



# OFFICE OF INSPECTOR GENERAL

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## AUDIT OF USAID/HAITI'S COMMUNITY HEALTH AND AIDS MITIGATION PROJECT

AUDIT REPORT NO. 1-521-12-002-P  
DECEMBER 30, 2011

SAN SALVADOR, EL SALVADOR



*Office of Inspector General*

December 30, 2011

**MEMORANDUM**

**TO:** USAID/Haiti Mission Director, Carleene Dei

**FROM:** Regional Inspector General/San Salvador, Jon Chasson /s/

**SUBJECT:** Audit of USAID/Haiti's Community Health and AIDS Mitigation Project  
(Report No. 1-521-12-002-P)

This memorandum transmits our final report on the subject audit. In finalizing the report, we carefully considered your comments on the draft and have included the comments in their entirety in Appendix II, along with the comments received from OIG internal review.

The report contains 14 recommendations to improve USAID/Haiti oversight of the Community Health and AIDS Mitigation Project. On the basis of actions proposed by the mission, we determined that management decisions have been reached on Recommendations 1, 2, 3, 4, 6, 7, 8, 11, 12, and 13. Please provide the Audit Performance and Compliance Division in the USAID Office of the Chief Financial Officer with the necessary documentation to achieve final action.

Management decisions were not reached on Recommendations 5, 9, 10, and 14. Please provide written notice within 30 days of any actions planned or taken to implement these recommendations.

I want to express my appreciation for the cooperation and courtesy extended to my staff during the audit.

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# CONTENTS

- Summary of Results** ..... 1
- Audit Findings**..... 4
  - Partner and USAID Did Not Assess How Many Community Service Delivery Points Were Needed..... 4
  - Partner Did Not Implement Capacity-Building Strategies for Subrecipients ..... 5
  - Performance Indicators and Reported Results Provide Limited Information on Project Progress..... 6
  - Partner Did Not Standardize Monitoring and Evaluation Among Community Service Delivery Points ..... 7
  - USAID and Partner Did Not Ensure Proper Approvals of Subawards ..... 8
  - Partner Did Not Establish Memorandums Between Community Service Delivery Points and Health Facilities..... 9
  - Partner Did Not Implement Its Environmental Plan or Develop a Procurement Plan for the Project..... 11
- Evaluation of Management Comments** ..... 13
- Appendix I – Scope and Methodology** ..... 17
- Appendix II – Management Comments** ..... 19

**Abbreviations**

The following abbreviations appear in this report:

ADS	Automated Directives System
AO	agreement officer
AOTR	agreement officer’s technical representative
CBO	community-based organization
CRS	Catholic Relief Services
FHI	Family Health International
FY	fiscal year
ICC	International Child Care
NGO	nongovernmental organization
PDSC	community service delivery point
PMP	performance monitoring plan
RIG	Regional Inspector General

# SUMMARY OF RESULTS

USAID/Haiti's Community Health and AIDS Mitigation Project was designed to build on synergies among HIV/AIDS and tuberculosis prevention, maternal and child health, family planning, nutrition, and livelihood opportunities efforts to deliver a full spectrum of services at the community level. This comprehensive approach was expected to strengthen community HIV/AIDS care by eliminating the stigma that often accompanies HIV/AIDS services. Patients access project services through community service delivery points (in French, *points de délivrance des services communautaires*, or PDSCs).

To implement the project, USAID/Haiti signed a 5-year, \$65 million cooperative agreement with Family Health International (FHI) from May 1, 2009, to April 30, 2014. FHI implements this project with two key partners—Catholic Relief Services (CRS) and International Child Care (ICC)—both of which have many years of experience in Haiti. As of July 2011, obligations and disbursements under the project totaled approximately \$20.5 million and \$18.1 million, respectively.

FHI designed implementation activities around two primary objectives: (1) to increase health sector capacity and (2) to expand access and availability to integrated care and support services. Specific project targets for the 5-year project include:

- 80 PDSCs established
- 669 individuals trained to provide integrated health services
- 40,000 people living with HIV/AIDS enrolled in community care and support services
- 75,000 orphans and vulnerable children enrolled in community care and support services
- 27,600 people living with HIV/AIDS served through the PDSCs
- 49,500 orphans and vulnerable children served through the PDSCs
- 2,500 women enrolled in activities to prevent mother-to-child transmission of HIV

The Regional Inspector General/San Salvador (RIG/San Salvador) conducted this audit to determine whether the activities under USAID/Haiti's Community Health and AIDS Mitigation Project were achieving the goal of improving the health and quality of life of vulnerable families and people living with AIDS, in accordance with the Government of Haiti's strategic plan to combat HIV/AIDS.

The audit found that the project was making some progress toward the intended objectives. The project had established 44 PDSCs, trained over 250 individuals to deliver integrated health services, and served 6,535 people living with HIV/AIDS and 11,542 orphans and vulnerable children. The project had also served its targeted population by providing school fees for orphans and vulnerable children and vocational and literacy training and transportation fees for beneficiaries. In addition, FHI played a key role during the 2010 cholera outbreak by providing safe water and hygiene kits to beneficiaries.

Despite the positive findings noted above, the audit identified areas for improvement to further the effectiveness of USAID/Haiti's project. Specifically, the audit noted the following problems:

- Partner and USAID did not assess how many PDSCs were needed (page 4).

- Partner did not implement capacity-building strategies for subrecipients (page 5).
- Performance indicators and reported results provide limited information on project progress (page 6).
- Partner did not standardize monitoring and evaluation among PDSCs (page 7).
- USAID and partner did not ensure proper approvals of subawards (page 8).
- Partner did not establish memorandums between PDSCs and health facilities (page 9).
- Partner did not implement its environmental plan or develop a procurement plan for the project (page 11).

To help USAID/Haiti improve its oversight over the project, RIG/San Salvador makes the following recommendations:

1. Complete and document a needs assessment and cost-benefit analysis to determine the correct number and appropriate location for the PDSCs (page 4).
2. After conducting the assessment and analysis, modify the agreement with FHI in writing to reflect the changes in the number of PDSCs and other major project targets, and adjust the budget and resources accordingly (page 5).
3. Require FHI to implement capacity-building activities, with particular emphasis on sustainability, leadership, management, lessons learned, and monitoring and evaluation, as defined in the agreement (page 5).
4. Instruct FHI in writing to implement best practices and lessons learned across all PDSCs (page 6).
5. Review existing indicators and activity reporting in writing, to determine whether the mission is receiving consistent, accurate, and useful information regarding the project's status and impact. If not, the mission should develop and implement a corrective action plan (page 6).
6. In collaboration with the Ministry of Public Health and Population, evaluate the three registry books to determine what modifications they need to track enrollees effectively, and make the modifications to the books (page 8).
7. Direct FHI in writing to develop standardized procedures and documentation to implement at each of the PDSCs to assist in tracking and reporting information on indicators (page 8).
8. Direct FHI in writing to conduct data quality assessments, as described in the agreement, and provide data validation monthly and quarterly, along with documentation of site visits performed, issues identified with data validation, actions taken to resolve issues, and training conducted on monitoring and evaluation (page 8).
9. Review each subaward issued by FHI to confirm that the subaward received appropriate review and approval by an authorized official in accordance with the agreement and relevant

guidance and document the results. In addition, have the Office of Financial Management conduct payment verification of these subawards (page 9).

10. Review existing contracting officer's technical representative and agreement officer's technical representative designation letters to confirm that the letters provide appropriate authorities and approval thresholds for subawards, and document results (page 9).
11. Work with FHI to establish memorandums of understanding between health facilities and PDSCs, detailing roles and responsibilities, expectations, and monitoring channels (page 10).
12. Reevaluate the environmental plan to determine what is applicable to PDSCs, and document results; complete the environmental assessment form for each PDSC; and establish and implement a process to verify that any future environmental assessments are conducted where needed (page 11).
13. Direct FHI in writing to train key personnel to implement the project's environmental plan (page 12).
14. Require FHI to develop a procurement plan that is approved by the mission and implemented in the project (page 12).

Detailed findings follow. The audit scope and methodology are described in Appendix I. Appendix II contains management comments, and our evaluation of management comments is on page 13.

# AUDIT FINDINGS

## **Partner and USAID Did Not Assess How Many Community Service Delivery Points Were Needed**

According to USAID's Automated Directives System (ADS) 201.3.8, USAID missions should devise foreign assistance programs and activities to have the greatest possible development impact given available resources, including those of their development partners.

As part of FHI's project approach, the establishment and development of community service delivery points (PDSCs) are critical to project success. FHI and its partners planned to identify 80 PDSC sites in selected communities and provide each with the equipment and storage facilities required. Community-based organizations (CBOs) or health centers were to oversee the PDSC sites. As of August 1, 2011, FHI had 44 operating PDSCs, more than 55 percent of the overall target, with another 5 expected to be open in the near future.

The audit determined, however, that neither USAID/Haiti nor FHI could provide its rationale or basis for the target number of 80 PDSCs. Enrollment at some PDSCs has been much lower than anticipated, and in some areas, several PDSCs were competing for the same targeted population. For example, in Artibonite Department, an official at one PDSC stated that its enrollment of beneficiaries has declined because the department now has five competing PDSCs. FHI was struggling to manage its existing PDSCs, did not maintain an accurate list of the PDSCs, and had not obtained the operating budget of each of the PDSCs to evaluate cost per beneficiary.

USAID/Haiti and FHI targeted the opening of 80 PDSCs because the mission and FHI based this number on the population in the targeted areas. However, officials acknowledged that public health data on Haiti's population is weak and that there needs to be a reevaluation of the number of PDSCs and their locations.<sup>1</sup> FHI officials also acknowledged that a reevaluation of the number of PDSCs is needed to determine whether the operating cost is justified, based on the number of beneficiaries. FHI's midterm evaluation acknowledged that there is no consistent strategic rationale for the location of existing PDSCs, including the density of beneficiary populations.

Unless a proper assessment of the number of PDSCs is performed, USAID/Haiti could be funding activities that are not warranted and therefore may not be achieving the greatest possible impact from the project funds spent. Furthermore, since the current project budget assumes the establishment of 80 PDSCs, a reduction in this number may free up project funds for the other project targets. Therefore, this audit makes the following recommendations.

***Recommendation 1.*** *We recommend that USAID/Haiti complete and document a needs assessment and cost-benefit analysis to determine the correct number and appropriate location for the Community Health and AIDS Mitigation Project's community service delivery points.*

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<sup>1</sup> The original number of required PDSCs was 104, later reduced to 80 for budget reasons.

**Recommendation 2.** *We recommend that USAID/Haiti, after conducting the assessment and analysis, modify the agreement with Family Health International in writing to reflect the changes in the number of community service delivery points and other major project targets and adjust the budget and resources accordingly.*

## **Partner Did Not Implement Capacity-Building Strategies for Subrecipients**

According to the cooperative agreement, FHI activities were to strengthen the organizational, leadership, and technical capacity of CBOs that would manage many of the PDSCs. FHI would use proven strategies for assessing the capacity of the subrecipients and develop capacity-building plans with benchmarks, staffing plans, and budgets that could be monitored throughout the project. Furthermore, FHI would utilize lessons learned throughout the project to ensure that each subrecipient consistently adopted best practices for service delivery. Subrecipients that proved successful in accomplishing their capacity-building plans would be eligible for increased funding in the following year. To ensure timely development of subrecipients' individually tailored capacity-building plans and monitor their progress in achieving benchmarks, FHI planned to hire a senior program officer to provide necessary oversight.

As of August 1, 2011, CBOs were managing 32 of the 44 PDSCs, with the rest managed by nongovernmental organizations (NGOs). However, there was no evidence that FHI developed capacity-building plans for CBOs as required by the agreement. For example, FHI had yet to hire the senior program officer responsible to oversee and monitor the implementation of capacity-building plans. Furthermore, while FHI conducted initial evaluations to ascertain each CBO's eligibility to manage a PDSC, the formal capacity-building plans with benchmarks were never established.

Moreover, FHI had not conducted a lessons learned exercise to share best practices in managing PDSCs, which might help avoid unnecessary delays and challenges. Some of the CBOs are new to the health sector and, therefore, have limited experience serving their communities with this type of HIV/AIDS support program. The CBOs and NGOs just starting to implement project activities were developing their own processes and procedures, and FHI was providing limited assistance. As a result, there was notable variation in procedures and skill levels among the PDSCs in operation during audit staff site visits.

According to FHI officials, the planned capacity-building efforts lagged because FHI had focused on training and curriculum development. Therefore, none of the planning for the CBOs, including benchmarks for capacity building, had been developed or implemented.

Because FHI did not implement the capacity-building activities as described in the agreement, PDSCs may not be operating to their full potential or as efficiently as possible. To correct this situation, this audit makes the following recommendations.

**Recommendation 3.** *We recommend that USAID/Haiti require Family Health International to implement capacity-building activities, with particular emphasis on sustainability, leadership, management, lessons learned, and monitoring and evaluation, as defined in the agreement.*

**Recommendation 4.** *We recommend that USAID/Haiti instruct Family Health International in writing to implement best practices and lessons learned at all community service delivery points.*

## **Performance Indicators and Reported Results Provide Limited Information on Project Progress**

According to FHI's cooperative agreement, monitoring and evaluation are critical components for assessing project performance, designing and redesigning project implementation strategies, and reporting project results. USAID's agreement with FHI specified indicators to measure the impact of the project interventions. In addition, in November 2009, FHI submitted a proposed performance monitoring plan (PMP) framework consisting of over 80 indicators that it planned to track during the project. To generate a baseline for the project's outcomes, FHI planned to conduct an assessment during the first quarter of the project and combine data from numerous sources; according to FHI, it was to establish a working group to develop this baseline.

However, FHI was significantly delayed in implementing its monitoring and evaluation activities, resulting in dependence on the indicators specified in the cooperative agreement. These indicators proved not to be useful; these standard indicators—such as number of deliveries assisted by a skilled birth attendant—measured facility-based outcomes and were therefore more relevant for hospitals or clinics focused on HIV/AIDS. The project, on the other hand, is a community-based project servicing six technical health areas. When it became apparent that the indicators identified in the agreement did not fit the project model, new indicators needed to be developed, significantly delaying use of appropriate indicators to measure the project's progress. The final PMP for the project was not approved by the mission until July 2011, and as of August 2011, 27 months into the project implementation, the baseline for these indicators had not been established.

Even after the PMP was approved, both FHI and mission officials raised concerns about the list of indicators, noting that some were still poorly defined or hard to track. Officials noted that the PMP does not capture data on 4 of the 15 key activities because either the indicators are deficient or the needed data was not being collected and reported. As of the audit, FHI was still struggling to report data accurately. For example, the second annual work plan contained several errors related to the results for the first year and to second-year targets.

A major reason for the delay in developing indicators was that FHI did not have a monitoring and evaluation staff in place until almost a year after the project started. As a result, the project did not establish indicators until the third quarter of fiscal year (FY) 2011.

Lack of thorough and accurate reporting on activities makes it difficult for the mission to manage the project effectively and ensure that it is achieving its objectives. As a result, we recommend the following.

**Recommendation 5.** *We recommend that USAID/Haiti review existing indicators and activity reporting in writing, to determine whether the mission is receiving consistent, accurate, and useful information regarding the project's status and impact. If not, the mission should develop and implement a corrective action plan.*

## **Partner Did Not Standardize Monitoring and Evaluation Among Community Service Delivery Points**

According to the project's PMP, FHI's monitoring and evaluation personnel were expected to (1) conduct data quality assessments to ensure the quality, validity, and reliability of the data collected, (2) discuss the findings and send a report on progress, potential concerns, and additional or unexpected opportunities, (3) meet with the respective technical or program officers to review and analyze the results data, and (4) conduct site visits to ensure that data collection is occurring and that the information transmitted is valid and reliable. According to the monitoring and evaluation plan, FHI was to ensure unified and standardized systems and processes to support a streamlined and user-friendly approach building on in-country systems and tools to avoid parallel systems and redundancies.

The audit determined that FHI did not effectively standardize the monitoring and evaluation plan across all of the PDSCs or provide minimal tools to assist the PDSCs in the data collection process. For example:

- Many of the PDSCs had difficulty supporting the results on indicators and could not explain the variations between the reported data and the documentation that was used to support the data. Except for one PDSC that had been open for less than 5 months and whose enrollment was less than 100 at the time of audit, the PDSCs visited had errors in their validated indicators or had data that could not be tested because FHI had not developed a methodology for tracking reported data to source data.
- PDSCs used three main registries to track beneficiaries enrolled and services provided. The three registries—for people living with HIV/AIDS, orphans and vulnerable children, and other beneficiaries—are official Ministry of Public Health and Population registration books developed with the help of USAID, FHI, and other partners to track and report on indicators. However, the PDSCs were not consistently entering data regarding beneficiaries into each of these registries, making it difficult, if not impossible, to consolidate project data.
- Each PDSC had its own method of using sign-in sheets to track and document activities. Important information needed for internal controls—such as dates, type of services or activities, and signatures—was also missing. Similarly, each PDSC used its own method to report and track key services, such as transportation and school fees paid. For example, school fee payments are made and recorded in an irregular manner, raising questions about the accuracy of PDSC reporting.
- Minimal data quality assessment was done, and there was no discussion of the findings.

With such variation at each PDSC, it is difficult to validate and consolidate data. Furthermore, the complex organization of the registry books requires staff to spend a great deal of time maintaining them and makes it difficult to report consistently and accurately on indicators.

This situation persists in part because FHI did not develop standard operating procedures for the PDSCs until January 2011. These standard procedures were intended to provide all the project partners with a common approach to project implementation and integrated community

care, including a standard list of services. Yet even after their introduction, there was no evidence that the standard procedures were being implemented and used. FHI officials and subrecipients agreed that the procedures provided to the implementers may be too detailed in some respects and may not address all service areas.

Although the project officer at each department in charge of monitoring and evaluation is expected to validate the indicator data at each PDSC monthly, officers were not doing so regularly.

The numerous errors in reported results on indicators and lack of standardization in the use of tools and registries could prevent the project from achieving its objectives. Furthermore, the lack of standard documentation, procedures, and understanding of the guidance results in difficulty in validating and consolidating data reported for the project. Therefore, the audit makes the following recommendations.

**Recommendation 6.** *We recommend that USAID/Haiti, in collaboration with the Ministry of Public Health and Population, evaluate the three registry books to determine what modifications they need to track enrollees effectively, and make the modifications to the books.*

**Recommendation 7.** *We recommend that USAID/Haiti direct Family Health International in writing to develop standardized procedures and documentation to implement at each of the community service delivery points to assist in tracking and reporting on indicators.*

**Recommendation 8.** *We recommend that USAID/Haiti direct Family Health International in writing to conduct data quality assessments, as described in the agreement, and provide data validation monthly and quarterly, along with documentation of site visits performed, issues identified with data validation, actions taken to resolve issues, and training conducted on monitoring and evaluation.*

## **USAID and Partner Did Not Ensure Proper Approvals of Subawards**

According to 22 CFR 226.25(c)(8), for nonconstruction awards, recipients shall request prior approvals from the USAID agreement officer (AO) for the subaward, transfer or contracting out of any work under an award, unless described in the application and funded in the approved budget of the award. In addition, according to ADS 303.3.11(c)(2), the agreement officer's technical representative (AOTR) is to be substantially involved with subawards and should agree with the substantive provisions of the subawards. Furthermore, according to the terms of the cooperative agreement, FHI must obtain approval of all subawards by the AO.

USAID/Haiti did not comply in all respects with the aforementioned regulation and policy. The audit reviewed 13 subawards and noted the following:

- The AO confirmed that FHI is required to have AO approval on all subawards and that the current AOTR designation letter does not give the AOTR authority to approve subawards for the project. Yet in four cases the AOTR approved the subawards.

- USAID provided initial approval for four of the subawards for a 6-month period; after that, FHI extended the awards (three awards with increases) with no approval from USAID.
- No record of USAID approval was found for one of the subawards.

FHI stated that, because several of the subawardees were in the original budget, FHI did not seek additional approval from the mission. However, the agreement referenced only CRS and ICC. Because the other subawardees were not included, the agreement officer was required to approve each.

Subawards were issued without the proper approval by the AO because of confusion within FHI and USAID/Haiti regarding the approval requirements. For example, FHI's grants manual did not accurately reflect USAID policy for subawards, stating that the AOTR had authority to approve subawards for FHI that were \$500,000 or less. In addition, the AOTR designation letter was revised multiple times, one revision including clear authority for subaward approvals. (The current designation letter does not contain any authority to approve subawards.)

As a result, some of the subawardees working on the project have not received appropriate reviews and approvals, and USAID/Haiti's Office of Financial Management may not have conducted payment verification review for these subawardees. Furthermore, it is possible that the mission's other programs may have similar problems regarding subaward approvals.

***Recommendation 9.*** We recommend that USAID/Haiti's Office of Acquisition and Assistance review each subaward issued by Family Health International to confirm that the subaward received appropriate review and approval by an authorized official in accordance with the agreement and relevant guidance and document the results. In addition, we recommend that the Office of Financial Management conduct payment verification of these subawards.

***Recommendation 10.*** We recommend that USAID/Haiti's Office of Acquisition and Assistance review existing contracting officer's technical representative and agreement officer's technical representative designation letters to confirm that the letters provide appropriate authorities and approval thresholds for subawards, and document results.

## **Partner Did Not Establish Memorandums Between Community Service Delivery Points and Health Facilities**

According to the cooperative agreement, the project was expected to build consensus around the integrated HIV/AIDS community care concept among key stakeholders and partners. This would bring together all those who provide support and care for people living with HIV/AIDS, such as the Ministry of Public Health and Population and representatives from hospitals and clinics. The project was also expected to strengthen and expand referrals between health-care providers and providers of social services. This would require developing of a list of services and resources available in each locality and maintaining an efficient referral and counter-referral

process<sup>2</sup> among the partners. Efficient coordination among providers would reduce the number of patients dropping out of the system by increasing access to comprehensive services.

Auditors found little evidence that efficient coordination was occurring among key stakeholders, especially between the health facilities and PDSCs. Each PDSC is associated with at least one health facility, such as a hospital or clinic, in order to serve beneficiaries associated with one of the project's six focused health areas. However, when the project's PDSCs opened in some communities, the corresponding health facilities resisted working with the PDSCs. Many of the health facilities already had established their own support groups and community service projects; therefore, PDSCs were viewed as a threat that might result in fewer resources. Furthermore, there was minimal evidence of cooperation between the health facilities and the Ministry of Public Health and Population. Those working at the department level of the Ministry did not understand the PDSC model or how it supports the Government of Haiti's strategic plan to combat HIV/AIDS. FHI and its partners had to set up meetings to explain the benefit of the project.

Poor coordination between PDSCs and health facilities was evident in other areas. For example, during interviews at health facilities regarding the referral process, many administrators acknowledged they were unaware of the activities and psychosocial services that PDSCs could offer their patients. Furthermore, several PDSC officials stated that they have difficulty obtaining the necessary counter-referral forms from health facilities to track patients referred and ensure that services recommended were actually received.

Except for guidelines on the counter-referral process, which should be utilized by all PDSCs, there are no clear guidelines establishing the expected relationship between PDSCs and health facilities. As of August 2011, only one PDSC had formalized its relationship with its partnering hospital by establishing a memorandum of understanding.

These problems occurred because coordination with health facilities proved more difficult than anticipated during the initial phase of the project, leading to misunderstandings. However, FHI and its partners recognize that the partnership between the PDSCs and health facilities needs to improve, especially the counter-referral process. To attempt to address this issue, the project recently started hiring liaison agents at some of the PDSCs to work with their corresponding health facility to improve the partnership. At the time of the audit, PDSCs were still struggling to figure out how to utilize the new role of the liaison agent effectively to better serve the PDSCs and health facilities, assist patients referred to the hospital, and identify patients that can be referred to the PDSC for psychosocial services.

The limited cooperation between the health facilities and the Ministry can create delays, waste resources, and prevent the project from achieving the overall goal and objectives of the project. Memorandums of understanding can assist both the PDSCs and health facilities in understanding what the partnership expectation should be, as well as what services each will offer. To improve this vital partnership, we make the following recommendations.

***Recommendation 11.*** *We recommend that USAID/Haiti work with Family Health International to establish memorandums of understanding between health facilities and community service delivery points, detailing roles and responsibilities, expectations, and monitoring channels.*

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<sup>2</sup> A counter-referral is the process by which the service provider (hospital or clinic) sends the client or client information back to the PDSC with details about the services or treatment provided.

## **Partner Did Not Implement Its Environmental Plan or Develop a Procurement Plan for the Project**

According to ADS 596, internal controls are policies, procedures, and tools used to reasonably ensure that programs achieve their intended results and that resources are used in accordance with USAID's mission. Two areas in which FHI was to develop such policies and procedures were the following:

- **Environmental Planning.** According to USAID/Haiti's Initial Environmental Examination for health, an environmental mitigation plan and monitoring report should be prepared by the implementing partners for activities and future activities that have a potential negative impact on the environment, such as procurement and management of public health commodities, renovation activities, and rehabilitation of water supplies and sanitation facilities. The environmental mitigation plan should be approved by the AOTR and the mission environmental officer. To protect against negative environmental impact, the project developed an environmental plan in December 2009. It states that although almost all refurbishments will be done to existing buildings, an environmental site assessment will be required because building use may change, and the refurbishment itself may produce a different type of waste. Furthermore, at each of the sites (PDSCs), "baseline conditions" will be documented by the use of a standard environmental assessment form.
- **Procurement.** According to the project agreement, FHI was expected to establish a program, to be approved by USAID, for the receipt, use, maintenance, protection, custody, and care of equipment, materials, and supplies for which it has custodial responsibility, including the establishment of reasonable controls to enforce such a program. This includes maintaining a record of such items.

The audit found that, as of August 2011, FHI had not fully implemented these two control activities. Review of documentation and interviews disclosed that FHI did not complete the environmental assessment form for any of the 44 PDSCs. In addition, although FHI stated in its first quarterly report that it would complete a procurement plan by September 20, 2009 (which would incorporate procurements and rental agreements at all sites), FHI had not established or submitted the plan for USAID approval. According to FHI officials, initially each PDSC received \$11,000 for rent and equipment with no specific guidance on the procurement process.

When auditors asked FHI why no action had been taken to address the environmental and procurement plans, FHI officials indicated that they did not know that either plan was needed or what it entailed, or they thought that some plan requirements were not applicable to the project's PDSC model. Mission officials were aware that the environmental plan existed but did not do any follow-up to ensure that FHI implemented the plan and were not aware of any procurement plan.

Without an environmental plan, PDSCs lacked awareness of their responsibilities for mitigating environmental impact, including waste. Without a procurement plan and sufficient oversight by USAID/Haiti, the project may have adopted inefficient purchasing practices and lost equipment. Therefore, the audit makes the following recommendations.

**Recommendation 12.** *We recommend that USAID/Haiti (1) reevaluate the environmental plan to determine what is applicable to community service delivery points,*

and document results, (2) complete the environmental assessment form for each existing community service delivery point sites, and (3) establish and implement a process to verify that any future environmental assessments are conducted where needed.

**Recommendation 13.** We recommend that USAID/Haiti direct Family Health International in writing to train key personnel to implement the Community Health and AIDS Mitigation Project's environmental plan.

**Recommendation 14.** We recommend that USAID/Haiti require Family Health International to develop a procurement plan that is approved by the mission and implemented in the Community Health and AIDS Mitigation Project.

# EVALUATION OF MANAGEMENT COMMENTS

The USAID/Haiti mission director provided comments in response to the report's findings and recommendations. Our evaluation of management comments follows.

***Recommendation 1.*** *We recommend that USAID/Haiti complete and document a needs assessment and cost-benefit analysis to determine the correct number and appropriate location for the Community Health and AIDS Mitigation Project's community service delivery points.*

USAID/Haiti agreed with our recommendation and stated that an assessment of all community service delivery points was completed in the fourth quarter of 2011. As a result, of the assessment, a decision was made to close community service delivery points where referral services were unavailable. Furthermore, FHI has directed its subrecipients to restructure their FY 2012 budgets so that all activity expenses can be tracked, allowing FHI to conduct a cost-benefit analysis by the end of the third quarter of 2012. On the basis of the planned actions, we consider that a management decision has been reached on Recommendation 1.

***Recommendation 2.*** *We recommend that USAID/Haiti, after conducting the assessment and analysis, modify the agreement with Family Health International in writing to reflect the changes in the number of community service delivery points and other major project targets and adjust the budget and resources accordingly.*

USAID/Haiti agreed with our recommendation. The mission planned to work with FHI to analyze the assessment of the correct number of community service delivery points and modify the agreement to reflect that assessment by December 2011. On the basis of the planned actions, we consider that a management decision has been reached on Recommendation 2.

***Recommendation 3.*** *We recommend that USAID/Haiti require Family Health International to implement capacity-building activities, with particular emphasis on sustainability, leadership, management, lessons learned, and monitoring and evaluation, as defined in the agreement.*

USAID/Haiti agreed with our recommendation. To address this recommendation, FHI hired a capacity-building expert to develop and provide oversight of capacity-building activities and presented the outlined its capacity-building strategy to its partners during the annual partners meeting in October 2011. The strategy will be presented for approval to the agreement officer's technical representative by December 15, 2011, with implementation expected to begin in January 2012. On the basis of the planned actions, we consider that a management decision has been reached on Recommendation 3.

***Recommendation 4.*** *We recommend that USAID/Haiti instruct Family Health International in writing to implement best practices and lessons learned at all community service delivery points.*

USAID/Haiti agreed with our recommendation. According to the mission, FHI will regularly share best practices at meetings throughout the life of the project, and USAID/Haiti will monitor the implementation of best practices at technical team meetings, implementing partners' meetings, and monthly departmental coordination meetings. This process will be in place by

March 31, 2012. On the basis of the planned actions, we consider that a management decision has been reached on Recommendation 4.

***Recommendation 5.*** *We recommend that USAID/Haiti review existing indicators and activity reporting in writing, to determine whether the mission is receiving consistent, accurate, and useful information regarding the project's status and impact. If not, the mission should develop and implement a corrective action plan.*

USAID/Haiti agreed with our recommendation and conducted a review of the indicators in October 2011. However, the comments did not indicate when the meeting with the monitoring and evaluation teams and the agreement officer's technical representative of the project would be held to develop a corrective action plan. Therefore, a management decision has not been reached on Recommendation 5.

***Recommendation 6.*** *We recommend that USAID/Haiti, in collaboration with Ministry of Public Health and Population, evaluate the three registry books to determine what modifications they need to track enrollees effectively and make the modifications to the books.*

The mission agreed with the recommendation and planned to contact the Ministry by formal letter by December 15, 2011, to initiate efforts to evaluate the registry. On the basis of the planned actions, we consider that a management decision has been reached on Recommendation 6.

***Recommendation 7.*** *We recommend that USAID/Haiti direct Family Health International in writing to develop standardized procedures and documentation to implement at each of the community service delivery points to assist in tracking and reporting on indicators.*

USAID/Haiti agreed with our recommendation and planned to send a letter to FHI, directing it to develop the procedures and documentation described. USAID/Haiti's monitoring and evaluation advisers and the agreement officer's technical representative will work closely with FHI to ensure that all standardized tools and any new procedures created are available and used properly at all community service delivery points. This standardization will be done through field visits in FY 2012, scheduled to begin in December 2011. On the basis of the planned actions, we consider that a management decision has been reached on Recommendation 7.

***Recommendation 8.*** *We recommend that USAID/Haiti direct Family Health International in writing to conduct data quality assessments, as described in the agreement, and provide data validation monthly and quarterly, along with documentation of site visits performed, issues identified with data validation, actions taken to resolve issues, and training conducted on monitoring and evaluation.*

USAID/Haiti agreed with our recommendation. FHI's monitoring and evaluation team conducted a data quality assessment in October 2011 to ensure that all indicators were reported accurately. The team plans to repeat this exercise semi-annually for the rest of the agreement. FHI also conducted an in-depth internal data quality assessment in November 2011 and planned to share the results of that assessment with USAID/Haiti in December 2011. On the basis of the actions taken and planned, we consider that a management decision has been reached on Recommendation 8.

***Recommendation 9.*** *We recommend that USAID/Haiti's Office of Acquisition and Assistance review each subaward issued by Family Health International to confirm that the subaward*

*received appropriate review and approval by an authorized official in accordance with the agreement and relevant guidance, and document the results. In addition, we recommend that the Office of Financial Management conduct payment verification of these subawards.*

Although the mission agreed to review subawards by December 31, 2011, it is not clear that the proposed actions address all elements of the recommendation, which requires the mission to confirm that the subaward received appropriate review and approval by an authorized official in accordance with the agreement and relevant guidance, and document the results. Specifically, the comments do not state how USAID/Haiti will confirm approvals of subawards. Therefore, a management decision has not been reached on Recommendation 9.

***Recommendation 10.*** *We recommend that USAID/Haiti's Office of Acquisition and Assistance review existing contracting officer's technical representative and agreement officer's technical representative designation letters to confirm that the letters provide appropriate authorities and approval thresholds for subawards and document results.*

While USAID/Haiti agreed to review the designation letter of the agreement officer's technical representatives of the project, by December 15, 2011, the mission's comments did not address reviews of designation letters for other projects. Consequently, no management decision has been reached on Recommendation 10.

***Recommendation 11.*** *We recommend that USAID/Haiti work with Family Health International to establish memorandums of understanding between health facilities and community service delivery points, detailing roles and responsibilities, expectations, and monitoring channels.*

USAID/Haiti agreed with our recommendation. FHI provided its subrecipients a template for memorandums of understanding with instructions to have the task completed by the end of first quarter of FY 2012. On the basis of the action taken, we consider that a management decision has been reached on Recommendation 11.

***Recommendation 12.*** *We recommend that USAID/Haiti (1) reevaluate the environmental plan to determine what is applicable to community service delivery points, and document results, (2) complete the environmental assessment form for each of the existing community service delivery point sites, and (3) establish and implement a process to verify that any future environmental assessments are conducted where needed.*

USAID/Haiti agreed with our recommendation. FHI met with the USAID/Haiti's environmental officer and the AOTR in September 2011 and attended a 2-day workshop on environmental issues, procedures, and compliance. FHI also issued guidance on environmental compliance during its annual partners' meeting in October 2011 and plans to conduct environmental assessments by the end of the second quarter of FY 2012. On the basis of the completed and planned actions, we consider that a management decision has been reached on Recommendation 12.

***Recommendation 13.*** *We recommend that USAID/Haiti direct Family Health International in writing to train key personnel to implement the Community Health and AIDS Mitigation Project's environmental plan.*

USAID/Haiti agreed with our recommendation and stated that by January 2012 FHI would complete training of 18 staff members who will track the progress of subrecipients' environmental mitigation efforts. Regular reporting on environmental compliance will

commence by February 2012. On the basis of the mission's planned actions, we consider that a management decision has been reached on Recommendation 13.

***Recommendation 14.*** *We recommend that USAID/Haiti require Family Health International to develop a procurement plan that is approved by the mission and implemented in the Community Health and AIDS Mitigation Project.*

USAID/Haiti agreed with our recommendation and stated that on November 7, 2011, FHI developed and submitted a procurement plan to USAID. However, the comments did not include a proposed time frame for mission approval of the procurement plan. Therefore, a management decision has not been reached on Recommendation 14.

# SCOPE AND METHODOLOGY

## Scope

RIG/San Salvador conducted this performance audit in accordance with generally accepted government auditing standards.<sup>3</sup> 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 in accordance with our audit objective. We believe that the evidence obtained provides that reasonable basis.

The purpose of the audit was to determine whether the activities under USAID/Haiti's Community Health and AIDS Mitigation Project were achieving the goal of improving the health and quality of life of vulnerable families and people living with AIDS, in accordance with the Government of Haiti's strategic plan to combat HIV/AIDS.

USAID/Haiti awarded a 5-year, \$65 million cooperative agreement to FHI to implement the Community Health and AIDS Mitigation Project. As of July 1, 2011, USAID/Haiti had obligated \$20.5 million and disbursed \$18.1 million for project activities.

RIG/San Salvador conducted audit fieldwork in the Republic of Haiti from July 11 through August 5, 2011, and covered the activities implemented by FHI from May 1, 2009, to June 30, 2011. In Haiti, fieldwork was conducted at USAID/Haiti, FHI's country office, the country offices of CRS and ICC, and the country offices of FHI subawardees—Save the Children, World Vision, and World Concern. Site visits were conducted at PDSCs in the West Department at Delmas, Ganthier, and Cabaret; in the Artibonite Department at Saint-Marc and Gonaives; and in the Northwest Department at Port-de-Paix. In each of the departments, we visited, met, and interviewed staff at PDSCs, the implementing partner's Integrated Departmental Project Unit, and CBOs that manage the PDSCs. We also met with the department head of Haiti's Ministry of Public Health and Population in the Northwest Department, and with hospital and clinic staff in the Northwest and Artibonite Departments. In addition, we also visited with the director of the International Organization for Migration in Saint-Marc.

As part of the audit, we assessed the significant internal controls used by USAID/Haiti to monitor project activities and progress. The assessment included controls related to whether the mission (1) conducted and documented site visits to evaluate progress and monitor quality, (2) reviewed required and approved plans, (3) reviewed progress reports submitted by FHI and the planned activities, and (4) reviewed and tested indicators and activities used by FHI and partners. We also reviewed the mission's annual certification required by the Federal Managers' Financial Integrity Act of 1982, to verify whether the assessment cited any relevant weaknesses. We also reviewed the mission's Initial Environmental Examination for health and prior audit reports for any issues related to the audit objective.

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<sup>3</sup> *Government Auditing Standards*, July 2007 Revision (GAO-07-731G).

## **Methodology**

To answer the audit objective, we interviewed officials from USAID/Haiti, FHI, CRS, ICC, and other FHI subawardees. We also reviewed and analyzed relevant documents and data at the mission, FHI, and PDSCs. Documents included annual work plans, quarterly reports, the agreement between USAID/Haiti and FHI, subawards, progress and financial data, and other monitoring and progress reports.

Furthermore, we verified the results of reported indicator data by selecting a judgmental sample of departments and reviewing documentation at the sites and at FHI's country office. Since the testing was based on a judgmental, not a statistical sample, the results and conclusions related to this analysis were limited to the items tested and could not be projected to the entire audit universe.

# MANAGEMENT COMMENTS



## MEMORANDUM

DATE: December 1<sup>st</sup>, 2011

TO: Jon Chasson, Regional Inspector General

FROM: Carleene Dei, Mission Director

RE: USAID/Haiti response to the audit recommendations detailed in the Regional Inspector General audit of USAID/HAITI'S COMMUNITY HEALTH AND AIDS MITIGATION PROJECT (AUDIT REPORT NO. 1-521-12-00X-P)

We acknowledge the audit findings and recommendations made by your office on USAID/Haiti's COMMUNITY HEALTH AND AIDS MITIGATION PROJECT (CHAMP), submitted to the Mission on October 31, 2011. The audit was designed to determine whether CHAMP was achieving its goal of improving the health and quality of life of vulnerable families and people living with AIDS in accordance with the Government of Haiti's strategic plan to combat HIV/AIDS. The following are the Mission's response to the recommendations.

***Recommendation 1.*** *We recommend that USAID/Haiti complete a needs assessment and cost-benefit analysis to determine the correct number and appropriate location for the Community Health and AIDS Mitigation Project's community service delivery points.*

We agree with this recommendation. An assessment of all Point of Delivery of Community Services (PDSCs) was completed in Q4 FY11 (after the audit fieldwork), which included a listing of:

- Health clinics linked to PDSC and the network;
- Number of Persons Living with HIV/AIDS (PLHA) enrolled and on Anti-Retroviral Therapy (ART) in each site;
- Evidence of a formal linkage (e.g. Memorandum of Understanding , MOU ) with health care service providers;
- Target number of PLHA and Orphans and Vulnerable Children (OVC) to be enrolled in each PDSC for FY 12;
- Package of services available in each PDSC for FY12 and additional services to be provided;

- Budget for each PDSC;
- Summary recommendations related to activity improvement provision for each PDSC.

General recommendations for improvement of PDSC activities include:

- The need to recruit additional community workers at PDSC sites in order to improve zonal coverage; and
- The need to improve and standardize the availability of the package of services at PDSCs (with a particular emphasis on livelihood services);

Based on an analysis of the assessment findings, a decision was made to close PDSCs where referrals to Voluntary Counseling and Testing (VCT), Anti-retroviral (ARV), and Prevention of Mother to Child Transition (PMTCT) services were unavailable, as local linkages to these services was a mandate of this project.

Regarding the cost analysis: As a result of the RIG audit and an internal Family Health International (FHI, the USAID grantee) audit conducted in July 2011, FHI has directed its subgrantees to restructure FY12 budgets (as well as subsequent budgets) so all expenses of PDSC activities can be tracked effectively. FHI will conduct a cost/benefit analysis by the end of Q3 2012.

***Recommendation 2.*** *We recommend that USAID/Haiti, after conducting the assessment and analysis, modify the agreement with Family Health International to reflect the changes in the number of community service delivery points and other major project targets and adjust the budget and resources accordingly.*

We agree with this recommendation. Joint analysis (USAID and FHI/CHAMP) of the assessment described above will be reflected in a modification to the agreement that will be completed in December 2011.

***Recommendation 3.*** *We recommend that USAID/Haiti require Family Health International to implement the capacity-building activities, with particular emphasis on sustainability, leadership, management, lessons learned, and monitoring and evaluation, as defined in the agreement.*

We agree with this recommendation. FHI/CHAMP has hired a capacity-building expert who is tasked to develop and provide oversight of capacity building activities. FHI/CHAMP presented the general process and outline for development of a capacity-building strategy to its partners at the Annual Partners Meeting, held on 5-7 October 2011. The capacity-building strategy will be presented to the Agreement Officer Technical Representative (AOTR) by December 15, 2011 for approval.

Implementation of the capacity-building strategy will begin in January 2012 and is expected to include formal and on-the-job training.

***Recommendation 4.*** We recommend that USAID/Haiti instruct Family Health International to implement best practices and lessons learned at all community service delivery points.

We agree with this recommendation. FHI/CHAMP will share best practices at:

- Monthly, expanded Technical Team meetings (for all key partners) starting November 10, 2011;
- Implementing partners' meeting planned for the 2<sup>nd</sup> trimester of FY12; and
- Monthly Departmental level UCD (Departmental Coordination Unit) meetings starting January 15, 2012.

USAID will monitor implementation of best practices and lessons learned during field visits by the AOTR to PDSCs.

***Recommendation 5.*** We recommend that USAID/Haiti review existing indicators and reporting on activities to ensure that the mission is receiving consistent, accurate, and useful information regarding the project's status and impact.

We agree with this recommendation. The USAID/Haiti Monitoring and Evaluation (M&E) team will meet with the FHI M&E team following submission of the FY12 PMP to the AOTR. Review of indicators has been conducted during the Data Quality Assessment (DQA) done in October 2011 to ensure data is accurate and of good quality.

***Recommendation 6.*** We recommend USAID/Haiti, in collaboration with Ministry of Public Health and Population, evaluate the three registry books to determine what modifications they need to track enrollees effectively and make the modifications.

While we agree with the intent of this recommendation, USAID does not have any control over changing or modifying the Ministry of Health registry books. However, USAID can offer to evaluate with MOH and provide feedback on MOH/GOH registry books. USAID will extend this offer to the MOH by formal letter by December 15, 2011.

***Recommendation 7.*** We recommend USAID/Haiti direct Family Health International to develop standardized procedures and documentation to implement at each of the community service delivery points to assist in tracking and reporting on indicators.

We agree with this recommendation. USAID/Haiti will send a letter to FHI directing the recipient to develop the procedures and documentation described in Recommendation 7. Also, the USAID M&E Advisor and the AOTR will work closely with the FHI-CHAMP technical staff to ensure that all standardized tools (data collection forms, registers and guidelines)- both those already developed jointly with John Snow International /MEASURE (JSI/MEASURE) and any new procedures created, are available and being used properly in all PDSCs. Accordingly, the AOTR and USAID M&E Advisor will carry out a systematic series of field visits in FY12 to ensure this recommendation and all other monitoring issues identified in this audit are addressed effectively. The AOTR will present the FY12 monitoring plan for CHAMP to the USAID PEPFAR team leader on November 30, 2011 and monitoring will begin in December 2011.

***Recommendation 8.*** We recommend USAID/Haiti direct Family Health International to conduct data quality assessments, as described in the agreement, and provide data validation monthly and quarterly, along with documentation of site visits performed, issues identified with data validation, actions taken to resolve issues, and training conducted on monitoring and evaluation.

We agree with this recommendation. The FHI M&E team conducted Data Quality Assessments in October, 2011 to ensure that all the indicators in the CHAMP annual report (FY11) were accurate. This exercise will be repeated on a semi-annual basis for the life of the agreement. FHI/CHAMP is also conducting a more in depth internal DQA in November 2011. Results of this DQA will be submitted to the USAID M&E team in December 2011 (within their annual report) for review.

***Recommendation 9.*** We recommend that USAID/Haiti's Office of Acquisition and Assistance review all subawards issued by Family Health International to confirm that the subaward received appropriate review and approval by an authorized official in accordance with the agreement and relevant guidance, and document the results. In addition, the Office of Financial Management conducts and document payment verification of these subawards

At issue here is the interpretation of 22 CFR 226.25(c) (8), which is applicable to this award to FHI as a US-Based NGO. 22 CFR 226.25(c) (8) states "Unless described in the application and funded in the approved budget of the award recipients shall request prior approval from the USAID Agreement Officer for...the sub-award, transfer or contracting out of any work under an award." Based on guidance from M/OAA's Policy Division at USAID Headquarters, Agreement Officer (AO) approval should be based on whether the sub-award was properly made and associated costs are reasonable, allowable and allocable.

ADS 303.3.11-c regarding substantial involvement makes clear the AO should explicitly define more specific ways USAID wants to be involved in the approval of sub-grants beyond the requirements of 22 CFR 226.25. If the AO wishes to preserve any further approval rights for sub-awards or contracts beyond what is already stated in 22 CFR 226.25(c)(8), the AO must explicitly state USAID's involvement in the substantial involvement provision of the agreement.

In this award, there is no substantial involvement regarding USAID joint participation or collaboration in the execution of sub-wards.

Therefore the Office of Acquisition and Assistance (OAA) has requested that the AOTR serve as primary point of contact to ask FHI to provide data on all sub-awards that have been incurred to date under FHI's prime award; FHI will therefore provide a list of sub-awards and corresponding approvals from Cognizant Agreement Officer to date. An OAA Acquisition and Assistance (A&A) Specialist will work with the AOTR to corroborate OAA's own records for each sub-award made to date. The standard for approval will be:

- whether the sub-award was made competitively, and if not what is the basis for non-competition?
- what is the amount of the sub-award?
- what work is to be performed under the sub-award?

- is the total estimated amount of the sub-award reasonable?

Based on the information FHI will provide, OAA will corroborate its records regarding 1) what sub-awards were properly approved under FHI's cost application and corresponding approved final budget; 2) for later ad hoc sub-awards approval requests, what do the approval documents from the AO stipulate in the approval; and 3) what sub-awards were not approved based on the OAA/P standard described above. Once a sub-award is approved as proper, allocable, allowable and reasonable, FHI should not be required to obtain further approval UNLESS it is making a NEW sub-award or adding money to an existing sub-award.

The AOTR and OAA expect to have this exercise completed before the end of the calendar year.

The draft of the Payment Verification Report on Family Health International from the period of May 1, 2009 to June 30, 2011 was received at the Office of Financial Management (OFM) on November 24, 2011

***Recommendation 10.*** We recommend that USAID/Haiti's Office of Acquisition and Assistance review existing contracting officer technical representative and agreement officer technical representative designation letters to confirm that the letters provide appropriate authorities and approval thresholds for sub-awards.

OAA will work with the AOTR to review all AOTR designation letters issued for this award to determine what responsibilities were properly delegated to the AOTR, especially regarding any funding thresholds for the approval of individual sub-awards. Then OAA will issue a new AOTR designation letter, based on OAA's latest ADS 303 policies, but consolidating all prior proper delegations of authority to ensure the AOTR designation letter in effect is consistent with what was previously delegated. The new AOTR designation will make clear that all prior delegations letters are null and void. OAA and the AOTR expect to have this exercise completed before December 15<sup>th</sup>, 2011

***Recommendation 11.*** We recommend that USAID/Haiti work with FHI to establish memorandums of understanding between health facilities and community service delivery points, detailing roles and responsibilities, expectations, and monitoring channels.

We agree with this recommendation. FHI CHAMP partners have been given a model MOU and instructions to have this task completed by the end of Q1 FY12.

***Recommendation 12.*** We recommend that USAID/Haiti (1) reevaluate the environmental plan to determine what is applicable to community service delivery points, (2) complete the environmental assessment form for each of the existing community service delivery point sites and (3) establish a process to verify that any future environmental assessments are conducted where needed.

We agree with this recommendation. In response to this recommendation, FHI/CHAMP met with the USAID/Haiti Mission Environmental Officer and AOTR in early September 2011.

FHI/CHAMP then attended a two-day workshop (the USAID/ Health Recovery Initiative Environment Workshop) sponsored by USAID on environmental issues, procedures and compliance. Next, FHI/CHAMP issued guidance on environmental compliance to partners at its Annual Partner's Meeting of 5-7 October 2011, explaining requirements to partners and the Departmental Coordination Unit (UCD) teams.

FHI/CHAMP plans to conduct environmental assessments of all PDSCs by the end of Q2 of FY12.

***Recommendation 13.*** We recommend that USAID/Haiti direct Family Health International to train key personnel to implement the Community Health and AIDS Mitigation Project's environmental plan.

FHI/CHAMP will organize, as appropriate, trainings for UCD and Integrated Departmental Projects Unit (IDPU) staff to follow-up with environmental mitigation plans and to annually monitor and report any changes in activity status. By January 2012, USAID/CHAMP will have trained 18 staff of sub-partners, as well as ensured that two project staff members on-board are able to track the reports and issue recommendations to sub-partners. Regular reporting on PDSC environmental compliance will commence by February 2012.

***Recommendation 14.*** We recommend that USAID/Haiti require Family Health International to develop a procurement plan that is approved by the mission and implemented in the Community Health and AIDS Mitigation Project.

We agree with this recommendation. FHI/CHAMP has developed a procurement plan (retroactively from project start-up) for all purchases over \$500 and submitted it to USAID on November 7<sup>th</sup> 2011.

SUMMARY TIMELINE OF USAID AUDIT RESPOSE ACTIONS	
Recommendation 1	Third quarter FY 12
Recommendation 2	December 2011
Recommendation 3	December 15, 2011 as delivery of capacity building strategy
Recommendation 4	2 <sup>nd</sup> trimester of 2012
Recommendation 5	Done- USAID M&E DQA assessment of CHAMP October 2011
Recommendation 6	N/A
Recommendation 7	4 <sup>th</sup> quarter FY 12
Recommendation 8	USAID M&E DQA assessment October 2011 / Internal DQA report from FHI/CHAMP on December 2011
Recommendation 9	December 31 <sup>st</sup> 2011
Recommendation 10	December 15, 2011
Recommendation 11	1 <sup>st</sup> quarter of FY 12
Recommendation 12	2 <sup>nd</sup> quarter of FY 12
Recommendation 13	1 <sup>st</sup> quarter FY 12
Recommendation 14	Submission of procurement plan: Completed- Submitted to USAID on November 7 <sup>th</sup> , 2011

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