in Africa and Latin America**

A country's health system consists of all people, institutions, resources, and activities whose primary purpose is to promote, restore, and maintain health of the population. The purpose of USAID's Health Systems Strengthening initiative is to ensure access to high-quality services that reach underserved, marginalized, and high-priority groups. The audit objectives are to determine whether (1) selected USAID missions have defined and designed their programs to address USAID's vision for health strengthening, (2) the Office of Health Systems has provided USAID missions that have these programs with the necessary resources, direction, and technical assistance, and (3) missions' programs are coordinated with other donors and host-country Government strategies. This audit was included in the FY 2016 plan. We began the planning in FY 2016, expanded the scope to include Latin America, and will formally initiate it in FY 2017.

- **Audit of PEPFAR's Site Improvement through Monitoring System (SIMS)**

The goal of PEPFAR's SIMS is to increase the impact of PEPFAR programs on the HIV epidemic through standardized monitoring of the quality of PEPFAR support provided at sites (e.g., health facilities, wards, or districts) and by all U.S. Government agencies that receive PEPFAR funds. This audit will gather information from relevant parties in East Africa concerning interagency coordination, how agencies use SIMS, and whether SIMS is being used to increase the quality and impact of USAID's PEPFAR programs in East Africa. This audit was included in the FY 2016 plan. We began the planning phase of this audit in FY 2016 and will formally initiate it in FY 2017.

- **Audit of USAID/Ukraine's Improving HIV/AIDS Services Among Most-at-Risk Populations in Ukraine (RESPOND) Project**

Ukraine is experiencing high rates of HIV/AIDS infections among high-risk populations such as intravenous drug users and sex workers. USAID is working to address these conditions through its RESPOND project, which was designed to assist the Government of Ukraine and civil society to reduce levels of HIV transmission among key populations, including people who inject drugs, sex workers, and men who have sex with men. The project's goal is to increase the quality of HIV/AIDS services targeted at people who inject drugs and their sexual partners and strengthen the capacity of Ukrainian institutions and organizations to develop and implement HIV/AIDS programs. This audit will evaluate USAID/Ukraine's efforts to improve HIV/AIDS services among the most at-risk populations. This audit was included in the FY 2016 plan. We plan to initiate it in FY 2017.

Other Oversight Activities

- **Make a Difference (MAD) Malaria Campaign**

USAID OIG's Office of Investigations launched the "Make a Difference" campaign to solicit the involvement of local communities in the fight against fraud and abuse perpetrated on America's overseas antimalaria programs. The campaign's main objective is to obtain actionable information concerning the theft, transshipment, resale, or falsification of antimalaria drugs and commodities in countries that receive funds from the President's Malaria Initiative. Toll-free local malaria hotlines are a central feature of the campaign, allowing community members to report on distributors, sellers, or manufacturers of stolen and counterfeit malaria commodities. Materials have been developed and distributed throughout local communities with information regarding the hotlines and messages about safe malaria medications. Cash rewards are available to individuals reporting actionable information to the hotline. To date, the campaign has launched in Benin, Nigeria, and Malawi. In Malawi, information reported to the hotline has led to ongoing investigations with the Global Fund Office of the Inspector General, the Malawi Anti-Corruption Bureau, and the Malawi police.

- **Conduct Fraud Awareness Briefings in Countries with HIV/AIDS, Tuberculosis, and Malaria Programs**

USAID OIG's Office of Investigations conducts worldwide fraud awareness briefings. These informative, relationship-building efforts help deter fraud, waste, and abuse by increasing awareness of reporting procedures for criminal, civil, and administrative violations; educating stakeholders on the consequences of committing these violations; and establishing cooperation with other law enforcement authorities.

- **Oversight of Audits of HIV/AIDS, Tuberculosis, and Malaria Contractors and Grantees**

USAID is required by the Federal Acquisition Regulation, the Single Audit Act, and Office of Management and Budget guidance to obtain appropriate and timely audits of its contractors, grantees, and enterprise funds. Pursuant to these requirements, independent audit firms perform incurred costs and financial audits of contractors and grantees. These audits may identify questioned costs, deficiencies in internal control, noncompliance with laws and regulations, and fraud affecting federal programs. USAID OIG reviews resulting audit reports and conducts quality control reviews of audit firms to provide oversight of this work.

U.S. Department of State Office of Inspector General

For the FY 2017 coordinated oversight plan, the U.S. Department of State Office of Inspector General (State OIG) is reporting on inspections we plan to undertake in FY 2017.

- **Review of Chief of Mission Oversight and Support for Programs Funded by the Office**

State OIG plans to conduct inspections of U.S. Embassies in Angola, Ghana, Liberia, and Sierra Leone that host PEPFAR programs. The inspections will review the adequacy of chief of mission oversight and support to programs funded by the Office of the U.S. Global AIDS Coordinator.

U.S. Department of Health and Human Services Office of Inspector General

For the FY 2017 coordinated oversight plan, the U.S. Department of Health and Human Services Office of Inspector General (HHS OIG) plans to conduct PEPFAR program integrity and fraud prevention activities. The Centers for Disease Control and Prevention (CDC) received more than \$1.7 billion of FY 2015 PEPFAR funds (about 95 percent of the funds received by HHS) to accelerate progress toward an AIDS-free generation and create a lasting infrastructure that allows partner countries to respond to a range of health challenges and threats. CDC works side by side with ministries of health and other partners in more than 60 countries and provides critical technical assistance to 18 additional countries. To date, the HHS OIG has conducted 20 PEPFAR audits at CDC and in 6 countries in Asia and Africa. HHS OIG's PEPFAR oversight has helped CDC and other HHS staff, as well as grant recipients, learn important lessons that apply in ongoing and future responses to infectious diseases. To advance program integrity, HHS OIG has developed a 5-year plan (FY 2017-2021) to continue its oversight activities of the PEPFAR program. For FY 2017, HHS OIG plans to complete two audits and conduct four additional in-country audits, conduct an audit of CDC's Working Capital Fund, conduct a follow-up review of CDC's award process, prepare a rollup report to CDC, and conduct fraud-prevention training. The cost of completing and conducting these oversight activities is estimated at \$2 million.

- **Complete Two Reviews of In-Country Recipients of PEPFAR Funds Awarded by CDC**

Mozambique received a significant amount of funding for its HIV/AIDS activities from CDC, with obligations of about \$107 million in FY 2015. Mozambique ranks as one of the top 10 countries regarding levels of Government-to-Government funding received and one of the top 5 countries in terms of total PEPFAR funding.

Objective, Audit 1: Determine whether the Instituto Nacional de Saude managed and expended PEPFAR funds in accordance with the award requirements.

Objective, Audit 2: Determine whether the Fundacao Ariel Contra a SIDA Pediatrica managed and expended PEPFAR funds in accordance with the award requirements.

- **Conduct Two Reviews of In-Country Recipients of PEPFAR Funds Awarded by CDC**

We plan to conduct the following reviews of in-country recipients based on (1) Government-to-Government funding levels, (2) overall PEPFAR funding, (3) the results of Global Fund OIG reviews, and (4) input from the Office of the U.S. Global AIDS Coordinator.

Objective, Audit 1: In coordination with the Global Fund OIG at the Ethiopian Ministry of Health, determine whether the Ministry managed and expended PEPFAR funds in accordance with the award requirements.

Objective, Audit 2: Determine whether the selected Ethiopian recipient managed and expended PEPFAR funds in accordance with the award requirements.

- **Conduct Two Reviews of CDC In-Country Office Monitoring of PEPFAR Recipients**

We plan to conduct the following reviews:

Objective, Audit 1: Determine whether CDC's South Africa office monitored recipients' use of PEPFAR funds in accordance with HHS and other Federal requirements.

Objective, Audit 2: Determine whether CDC's Namibia office monitored recipients' use of PEPFAR funds in accordance with HHS and other Federal requirements.

- **Conduct an Audit of the CDC Working Capital Fund**

The Office of the U.S. Global AIDS Coordinator requested that we conduct an audit of CDC's Working Capital Fund. We plan to conduct the following review:

Objective: Determine whether CDC used Working Capital Funds in accordance with applicable requirements.

- **Conduct a Followup Audit of *The Centers for Disease Control and Prevention Did Not Award President's Emergency Plan for AIDS Relief Funds for 2013 in Compliance With Applicable HHS Policies (A-04-14-04021)***

The Office of the U.S. Global AIDS Coordinator expressed concern about the weaknesses our audit identified in CDC's PEPFAR grant award process and requested that we conduct a followup audit. We plan to conduct the following review:

Objective: Determine whether CDC implemented corrective action in response to the report.

- **Prepare a Rollup Report to CDC Compiling the Findings From All In-Country Audits**

Since HHS OIG began audits of the PEPFAR program in 2011, the findings continue to be similar at various recipients around the world. We plan to prepare the following report:

Objective: Provide CDC with a report compiling the findings for all in-country audits and recommendations for CDC to take corrective action.

- **Office of Investigations Will Conduct Fraud Prevention Training for CDC In-Country Staff and CDC Cooperative Agreement Recipients in Two Countries**

As a result of various allegations received, HHS OIG's Office of Investigations has begun educating CDC in-country staff and implementing partners regarding fraud and questionable activities. As part of this effort, the office will collaborate with the

Department of State and various U.S. ambassadors to provide fraud awareness and anticorruption training to CDC's in-country staff, partners, and grantees.

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