



Office of Inspector General

October 21, 2013

MEMORANDUM

TO: USAID/Uganda Mission Director, Leslie Reed

FROM: Regional Inspector General/Pretoria, Robert W. Mason /s/

SUBJECT: Agreed-Upon Procedures Review of USAID Resources Managed by Inter-Religious Council of Uganda Under Cooperative Agreement AID-617-A-10-00002 (Report No. 4-617-14-001-S)

This memorandum transmits our final report on the subject agreed-upon procedures review. In finalizing the report we considered your comments and included them in Appendix II.

The report contained one recommendation to help improve activities implemented by the Inter-Religious Council of Uganda with USAID funds. Based on management's comments, we acknowledge that a management decision has been made and final action taken on this recommendation. Recommendation 1 is closed upon report issuance.

We have performed the procedures described in Appendix I, which were agreed to by the Regional Inspector General/Pretoria (RIG/Pretoria) and USAID/Uganda to determine whether the Inter-Religious Council of Uganda used the President's Emergency Plan for AIDS Relief (PEPFAR) funds to support Uganda's Anti-Homosexuality Bill. The engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and *Government Auditing Standards* by the Comptroller General. The sufficiency of the procedures is solely the responsibility of RIG/Pretoria and USAID/Uganda. Consequently, we make no representation regarding the sufficiency of the procedures described in Appendix I either for the purpose of which this report has been requested or for any other.

We were not engaged to and did not perform an audit, the objective of which would be to express an opinion on whether the Inter-Religious Council of Uganda used PEPFAR funds to support Uganda's Anti-Homosexuality Bill. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of RIG/Pretoria and USAID/Uganda. It should not be used to draw broader conclusions by those who have not agreed to the procedures and taken responsibility for sufficiency of the procedures for their purposes.

I want to express my sincere appreciation for the courtesy extended to my staff.

SUMMARY

According to UNAIDS estimates, the HIV prevalence rate among adults in Uganda in 2011 was 7.2 percent—1.4 million people were living with HIV. To help the country prevent new infections and care for those already infected or affected by the disease, the U.S. President's Emergency Plan for AIDS Relief (PEPFAR) funds programs in Uganda. They are awarded and managed by U.S. Government agencies, such as USAID, and are implemented by their partners.

Since Uganda is a deeply religious country, faith-based organizations (FBOs) play a key role in combatting HIV. According to a 2012 PEPFAR report, more than a third of clinical care in Uganda is provided by FBOs, which also operate 40 percent of the hospitals there.¹ In December 2009 USAID/Uganda awarded Cooperative Agreement AID-617-A-10-00002 to the Inter-Religious Council of Uganda (IRCU) that would run through December 2014 and provide \$30 million for a faith-based HIV/AIDS response in Uganda. IRCU brings together the Catholic Church in Uganda, the Uganda Muslim Supreme Council, the Church of Uganda, the Uganda Orthodox Church, and the Seventh-day Adventist Church Uganda Union to “promote peace, reconciliation, good governance, and holistic human development through interfaith action and collaboration, advocating for the empowerment of member bodies for the common good.” IRCU is expected to focus on strengthening the overall faith-based HIV/AIDS response; facilitating access to and utilization of quality, comprehensive HIV/AIDS prevention, care, and treatment services for people living with HIV and their immediate families; and strengthening the role of religious leaders in advocacy for reproductive health services and for people with or affected by HIV/AIDS.

Meanwhile, a member of the Ugandan Parliament introduced a bill on September 25, 2009, that would prohibit any form of sexual relations between people of the same sex, or promotion or recognition of homosexuality as a healthy lifestyle in public institutions. The “Anti-Homosexuality Bill” also proposed the death penalty as punishment for “serial offenders” and those living with HIV. In addition, the bill sought to criminalize the failure of individuals, including health workers and staff at civil society organizations, to report anyone they suspected of being homosexual to authorities. As of May 2013, the Anti-Homosexuality Bill had not been brought for a parliamentary vote. However, it is widely reported that the majority of Ugandans support the bill, with many religious leaders lobbying for its passage.

Consistent with the First Amendment to the U.S. Constitution, USAID's policy is to support the religious expression of its partners, and per 22 Code of Federal Regulations 205.1(c), a religious organization may continue to express its religious beliefs after it receives financial assistance from USAID. However, Agency policy is also clear that “faith-based and community organizations may not use direct financial assistance from USAID (or any other Federal agency) to support inherently religious activities” and “Faith-based and community organizations may not, in providing USAID-funded program assistance, discriminate for or against any actual or potential beneficiary on the basis of religion or religious belief.” Accordingly, the IRCU award contains statements to this effect.

¹ *A Firm Foundation: The PEPFAR Consultation on the Role of Faith-Based Organizations in Sustaining Community and Country Leadership in the Response to HIV/AIDS*, U.S. President's Emergency Plan for AIDS Relief and the Interfaith Health Program, Emory University, July 2012.

On the basis of these policies, outside groups have raised concerns that FBOs in Uganda, such as IRCU, may have used U.S. Government funds to support the passage of the Anti-Homosexuality Bill or discriminate on the basis of religious beliefs. To complement procedures already conducted by USAID/Uganda—such as surveying civil society organizations regarding discrimination—the Regional Inspector General/Pretoria (RIG/Pretoria) conducted agreed-upon procedures to determine whether IRCU used PEPFAR funds to support the bill.

As part of the procedures:

- We reviewed IRCU's work with FBOs, and found that none of the annual work plans reviewed or interviews or surveys conducted indicated that IRCU was supporting the Anti-Homosexuality Bill through its support of FBOs.
- We reviewed trainings IRCU delivered and found one training booklet that contained questionable content—a statement calling on political leaders to “advocate” for the passage of legislation “denouncing all forms of negative cultural practices”—that could be interpreted to support the bill. RIG/Pretoria made one recommendation to USAID/Uganda to determine and take appropriate action regarding this statement.
- We reviewed meetings IRCU facilitated and found that none of the materials reviewed or interviews conducted indicated that IRCU was supporting the Anti-Homosexuality Bill through those meetings.
- We obtained an understanding of how IRCU verifies that funds received are used only for activities described in the program's approved work plans and found that none of the procedures performed indicated that IRCU was supporting the Anti-Homosexuality Bill. However, our procedures did indicate that salary expenses were billed to USAID improperly, and we did not include a detailed review of these outside activities in our scope.

The full results of our procedures appear in the following section, and the scope and methodology appear in Appendix I. Management comments are included in their entirety in Appendix II, and our evaluation of them is on page 8.

REVIEW RESULTS

The agreed-upon procedures, procedures performed, and results are presented in the table that follows.

Agreed-upon Procedures	Procedures Performed	Results
Work With Faith-Based Organizations (FBOs)		
<ol style="list-style-type: none"> 1. Obtain and review details on the FBOs with which IRCU has worked since January 1, 2012 (approximately 100). 2. Based on the information above, select a representative sample or FBOs and review the annual work plans for any indication that the FBO planned to support Uganda's Anti-Homosexuality Bill. 3. Based on the information above, select a representative sample of FBOs to survey and/or interview regarding USAID-funded activities for any indication that the FBO supported, or was asked to support, Uganda's Anti-Homosexuality Bill. 	<ol style="list-style-type: none"> 1. We obtained a list from IRCU of FBOs supported by award AID-617-A-10-00002. This list had 37 organizations working with orphans and vulnerable children, 40 organizations working on HIV prevention, and 20 organizations working in care and treatment. (Some organizations implement more than one category of services.) 2. We determined that organizations focused on orphans and vulnerable children were the least likely to be engaged in activities that supported the Anti-Homosexuality Bill. Excluding these organizations, we judgmentally selected 15 of the 60 remaining organizations (25 percent) and asked to see their annual work plans covering the period from October 1, 2011, to September 30, 2012. We reviewed these in detail for any indication that the FBO planned to support Uganda's Anti-Homosexuality Bill. 3. Informed by the review of the annual work plans, and with limited time for travel, we interviewed representatives from 4 Kampala-based organizations, 3 in and around Jinja, 1 in Kyetume, and a religious leader with oversight responsibility for 5 organizations (2 of which were included in the original selection of 15). We also sent 	<p>None of the annual work plans reviewed or interviews or surveys conducted indicated that IRCU was supporting the Anti-Homosexuality Bill through its support of FBOs.</p>

Agreed-upon Procedures	Procedures Performed	Results
	<p>e-mail surveys to the leaders of 10 organizations that we were unable to visit, although we got responses from only 2.</p> <p>In interviews and surveys we asked FBO representatives about the services offered, eligibility for those services, funding sources, political activities, their position on homosexuality, and the perception of IRCU and its members with respect to homosexuality.</p>	
Training		
<p>4. Obtain and review details on trainings delivered by IRCU since January 1, 2012, under Cooperative Agreement AID-617-A-10-00002.</p> <p>5. Based on the information above, select a representative sample of training materials to review for any indication that IRCU had used the training to support Uganda's Anti-Homosexuality Bill.</p> <p>6. Based on the information above, select a representative sample of training attendees to survey and/or interview regarding training content for any indication that IRCU had used the training to support Uganda's Anti-Homosexuality Bill.</p>	<p>4. We obtained a list of trainings delivered since January 1, 2012, which were billed (in whole or in part) to Cooperative Agreement AID-617-A-10-00002. This list had 196 trainings.</p> <p>5. Based on the descriptions provided, we eliminated trainings that focused on lower-risk activities (e.g., orphans and vulnerable children, prevention of mother-to-child transmission, and data management). From the remaining 45 trainings, we selected 10 (22 percent) and asked for copies of training materials, reports, and participant lists. We reviewed these documents in detail for any indication that IRCU had used the training to support Uganda's Anti-Homosexuality Bill.</p> <p>6. We surveyed 20 participants by e-mail from trainings containing subjects potentially lending themselves to discussion of the Anti-Homosexuality Bill (e.g., most-at-risk populations and advocacy). However, we were limited in our ability to sample because not all participants</p>	<p>None of the training materials reviewed or interviews or surveys conducted indicated that IRCU was supporting the Anti-Homosexuality Bill through the trainings that it facilitates, except for one training booklet that had questionable content.</p> <p>In mid-2012 IRCU trained people from interfaith networks operating at the district level on HIV/AIDS and the role of religious leaders in disease prevention, in addition to other topics. As part of this training, IRCU distributed a booklet called <i>Elimination of Mother to Child Transmission of HIV (EMTCT): A Social Mobilization Handbook for Leaders 2012</i>. This booklet included a statement that one of the roles of political leaders is to "Advocate for the implementation of the parliament ACT denouncing all forms of negative cultural practices, sensitize population and enact law." Based on the review of additional EMTCT documents, we acknowledge that this statement likely refers to the Marriage and Divorce Bill, which was defeated in early 2013 and would have outlawed a number of traditional practices, such as demanding refund of money the groom's</p>

Agreed-upon Procedures	Procedures Performed	Results
	<p>had provided a valid e-mail address. In total, we received only three responses.</p> <p>Since FBO representatives are the primary audience for IRCU trainings, instead of conducting separate interviews or surveys with training participants, we interviewed the FBO representatives about IRCU trainings during the meetings conducted under Step 3.</p>	<p>family paid the bride's family in case of divorce.</p> <p>Ugandans surveyed did not immediately draw a connection between the statement and the Anti-Homosexuality Bill, but upon inquiry conceded that the statement could be construed as support for the bill.</p> <p>While the booklet was produced by the AIDS Control Program within the Ugandan Ministry of Health and not paid for by USAID, it was distributed at a USAID-funded training and therefore appeared to be supported by USAID. As a result, we make the following recommendation.</p> <p>Recommendation 1. <i>We recommend that USAID/Uganda take appropriate action regarding the statement contained in the training material for the Inter-Religious Council of Uganda's district interfaith networks and document the results.</i></p>
Meetings		
<p>7. Obtain and review details about meetings facilitated by IRCU since January 1, 2012, under Cooperative Agreement AID-617-A-10-00002.</p> <p>8. Based on the information above, select a representative sample of meeting agendas and minutes to review for any indication that IRCU had used the training to support Uganda's Anti-Homosexuality Bill.</p>	<p>7. We obtained a list from IRCU of meetings facilitated since January 1, 2012, that were billed (in whole or in part) to Cooperative Agreement AID-617-A-10-00002. This list had 50 meetings, which covered proceedings such as meetings of IRCU's finance committee and debriefings with the Ministry of Health.</p> <p>8. Based on the descriptions provided, we eliminated meetings that focused on lower-risk activities (e.g., human resources and team building within IRCU). From the remaining 37 meetings, we selected 5 (14 percent) and asked for copies of meeting materials and</p>	<p>None of the materials reviewed or interviews conducted indicated that IRCU was supporting the Anti-Homosexuality Bill through the meetings that it facilitates.</p>

Agreed-upon Procedures	Procedures Performed	Results
<p>9. Based on the information above, select a representative sample of meeting attendees to survey and/or interview regarding meeting content for any indication that IRCU had used the training to support Uganda's Anti-Homosexuality Bill.</p>	<p>participant lists. We reviewed these documents in detail for any indication that IRCU had used the meeting to support Uganda's Anti-Homosexuality Bill.</p> <p>9. Since FBO representatives are frequent participants in IRCU meetings, instead of conducting separate interviews or surveys with meeting attendees, we interviewed the FBO representatives about IRCU meetings during the meetings conducted under Step 3.</p>	
Other Activities		
<p>10. Obtain an understanding of how IRCU ensures that funds received under Cooperative Agreement AID-617-A-10-00002 are used only for activities described in the program's approved work plans.</p> <p>11. Based on the information above, develop procedures to determine whether funds expended after January 1, 2012, were used for purposes other than which they were approved, and, if so, whether those activities were used to support Uganda's Anti-Homosexuality Bill.</p>	<p>10. To obtain an understanding of how IRCU ensures that funds received are used for their approved purposes, we conducted interviews with IRCU finance staff and reviewed the IRCU finance manual.</p> <p>11. We reviewed the approved budgets for Cooperative Agreement AID-617-A-10-00002 for fiscal years 2012 and 2013. From these budgets, we made inquiries about the types of activities under certain line items. Using this information, we asked for details on the actual expenses charged to USAID as staff salaries and IRCU promotional activities.</p> <p>Staff Salaries: For selected months in 2012, we compared the salary expenses charged to USAID for the IRCU Secretary General with the time sheets recording the actual hours worked on the USAID-funded project.</p> <p>IRCU Promotional Activities: We reviewed the list of expenses from this category</p>	<p>None of the procedures performed indicated that IRCU was supporting the Anti-Homosexuality Bill. However, during our review we noted the following unrelated issue:</p> <p>In reviewing the expenses charged to USAID for the IRCU Secretary General's salary, we noted that these expenses were not charged according to the time sheets that he had completed, as required by Office of Management and Budget Circular A-122. For example, in January 2012 IRCU charged 85 percent of the Secretary General's salary to USAID. Meanwhile, time sheets show that he spent only 60 percent of his time on USAID activities.</p> <p>This lapse in financial controls means that USAID is paying for IRCU activities that are outside the scope of its agreement with the Agency. While we saw no indication that this time had been used to support the Anti-Homosexuality Bill, our procedures did not include a detailed review of these outside activities. For example, the Secretary General's time sheets</p>

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	<p>charged to USAID for anomalies. We also reviewed support for selected expenses; for example, we asked to see booklets containing "best practices" for any indication that the materials were used to support Uganda's Anti-Homosexuality Bill.</p>	<p>indicated that he also spent time on activities for the Uganda AIDS Commission, a gender-based violence program, and the Religions for Peace program, to name a few. We did not review these programs' materials.</p> <p>This matter was referred to IRCU's financial auditors, whose fieldwork was scheduled to begin in May 2013. RIG/Pretoria will review their audit report as part of its standard nonfederal audit process to make sure that questioned costs have been identified.</p>

EVALUATION OF MANAGEMENT COMMENTS

In its comments, the mission said the statement in question was ambiguous and that homosexuality was not overtly mentioned. Furthermore, the mission believed that removing or revising the statement could negate the positive intent of the authors regarding harmful cultural practices and possibly lead to other unintended consequences. Therefore, the mission requested that we remove the recommendation from the final report.

In our opinion, the vague wording of the statement, which the mission conceded, warranted the recommendation. However, that ambiguity led us to give the mission discretion in implementing the recommendation through whatever action it considered appropriate. As evidenced in its response, the mission undertook a careful, reasoned assessment of the statement, which was the intent of the recommendation, and made a corresponding determination that no corrective measures are necessary. Based on these comments, we acknowledge that a management decision has been made on Recommendation 1. No further action is required.

The mission also asked that the report be considered Sensitive but Unclassified, which meant that it would not be posted on the external OIG Web site. We considered the mission's request against the criteria outlined in Volume 12 of the U.S. Department of State Foreign Affairs Manual, section 541 (12 FAM 541) and the definition of Sensitive but Unclassified information contained in ADS 545, "Information Systems Security." Although the report addresses a controversial topic in Uganda, it does not contain any additional information that if released could cause harm or unfair treatment to an individual or group.

SCOPE AND METHODOLOGY

Scope

The engagement to apply agreed-upon procedures was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and Government Auditing Standards issued by the U.S. Comptroller General.

The purpose of this review was to determine whether IRCU used PEPFAR funds to support Uganda's Anti-Homosexuality Bill. USAID/Uganda and RIG/Pretoria agreed to limit the scope of the review to funds expended since January 1, 2012, under Cooperative Agreement AID-617-A-10-00002, totaling \$9.9 million. We performed this review from May 6 through May 14, 2013, conducting fieldwork at USAID/Uganda and implementing partner offices in and around the cities of Kampala and Jinja.

Methodology

RIG/Pretoria and USAID/Uganda officials agreed on the procedures to be performed prior to the start of fieldwork. They included review of USAID-funded activities since January 1, 2012. Specifically, we judgmentally sampled IRCU's work with FBOs, trainings, and meetings. We also reviewed IRCU's processes for ensuring that funds received from USAID were used only for approved activities. We agreed to make recommendations to correct issues identified, as applicable. These procedures are described in detail in the results section on page 3.

MANAGEMENT COMMENTS



DATE: September 4, 2013

TO: Robert W. Mason, Regional Inspector General/Pretoria

FROM: Leslie Reed, Mission Director, USAID/Uganda /s/

SUBJECT: Management Decision – Agreed-Upon Procedures Review of USAID Resources Managed by Inter-Religious Council of Uganda Under Cooperative Agreement AID-617-A-10-00002 (Report No. 4-617-13-00X-S)

The purpose of this memorandum is to communicate USAID/Uganda’s Management Decision regarding Recommendation No. 1 in the subject report.

Recommendation No. 1: We recommend that USAID/Uganda take appropriate action regarding the political statement contained in the training material for the Inter-Religious Council of Uganda’s district interfaith networks and document the results.

Management Decision: The booklet titled *Elimination of Mother to Child Transmission of HIV (EMTCT): A Social Mobilization Handbook for Leaders 2012* is a publication of the Uganda Ministry of Health (MOH), designed to guide MOH partners in rolling out activities to eliminate HIV transmission from mothers to their un-born children. The political statement refers to cultural practices that impede prevention of HIV transmission and perpetuate gender violence. Homosexuality is not overtly mentioned, and our understanding is that it was not implicitly targeted through this statement. While a person could draw such inferences, given the ambiguous nature of the language, the Mission believes that requesting removal or revision of this statement could discount the original intention of the authors to advocate against cultural practices such as female genital mutilation, widow inheritance, widow cleansing, early marriages especially for girls, ritual circumcision, mandatory breastfeeding, male chauvinism, polygamy, scarification, wife sharing/exchange and other forms of gender violence. In addition, it might have the unintended consequence of unnecessarily raising this issue and inflaming tension among Ugandans. We therefore respectfully request removal of this recommendation.

Lastly, the Mission Director recommends that the report be made SBU.

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