

Department of Health and Human Services

**OFFICE OF  
INSPECTOR GENERAL**

**THE CENTERS FOR DISEASE CONTROL  
AND PREVENTION GENERALLY  
ACHIEVED ITS MAIN GOALS RELATED TO  
CERTAIN HIV/AIDS PREVENTION,  
TREATMENT, AND CARE ACTIVITIES  
UNDER THE PARTNERSHIP FRAMEWORK  
IN ETHIOPIA**

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# *Office of Inspector General*

<http://oig.hhs.gov>

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The designation of financial or management practices as questionable, a recommendation for the disallowance of costs incurred or claimed, and any other conclusions and recommendations in this report represent the findings and opinions of OAS. Authorized officials of the HHS operating divisions will make final determination on these matters.

## EXECUTIVE SUMMARY

*In Ethiopia, the Centers for Disease Control and Prevention generally achieved its main goals related to certain HIV/AIDS prevention, treatment, and care activities under the Partnership Framework and collaborated with the United States Agency for International Development to reduce PEPFAR redundancies.*

### WHY WE DID THIS REVIEW

The Tom Lantos and Henry J. Hyde United States Global Leadership Against HIV/AIDS, Tuberculosis, and Malaria Reauthorization Act of 2008 (P.L. No. 110-293) (the Act) authorized \$48 billion in funding for the President's Emergency Plan for AIDS Relief (PEPFAR) program for the 5-year period beginning October 1, 2008, to assist foreign countries in combating HIV/AIDS, tuberculosis, and malaria.

The Act requires the Department of Health and Human Services (HHS), Office of Inspector General (OIG), among others, to provide oversight of the programs, including PEPFAR, implemented under the Act. To meet this requirement, HHS OIG has conducted a series of audits of Centers for Disease Control and Prevention (CDC) offices and organizations receiving PEPFAR funds from CDC. We selected CDC's office in Addis Ababa, Ethiopia, for review.

The objectives of our review were to determine whether CDC (1) achieved its main goals related to certain HIV/AIDS prevention, treatment, and care activities under the Partnership Framework in Ethiopia and (2) collaborated with the United States Agency for International Development (USAID) to reduce duplication of effort for PEPFAR activities (PEPFAR redundancies) in Ethiopia.

### BACKGROUND

For fiscal year (FY) 2012, CDC provided about \$89 million for HIV/AIDS prevention, treatment, and care activities in Ethiopia through cooperative agreements with government agencies and for-profit and nonprofit organizations (grantees). CDC funded these activities to help achieve its goals established under the Partnership Framework. The Partnership Framework is a 5-year plan responding to the HIV/AIDS epidemic and is a collaboration between the U.S. Government and the governments of countries receiving PEPFAR funds. The Department of State, Office of the Global AIDS Coordinator (OGAC), leads the process for the U.S. Government.

The Partnership Framework outlines and describes the mutual goals of the countries to promote a national response to HIV/AIDS. The Partnership Framework with Ethiopia includes four broad goals, with associated objectives to further describe the priority areas within each goal.

The Partnership Framework goals to be reached by 2014 in Ethiopia included:

1. reducing the national HIV incidence by 50 percent;

2. reducing morbidity and mortality and improving the quality of life for people living with HIV by expanding access to quality care, treatment, and support;
3. having functional health systems necessary for universal access; and
4. having a multisectoral response in place to prevent the spread of HIV and mitigate its impacts.

CDC does not report on performance measures for Goal 4, some of which are qualitative and cannot be measured by a quantitative indicator. However, CDC and its grantees contribute to Goal 4 through various activities reported in Goals 1 through 3.

Each year, CDC works with grantees to develop a country operational plan (COP) that sets targets that ensure accountability and progress toward goals. Grantee targets, which undergo multiple levels of review and are submitted to OGAC by the PEPFAR Coordinator for Ethiopia, are designed to be specific, measurable, and collectively contribute to meeting the Partnership Framework goals. OGAC requires that CDC report its progress annually for selected PEPFAR activities in an Annual Program Results report. The grantees provide their performance measure results to CDC using a grantee results template. Success in meeting Partnership Framework goals depends on whether performance measure targets were met. OGAC considers a target to have been met when a grantee reaches 75 percent of its goal.

## **WHAT WE FOUND**

CDC generally achieved its main goals related to certain HIV/AIDS prevention, treatment, and care activities under the Partnership Framework and collaborated with USAID to reduce PEPFAR redundancies in Ethiopia.

### **Achieving Partnership Framework Goals**

On the basis of the results of our judgmental sample review of 55 performance measures at 8 grantees, CDC exceeded the 75-percent minimum threshold established by OGAC for goals 1 and 2 but did not reach the threshold for goal 3.

CDC did not achieve all of its main goals because:

- the COP included performance measures for laboratories that were pass/fail and did not recognize incremental progress toward international accreditation,
- the COP included some performance measures with targets set above realistic levels,
- grantees experienced problems that postponed or delayed planned progress or resulted in partial reporting, and
- CDC could not make updates or corrections to OGAC's Foreign Assistance Coordination and Tracking System (FACTS Info).

When CDC's grantees achieve their goals, it allows CDC and the country to meet their Partnership Framework goals. When grantees do not achieve their goals, it can negatively affect planning for the COP and ultimately PEPFAR funding (i.e., prevention, treatment, and care could be over- or underfunded). As a result, the program may not progress as rapidly toward the reduction of HIV/AIDS.

### **Collaboration To Reduce PEPFAR Redundancies**

Additionally, CDC effectively collaborated with USAID to reduce PEPFAR redundancies in Ethiopia by separating responsibilities: USAID would focus on community and most at-risk population prevention activities, and CDC would focus on facility-based prevention activities including biomedical and blood safety programs, as well as treatment and care programs.

In addition to the separation of focus areas, the FY 2012 COP process included multiple levels of review to prevent duplication by activity and geographic area.

### **WHAT WE RECOMMEND**

We recommend that CDC:

- implement a system to recognize incremental progress toward laboratory accreditation,
- work with OGAC to improve target setting for performance measures,
- work with the grantees to overcome obstacles to meet the COP's performance measures, and
- work with OGAC to allow for updates and corrections to FACTS Info.

### **CDC COMMENTS**

In comments on our draft report, CDC officials concurred with our recommendations and described corrective actions they had taken or planned to take.

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## **INTRODUCTION**

### **WHY WE DID THIS REVIEW**

The Tom Lantos and Henry J. Hyde United States Global Leadership Against HIV/AIDS, Tuberculosis, and Malaria Reauthorization Act of 2008 (P.L. No. 110-293) (the Act) authorized \$48 billion in funding for the President's Emergency Plan for AIDS Relief (PEPFAR) program for the 5-year period beginning October 1, 2008, to assist foreign countries in combating HIV/AIDS, tuberculosis, and malaria.

The Act requires the Department of Health and Human Services (HHS), Office of Inspector General (OIG), among others, to provide oversight of the programs, including PEPFAR, implemented under the Act. To meet this requirement, HHS OIG has conducted a series of audits of Centers for Disease Control and Prevention (CDC) offices and organizations receiving PEPFAR funds from CDC.<sup>1</sup> We selected CDC's office in Addis Ababa, Ethiopia, for review.

### **OBJECTIVES**

Our objectives were to determine whether CDC (1) achieved its main goals related to certain HIV/AIDS prevention, treatment, and care activities under the Partnership Framework in Ethiopia and (2) collaborated with the United States Agency for International Development (USAID) to reduce duplication of effort for PEPFAR activities (PEPFAR redundancies) in Ethiopia.

### **BACKGROUND**

#### **Centers for Disease Control and Prevention**

The Act gives CDC a leadership role in several key areas of research and evaluation in implementing HIV/AIDS programs, including program monitoring, impact evaluation, and operations research. Through its Global HIV/AIDS Program, CDC implemented PEPFAR, working with ministries of health and other in-country partners to combat HIV/AIDS by strengthening health systems and building sustainable HIV/AIDS programs in more than 75 countries in Africa, Asia, Central and South America, and the Caribbean.

HHS receives PEPFAR funds from the Department of State through a memorandum of agreement, pursuant to the Foreign Assistance Act of 1961 (P.L. No. 87-195), as amended, and the 2003 Act, as amended. For fiscal year (FY) 2012, CDC provided about \$89 million for HIV/AIDS prevention, treatment, and care activities in Ethiopia.

CDC awarded these funds through cooperative agreements with government agencies and for-profit and nonprofit organizations (grantees). It uses cooperative agreements in lieu of grants when it anticipates the Federal Government's substantial involvement with grantees in accomplishing the objectives of the agreements. The laws and regulations that apply to Federal grants also apply to cooperative agreements.

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<sup>1</sup> Appendix A contains a list of related OIG reports.

## Partnership Framework

CDC funds HIV/AIDS prevention, treatment, and care activities to help achieve its goals established under the Partnership Framework. The Partnership Framework is a 5-year plan responding to the HIV/AIDS epidemic and is a collaboration between the U.S. Government and the governments of countries receiving PEPFAR funds. The Department of State, Office of the Global AIDS Coordinator (OGAC), leads the process for the U.S. Government and has primary responsibility for the oversight and coordination of all PEPFAR activities.

The Partnership Framework outlines and describes the mutual goals of the countries to promote the national response to HIV/AIDS. The Partnership Framework with Ethiopia includes four broad goals, with associated objectives to further describe the priority areas within each goal.

The Partnership Framework goals to be reached by 2014 in Ethiopia<sup>2</sup> included:

1. reducing the national HIV incidence by 50 percent;
2. reducing morbidity and mortality and improving the quality of life for people living with HIV by expanding access to quality care, treatment and support;
3. having functional health systems necessary for universal access; and
4. having a multisectoral response<sup>3</sup> in place to prevent the spread of HIV and mitigate its impacts.

To help ensure that the Partnership Framework goals and related objectives are achieved, Goals 1 through 4 are assigned performance measures<sup>4</sup> to demonstrate progress in the fight against HIV/AIDS. These performance measures are designed to promote responsible program monitoring across and within PEPFAR-funded technical areas.<sup>5</sup> CDC does not report on performance measures for Goal 4, some of which are qualitative and cannot be measured by a quantitative indicator. However, CDC and its grantees contribute to Goal 4 through various activities reported in Goals 1 through 3.

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<sup>2</sup> The goals are to be achieved over the life of the 5-year plan.

<sup>3</sup> A multisectoral response is one that involves many types of organizations, such as governmental, community-based, nongovernmental, private sector, and academic.

<sup>4</sup> Throughout this report, we use the term “performance measure” to be equivalent to the term “indicator” that is used in the PEPFAR Next Generation Indicators Reference Guide and the FY 2012 Annual Program Results Guidance.

<sup>5</sup> The technical areas included HIV/AIDS prevention, care, and treatment programs such as testing and counseling, providing HIV medications immediately after exposure, prevention programs, clinical care, antiretroviral drug services, and laboratory services.

The PEPFAR Next Generation Indicators Reference Guide (the Guide)<sup>6</sup> from OGAC lists the performance measures that, according to OGAC, meet the minimum needs of the PEPFAR program to demonstrate progress in the fight against HIV/AIDS. The Guide suggests the tools that grantees should use to gather the data for performance measures, as well as the method of measurement to determine the results for each performance measure.

## **Country Operational Plan**

Each year, all U.S. Government agencies working to fight HIV/AIDS in partner countries come together as one team under the leadership of the respective U.S. Ambassadors to develop work plans called the Country Operational Plan (COP).<sup>7</sup> Agencies use the COP to document U.S. Government annual investments and anticipated results in HIV/AIDS prevention, treatment, and care. An important part of the COP process is the interagency country planning process that includes grantee performance reviews, grantee consultation, analysis, and target setting.

## **Targets for Performance Measures**

According to CDC, for the annual COP development, it works with grantees to set targets that ensure accountability and progress toward goals established by OGAC. The targets are designed to be specific, be measurable, and collectively contribute to meeting the Partnership Framework goals. Next, an in-country interagency Technical Working Group<sup>8</sup> reviews the targets and combines them to establish CDC's target. The PEPFAR Coordinator for Ethiopia adds the CDC target to the other U.S. Government agencies' targets to produce the PEPFAR Ethiopia target. Finally, the PEPFAR Coordinator for Ethiopia reviews the combined targets at the U.S. Government interagency level and submits them to OGAC. OGAC may revise the targets if it disagrees with the assumptions behind the targets.

## **Annual Program Results Report**

To help meet its annual reporting requirements under the Act and to monitor the country's progress in the fight against HIV/AIDS, OGAC requires that all U.S. Government agencies report their progress annually for selected PEPFAR activities in an Annual Program Results report. The grantees provide their performance measure results to CDC using a grantee results template. OGAC considers a target to have been achieved when a grantee reaches 75 percent of its goal.

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<sup>6</sup> The version that applied to our audit period was the President's Emergency Plan for AIDS Relief Next Generation Indicators Reference Guide, Version, 1.1, August 2009.

<sup>7</sup> For FY 2012, the following countries were required to complete a COP: Angola, Botswana, Burundi, Cambodia, Cameroon, China, Côte d'Ivoire, Democratic Republic of the Congo, Dominican Republic, Ethiopia, Ghana, Guyana, Haiti, India, Indonesia, Kenya, Lesotho, Malawi, Mozambique, Namibia, Nigeria, Russia, Rwanda, South Africa, South Sudan, Swaziland, Tanzania, Thailand, Uganda, Ukraine, Vietnam, Zambia, and Zimbabwe. Regional Operational Plans (ROP) were required from the Caribbean, Central Asia, and Central America. Smaller PEPFAR programs that did not complete a COP/ROP accounted for PEPFAR resources through the preparation of a Foreign Assistance Operational Plan.

<sup>8</sup> The Technical Working Group consists of representatives from participating U.S. Government agencies, mainly CDC and USAID.

In addition to the Annual Program Results reports, Federal regulations and notices of award require all grantees to submit a separate annual progress report to CDC for each grant or cooperative agreement. The annual progress reports should contain a comparison of actual accomplishments to grant or cooperative agreement objectives for the period (45 CFR § 74.51(d)(1) and 45 CFR § 92.40(b)(2)(i)).

## **HOW WE CONDUCTED THIS REVIEW**

CDC funded 41 grantees and reported results for 25 direct<sup>9</sup> performance measures in Ethiopia for FY 2012. Of these 41 grantees, we judgmentally selected 8 for review, including 4 that received funding from both CDC and USAID. These 8 grantees represented 21 of the 25 direct performance measures, or 84 percent for CDC in Ethiopia. We reviewed grantee results for a cumulative total of 55 performance measures.<sup>10</sup> We compared the performance measure results that the grantees reported to CDC in the grantee results template with the results that CDC reported to OGAC in the Annual Program Results report. Also, we reviewed supporting documentation from each of the eight grantees for the performance measure results they reported to CDC. We compared the progress reported in the Annual Program Results report with the accomplishments reported in each grantee's annual progress report. In addition to work performed at the eight grantees, we visited three site locations to observe facilities, processes, and activities that grantees used to produce performance measure results.

We interviewed and conducted meetings with CDC Ethiopia officials, the State Department PEPFAR Coordinator, and USAID OIG auditors to discuss possible areas of duplication in PEPFAR activities between CDC and USAID and steps taken to prevent duplication.

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

Appendix B contains the details of our scope and methodology, and Appendix C contains Federal requirements.

## **FINDINGS**

CDC generally achieved its main goals related to certain HIV/AIDS prevention, treatment, and care activities under the Partnership Framework and collaborated with USAID to reduce PEPFAR redundancies in Ethiopia. On the basis of the results of our sample review of 55

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<sup>9</sup> There are two kinds of performance measures: national and direct. This report examines direct performance measures. National performance measures are used to monitor all contributions and investments. Direct performance measures are used to specifically monitor U. S. Government agencies' PEPFAR program investments.

<sup>10</sup> Each of the 8 grantees reported results for at least 1 performance measure, up to as many as 21 for a cumulative total of 55. Of the 55 performance measure results reviewed, annual targets were set for 46.

performance measures at 8 grantees, CDC exceeded the 75-percent minimum threshold established by OGAC for goals 1 and 2 but did not reach the threshold for goal 3.

CDC did not achieve all of its main goals because:

- the COP included performance measures for laboratories that were strictly pass/fail and did not recognize incremental progress toward international accreditation,
- the COP included some performance measure targets that were set above realistic levels,
- grantees experienced problems that postponed or delayed planned progress or resulted in partial reporting, and
- CDC could not update or correct OGAC's Foreign Assistance Coordination and Tracking System (FACTS Info).<sup>11</sup>

Additionally, CDC effectively collaborated with USAID to reduce PEPFAR redundancies by separating responsibilities. USAID focused on community and most at-risk population prevention activities, and CDC focused on facility-based prevention activities including biomedical and blood safety programs, as well as treatment and care programs.

In addition to the separation of focus areas, the FY 2012 COP process included multiple levels of review to prevent duplication by activity or geographic area.

### **CDC GENERALLY ACHIEVED PARTNERSHIP FRAMEWORK GOALS BUT ENCOUNTERED CHALLENGES**

The FY 2012 Annual Program Results Guidance from OGAC considered a performance measure successfully achieved when it reached 75 percent of the FY 2012 target.

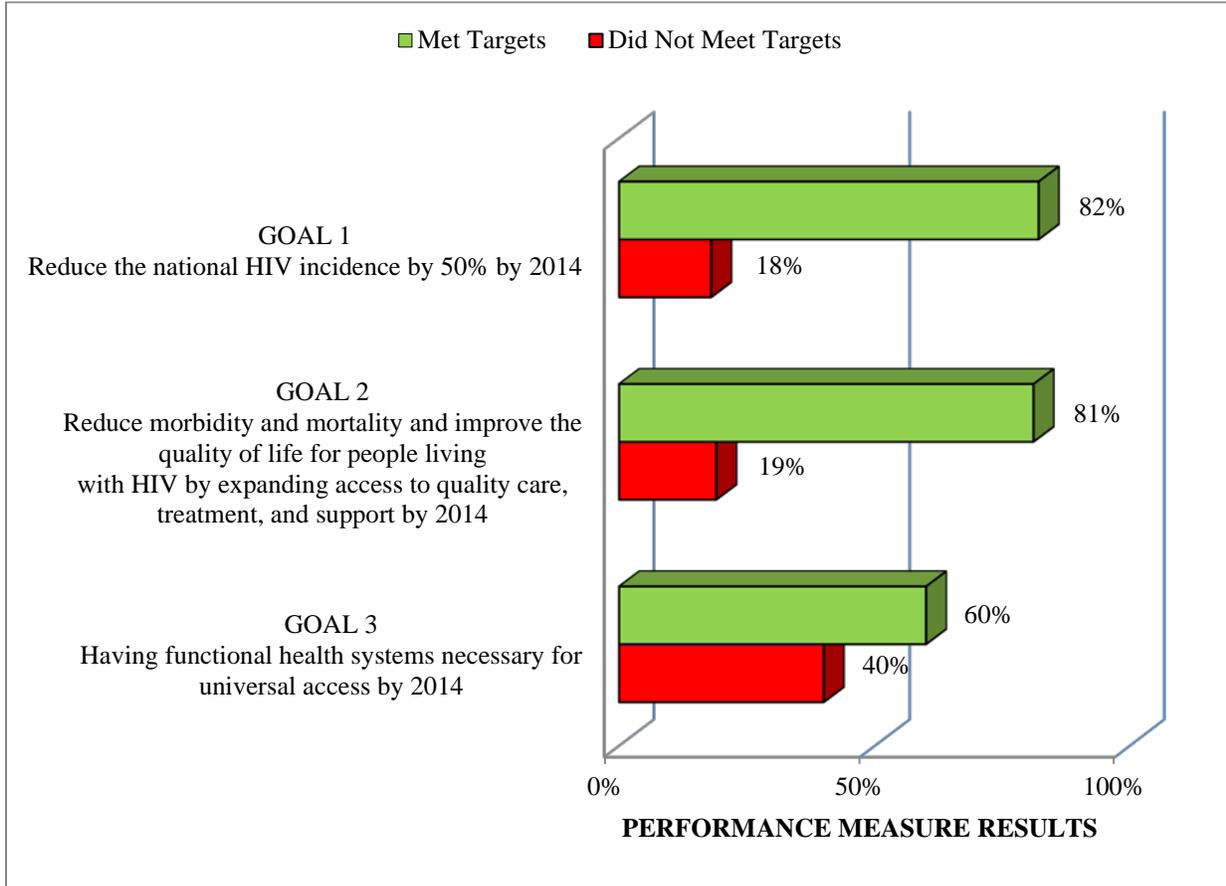
In Ethiopia, CDC generally achieved its main goals related to certain HIV/AIDS prevention, treatment, and care activities under the Partnership Framework but encountered challenges.

Our judgmental sample review of 55 performance measures at 8 of CDC's grantees showed that the grantees achieved the majority of their Partnership Framework goals. Together, these grantees exceeded the 75-percent minimum threshold established by OGAC for two of CDC's three main goals. (See the table below.)

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<sup>11</sup> All PEPFAR U.S. Government agencies were required to submit their FY 2012 performance measure data using the FACTS Info database. This software system is the primary source for tracking and reporting foreign assistance data and is jointly operated by the State Department and USAID. OGAC uses the FACTS Info database to generate the Annual Program Results report.

**Table: Performance Measure Results by Partnership Framework Goal**



CDC did not achieve all of its main goals for the following reasons:

- The COP included performance measures for laboratories that were strictly pass/fail and did not recognize incremental progress toward international accreditation.<sup>12</sup> During our audit period, grantees reported progress for some laboratories that were evaluated using a five-star accreditation system. Although some of the laboratories had achieved an international accreditation level of two or three stars, they were not qualified to be reported as “pass” on the Annual Program Results report to OGAC.
- The COP included some performance measure targets that were set above realistic levels. For example, some performance measure targets were based on the country’s national targets, which were set too high because the number of people diagnosed as HIV positive had decreased.

<sup>12</sup> Grantees reported zero for performance measure H1.2.D, “Percent of testing facilities (laboratories) that are accredited according to national or international standards.”

- Grantees experienced problems that postponed or delayed planned progress or resulted in partial reporting. For example, postponed training, student trainee dropouts, and delayed graduation dates caused some grantees not to reach their target goals.
- CDC could not make updates or corrections to OGAC's FACTS Info database. That is, if CDC reported a low level of progress in its Annual Program Results report to OGAC but later discovered that documentation actually supported a higher level, it could not update the original report. For example, 1 grantee erroneously reported to CDC for the Annual Program Results report that 47 health care workers graduated from training, but documentation supported 69 as having graduated. The grantee made CDC aware of this discrepancy in a later progress report, but the FACTS Info database would not allow CDC to update its numbers once initially reported.

When CDC's grantees achieve their goals, it allows CDC and the respective country to meet their Partnership Framework goals. When grantees do not achieve their goals, it can negatively affect planning for the COP and ultimately PEPFAR funding (i.e., prevention, treatment, and care could be over- or underfunded). As a result, the program may not progress as rapidly toward the reduction of HIV/AIDS.

### **CDC EFFECTIVELY COLLABORATED WITH USAID**

CDC effectively collaborated with USAID to reduce PEPFAR redundancies in Ethiopia by separating areas on which each agency focused. USAID focused on the community and most at-risk population disease prevention activities, and CDC focused on facility-based disease prevention activities, including biomedical and blood safety programs, as well as the treatment and care programs.

In addition to the separation of focus areas, the development of the COP included multiple levels of review to prevent redundancies by activity or geographic area, including reviews by:

- the in-country technical working group, which included representatives from all U.S. Government agencies;
- a collaborative team made up of co-chairs from the technical working group, the Ambassador, and other representatives;
- an executive council chaired by the Ambassador; and
- a final review by all agencies.

As a result of this collaboration to eliminate PEPFAR program redundancies in Ethiopia, CDC discontinued five prevention cooperative agreements and USAID discontinued one care and treatment cooperative agreement in FY 2012.

## **RECOMMENDATIONS**

We recommend that CDC:

- implement a system to recognize incremental progress toward laboratory accreditation,
- work with OGAC to improve target setting for performance measures,
- work with the grantees to overcome obstacles to meet the COP's performance measures, and
- work with OGAC to allow for updates and corrections to FACTS Info.

## **CDC COMMENTS**

In comments on our draft report, CDC officials concurred with our recommendations and described corrective actions they had taken or planned to take.

CDC's comments are included as Appendix D. However, we did not include the attachments because they were too voluminous.

**APPENDIX A: RELATED OFFICE OF INSPECTOR GENERAL REPORTS**

**AUDITS OF THE PRESIDENT’S EMERGENCY PLAN FOR AIDS RELIEF FUNDS**

<b>Report Title</b>	<b>Report Number</b>	<b>Date Issued</b>
<i>The Federal Democratic Republic of Ethiopia, Ministry of Health, Did Not Always Manage President’s Emergency Plan for AIDS Relief Funds or Meet Program Goals in Accordance With Award Requirements</i>	<a href="#">A-04-13-04015</a>	9/2014
<i>The Republic of Zambia, Ministry of Health, Did Not Always Manage the President's Emergency Plan for AIDS Relief Funds or Meet Program Goals in Accordance With Award Requirements</i>	<a href="#">A-04-13-04004</a>	6/2014
<i>The University of Zambia School of Medicine Did Not Always Manage President’s Emergency Plan for AIDS Relief Funds or Meet Program Goals in Accordance With Award Requirements</i>	<a href="#">A-04-13-04010</a>	4/2014
<i>The University Teaching Hospital Generally Managed the President’s Emergency Plan for AIDS Relief Funds and Met Program Goals in Accordance With Award Requirements</i>	<a href="#">A-04-13-04005</a>	3/2014
<i>The South African National Department of Health Did Not Always Manage President's Emergency Plan for AIDS Relief Funds or Meet Program Goals in Accordance With Award Requirements</i>	<a href="#">A-05-12-00022</a>	8/2013
<i>Aurum Institute for Health Research Did Not Always Manage President's Emergency Plan for AIDS Relief Funds or Meet Program Goals in Accordance With Award Requirements</i>	<a href="#">A-05-12-00021</a>	8/2013
<i>National Health Laboratory Service Did Not Always Manage President's Emergency Plan for AIDS Relief Funds or Meet Program Goals in Accordance With Award Requirements</i>	<a href="#">A-05-12-00024</a>	8/2013
<i>The Southern African Catholic Bishops' Conference AIDS Office Generally Managed President's Emergency Plan for AIDS Relief Funds and Met Program Goals in Accordance With Award Requirements</i>	<a href="#">A-05-12-00023</a>	7/2013

<i>The Vietnam Administration for HIV/AIDS Control Did Not Always Manage the President's Emergency Plan for AIDS Relief Funds or Meet Program Goals in Accordance With Award Requirements</i>	<a href="#">A-06-11-00057</a>	6/2013
<i>The Centers for Disease Control and Prevention's Vietnam Office Generally Monitored Recipients' Use of the President's Emergency Plan for AIDS Relief Funds</i>	<a href="#">A-04-12-04023</a>	4/2013
<i>Potentia Namibia Recruitment Consultancy Generally Managed the President's Emergency Plan for AIDS Relief Funds and Met Program Goals in Accordance With Award Requirements</i>	<a href="#">A-06-11-00056</a>	4/2013
<i>The Centers for Disease Control and Prevention's South Africa Office Did Not Always Properly Monitor Recipients' Use of the President's Emergency Plan for AIDS Relief Funds</i>	<a href="#">A-04-12-04022</a>	2/2013
<i>The Republic of Namibia Ministry of Health and Social Services, Did Not Always Manage the President's Emergency Plan for AIDS Relief Funds or Meet Program Goals in Accordance With Award Requirements</i>	<a href="#">A-04-12-04019</a>	1/2013
<i>The Centers for Disease Control and Prevention's Namibia Office Did Not Always Properly Monitor Recipients' Use of the President's Emergency Plan for AIDS Relief Funds</i>	<a href="#">A-04-12-04020</a>	11/2012
<i>Review of the Centers for Disease Control and Prevention's Oversight of the President's Emergency Plan for AIDS Relief Funds for Fiscal Years 2007 Through 2009</i>	<a href="#">A-04-10-04006</a>	6/2011

## **APPENDIX B: AUDIT SCOPE AND METHODOLOGY**

### **SCOPE**

Our audit covered the fiscal year ended September 30, 2012. For FY 2012, CDC funded 41 grantees and reported results for 25 direct performance measures in Ethiopia. Of these 41 grantees, we judgmentally selected 8 for review, including 4 that received funding from both CDC and USAID. These 8 grantees represented 21 of the 25 direct performance measures, or 84 percent for CDC in Ethiopia. We reviewed grantee results for a cumulative total of 55 performance measures.

We limited our review of internal controls to those related to our objective. We conducted fieldwork at CDC's office in Addis Ababa, Ethiopia, during August 2013.

### **METHODOLOGY**

To accomplish our objective, we:

- reviewed relevant Federal laws and regulations, OGAC guidance on performance measures, annual program results and the COP, CDC monitoring and oversight guidance, the Partnership Framework between the U.S. and Ethiopian Governments, the FY 2012 COP report, and the FY 2012 CDC Annual Program Results Data Analysis report;
- judgmentally selected 8 grantees from the FY 2012 CDC Annual Program Results report with a cumulative total of 55 grantee performance measure indicators for a total of 21 direct CDC performance measures (4 of the 8 grantees received funding from both CDC and USAID);
- interviewed and conducted meetings with CDC Ethiopia officials, the State Department PEPFAR Coordinator, and USAID OIG auditors to discuss possible areas of duplication in PEPFAR activities between CDC and USAID and steps taken to prevent duplication;
- interviewed staff from four grantees visited that received PEPFAR funding from both CDC and USAID regarding potential PEPFAR redundancies.
- interviewed and conducted meetings with the eight selected grantees to determine their processes and procedures related to reporting the OGAC performance measure indicators to CDC for the COP and CDC's Annual Program Results Report;
- held discussions with the four grantees receiving PEPFAR funding from both CDC and USAID regarding possible PEPFAR redundancies between CDC and USAID;
- performed site visits at three locations to observe facilities, processes, and activities used by grantees to produce performance measure results;

- compared the performance measure results that the grantees reported to CDC using the grantee results template with the results that CDC reported to OGAC in an Annual Program Results report;
- compared the accomplishments described in each grantee's annual progress report to CDC's Annual Program Results report;
- reviewed supporting documentation from the selected grantees for the 55 performance measures they reported to CDC;
- grouped the performance measure results by the partnership framework goals;
- identified performance measures that met the 75-percent minimum threshold established by OGAC for CDC's main goals; and
- discussed the results of our review with CDC Ethiopia officials.

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

## **APPENDIX C: FEDERAL REQUIREMENTS AND GUIDANCE**

### **45 CFR § 74.51(d)(1)-(3)**

Performance reports shall generally contain, for each award, brief information on each of the following: (1) A comparison of actual accomplishments with the goals and objectives established for the period, the findings of the investigator, or both. Whenever appropriate and the output of programs or projects can be readily quantified, such quantitative data should be related to cost data for computation of unit costs. (2) Reasons why established goals were not met, if appropriate. (3) Other pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.

### **45 CFR § 92.40(b)(2)(i)**

Performance reports will contain, for each grant, brief information on the following: A comparison of actual accomplishments to the objectives established for the period.

### **PRESIDENT'S EMERGENCY PLAN FOR AIDS RELIEF NEXT GENERATION INDICATORS REFERENCE GUIDE, VERSION, 1.1, AUGUST 2009**

The PEPFAR Next Generation Indicators Reference guide from OGAC lists the performance measures that meet the minimum needs of the PEPFAR program to demonstrate progress in the fight against HIV/AIDS. The performance measures promote responsible program monitoring across and within PEPFAR-funded technical areas. This guidance suggests the tools that grantees should use to gather the data for the performance measures, as well as, the method of measurement to determine the results for each performance measure.

### **FY 2012 ANNUAL PROGRAM RESULTS GUIDANCE**

For the HHS Implementing Mechanism narratives for each of the indicators, please briefly describe:

- Reasons for underachievement (<75% of FY 2012 target) or overachievement (>125% of FY 2012 target), with reference to relevant programmatic and Monitoring and Evaluation challenges and successes that explain the under/overachievement.



**TO:** Deputy Inspector General for Audit Services  
U.S. Department of Health and Human Services

**FROM:** Director, Centers for Disease Control and Prevention

**DATE:** September 8, 2014

**SUBJECT:** Office of Inspector General's Draft Report: "The Centers for Disease Control and Prevention Generally Achieved Its Main Goals Related to Certain HIV/AIDS Prevention, Treatment, and Care Activities Under the Partnership Framework in Ethiopia" (A-04-13-04011)

The Centers for Disease Control and Prevention (CDC) appreciates the opportunity to review the subject draft report.

The Office of Inspector General (OIG) found that CDC generally achieved its programmatic goals and provided four recommendations, in which CDC has taken immediate steps to correct or had already initiated corrective action prior to the review. CDC's response to the recommendations is detailed below.

1. **OIG Recommendation:** The OIG recommends that CDC implement a system to recognize incremental progress towards laboratory accreditation.

**CDC Response:** CDC concurs with this recommendation. Corrective action was not needed given that the implementation of the World Health Organization African Regional Office's step-wise laboratory accreditation program was underway, which recognizes incremental achievement. At the time of the OIG visit, the third party assessment mechanism with the African Society for Laboratory Medicine (ASLM) was not yet in place to formally recognize and document interim achievement. This external assessment body is required by the U.S. President's Emergency Plan for AIDS Relief (PEPFAR) and has now been in place since July 2013.

2. **OIG Recommendation:** The OIG recommends that CDC work with the Office of the Global AIDS Coordinator (OGAC) to improve target setting for performance measures.

**CDC Response:** CDC concurs with this recommendation, and will engage with OGAC on improving target setting for Ethiopia. CDC will also continue to use the best available epidemiologic and programmatic data with trend data (when available) to inform and improve the target setting process.

3. **OIG Recommendation:** The OIG recommends that CDC work with the grantees to overcome obstacles to meet the country operational plan's performance measures.

**CDC Response:** CDC concurs with this recommendation, and has taken aggressive corrective action.

Partner Support Teams (PSTs) have been established to work with each grantee to monitor and maximize programmatic performance and fund utilization, as well as provide technical assistance to address challenges or obstacles. PST members include grants management staff and technical staff for each of the programmatic areas in which the grantee works. In 2013, the roles of PST members were redefined to increase emphasis on problem resolution and follow up. This change has greatly enhanced support to grantees to ensure forward momentum, and it has been formally incorporated into CDC-Ethiopia's standard operating procedures for Cooperative Agreement Management, included herein as Annex 1.

A second action taken is the implementation of the CDC Site Monitoring Strategy (SMS), which began in July 2012. This strategy requires onsite performance assessments for all CDC grantees and provides a feedback mechanism to address any identified underperformance or weaknesses. The SMS includes standardized data collection tools for all technical aspects of the program and a scorecard for each SMS visit, with follow-up actions as needed. From July 2012 through June 2014, a total of 287 SMS assessments were completed, further intensifying CDC's grantee oversight and monitoring activities.

4. **OIG Recommendation:** The OIG recommends that CDC work with OGAC to allow for updates and corrections to the Foreign Assistance Coordination and Tracking System (FACTS Info).

**CDC Response:** CDC-Ethiopia concurs with this recommendation and will communicate to OGAC the need to update or correct achievements already reported in FACTS Info.

CDC is committed to the highest levels of programmatic and fiscal accountability and will continue to improve its oversight and performance through intensive internal program monitoring and evaluation. In addition, CDC is providing key support to OGAC in the implementation of a new PEPFAR-wide initiative to increase program accountability, transparency, and impact through the Site Improvement through Monitoring System (SIMS) and routine results-linked expenditure analysis.

Thank you for your review of this critical health issue. Please direct any questions regarding these comments to Priscilla Patin, CDC's OIG Liaison, at (404) 639-7094 or [iggao@cdc.gov](mailto:iggao@cdc.gov).



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