CDC’s Corrective Actions Improved Program Operations at the National Institute of Health in Mozambique and Facilitated the Institute’s Implementation of Prior OIG Audit Recommendations

What OIG Found

CDC’s corrective actions, in response to our November 2016 memorandum, improved program operations at the Institute. Specifically, CDC took the following eight corrective actions, which we confirmed through our current audit: (1) designated the Institute a high-risk organization, (2) added special award conditions, (3) conducted a site visit in December 2016, (4) delayed new funding to the Institute, (5) conducted a risk and business system assessment in March 2018, (6) hired a project officer to manage the Government-to-Government portfolio in Mozambique, (7) worked with the Institute to ensure proper systems and practices are in place, and (8) employed a fiscal agent.

Of our 10 prior audit recommendations, 2 remained unimplemented when the current audit began: (1) refund to CDC $431,458 of unallowable expenditures and (2) work with CDC to obtain value-added tax (VAT) reimbursement from the Government of Mozambique.

The Institute implemented the first recommendation by refunding $5,287 per CDC’s instruction. To implement the second, the Institute is seeking a refund from the Government of Mozambique of $546,543 for the VAT it paid with PEPFAR funds from September 2012 through December 2015, when a new agreement was reached providing a framework for VAT reimbursement. During our audit period, the Institute tracked VAT payments and reported them to CDC quarterly for reimbursement requests.

What OIG Recommends and CDC Comments

This report includes no recommendations.

CDC appreciates the acknowledgement that the agency has successfully implemented all corrective actions in the current report.

The full report can be found at https://oig.hhs.gov/oas/reports/region4/42001019.asp.