



OFFICE OF INSPECTOR GENERAL

AUDIT OF USAID/NAMIBIA'S HIV/AIDS CARE PROGRAM

AUDIT REPORT NO. 4-673-11-011-P
AUGUST 15, 2011

PRETORIA, SOUTH AFRICA



Office of Inspector General

August 15, 2011

MEMORANDUM

TO: USAID/Namibia Mission Director, Elzadia Washington-Danaux

FROM: Regional Inspector General/Pretoria, Christine M. Byrne /s/

SUBJECT: Audit of USAID/Namibia's HIV/AIDS Care Program
(Report Number 4-673-11-011-P)

This memorandum transmits our final report on the subject audit. We have considered management's comments on the draft report and have incorporated them as appropriate. Management comments have been included in their entirety in Appendix II.

This report includes two recommendations to strengthen the mission's HIV/AIDS care activities. Based on management's comments on the draft report, management decisions have been reached on both recommendations and final action has been taken on Recommendation 2. Please provide the Office of Audit Performance and Compliance Division with the necessary documentation to achieve final action on Recommendation 1. Recommendation 2 is closed upon report issuance.

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

CONTENTS

- Summary of Results** 1
- Audit Findings**..... 6
 - Ministries Remained Dependent on USAID Assistance 6
 - Subrecipient Funds Lacked Accountability 8
- Evaluation of Management Comments**..... 10
- Appendix I – Scope and Methodology**..... 11
- Appendix II – Management Comments**..... 14

Abbreviations

The following abbreviations appear in this report:

- ADS Automated Directives System
- AOTR agreement officer’s technical representative
- ePMS Electronic Patient Management System
- FY fiscal year
- KAYEC Katutura Youth Enterprise Centre Trust
- OGAC Office of the U.S. Global AIDS Coordinator
- OVC orphans and vulnerable children
- PEPFAR President’s Emergency Plan for AIDS Relief

SUMMARY OF RESULTS

Since the United States Leadership Against HIV/AIDS, Tuberculosis, and Malaria Act of 2003 was enacted¹, the President's Emergency Plan for AIDS Relief (PEPFAR) has coordinated the U.S. Government's international response to HIV/AIDS. This commitment was expanded in 2008 with the Tom Lantos and Henry J. Hyde United States Global Leadership Against HIV/AIDS, Tuberculosis, and Malaria Reauthorization Act of 2008 (Public Law 110-293). Under this legislation, PEPFAR established targets for HIV prevention, HIV treatment, the care and support of those infected with and affected by HIV/AIDS, and the sustainability of all three efforts. For the third target, PEPFAR seeks to provide care services to 12 million people, including 5 million orphans and vulnerable children (OVC),² from fiscal year (FY) 2010 to FY 2014.

PEPFAR defines care services as a broad range of activities, exclusive of treatment, that are available to HIV-infected and -affected individuals. These activities, including clinical, psychological, social, spiritual, and preventive services, seek to increase retention in patient treatment programs, maximize functional ability, and minimize morbidity. In Namibia, where an estimated 13.3 percent of the adult population (ages 15–49) has HIV,³ care services are of paramount importance.

In FY 2010, the main bilaterally funded service-delivery programs were the Namibia HIV Prevention, Care and Support Project and the Community REACH Namibia Program, which are described below.

- **Namibia HIV Prevention, Care and Support Project (IntraHealth).** As of September 30, 2010, USAID/Namibia had obligated \$18.9 million to the Namibia HIV Prevention, Care and Support Project, of which \$16.9 million had been disbursed. Over the life of this cooperative agreement (November 26, 2008, to November 25, 2013), USAID expects to spend approximately \$49 million on the project.⁴ The project is implemented by IntraHealth, whose main goal is to build the technical capacity of Namibian organizations to implement HIV/AIDS programs. In light of this goal, IntraHealth does not provide care services; instead, IntraHealth assists and provides subgrants to smaller, faith-based organizations that focus on service delivery. In FY 2010, IntraHealth supported three primary subpartners that delivered care services: Lutheran Medical Services, Catholic Health Services, and Anglican Medical Services. Lutheran Medical Services operates only one hospital, but it is one of the largest hospitals in Namibia. In FY 2010, IntraHealth obligated \$1.2 million to Lutheran Medical Services. Catholic Health Services operates four hospitals across three regions. In FY 2010, IntraHealth obligated \$2 million to them. Anglican Medical Services operates one health

¹ The United States Leadership Against HIV/AIDS, Tuberculosis, and Malaria Act of 2003, Pub. L. No. 108-25 (codified as amended in scattered sections of 22 U.S.C.).

² PEPFAR defines an orphan as a child, 0–17 years old, who has lost one or more parents to HIV/AIDS. A vulnerable child is defined as one, 0–17 years old, who is more vulnerable because he or she is HIV positive; lives without adequate adult support; lives outside of family care; or is marginalized, stigmatized, or discriminated against.

³ Ministry of Health and Social Services [Namibia], Directorate of Special Programmes, *2008/2009 Estimates and Projections of the Impact of HIV/AIDS in Namibia*, December 2009.

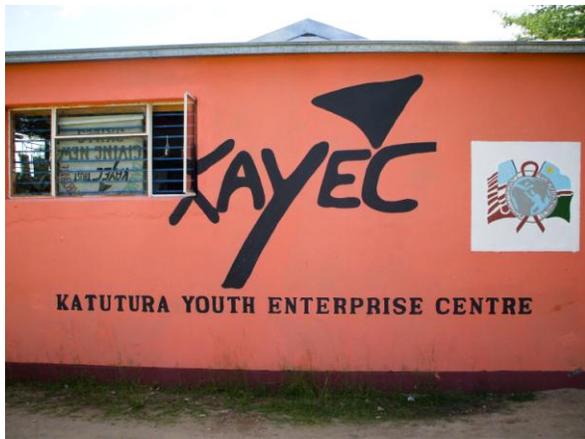
⁴ USAID/Namibia noted that a modification to the cooperative agreement for the Namibia HIV Prevention, Care and Support Project is currently under way.

facility. Although IntraHealth only started obligating funds to Anglican Medical Services in FY 2011, IntraHealth did second its own staff to assist the organization during FY 2010.



These HIV clinics in the Oshikoto and Omusati Regions were built with PEPFAR resources and are supported by the Namibia HIV Prevention, Care and Support Project. (Photographs by Office of Inspector General, March 2011)

- **Community REACH Namibia Program (Pact).** As of September 30, 2010, USAID/Namibia had obligated \$19.8 million to the Community REACH Namibia Program, of which \$17.9 million had been disbursed. The 5-year cooperative agreement, effective September 26, 2007, was originally scheduled to cost \$40 million. However, a modification finalized November 19, 2010, reduced the total estimated cost to \$32 million. The program is implemented by Pact, whose main goal is to scale up and sustain comprehensive HIV and AIDS services through Namibian and international implementing partners. In FY 2010, Pact's activities under this goal included support to the Namibian Ministry of Gender Equality and Child Welfare and capacity-building support to smaller, service-delivery organizations, coupled with subgrants. Although many of the subgrantees' awards ended in 2010, six awards were still active at the end of the year, including three to the larger care-providing subgrantees: Catholic AIDS Action, LifeLine/ChildLine, and Katutura Youth Enterprise Centre Trust (KAYEC). Pact obligated \$2.3 million in subgrants to Catholic AIDS Action in FY 2010. It is the largest of the subgrantees, with 14 regional offices in Namibia delivering services to OVC and offering home-based care. Pact obligated approximately \$897,000 to LifeLine/ChildLine in FY 2010. LifeLine/ChildLine operates with two other subgrantees to offer child protection services and raise awareness of children's rights. In FY 2010, Pact obligated approximately \$324,000 to KAYEC to provide vocational training and educational and psychosocial support to OVC.



KAYEC's vocational training and OVC facility in Windhoek displays student tradework. (Photographs by Office of Inspector General, March 2011)

The Regional Inspector General/Pretoria conducted this audit to determine whether USAID/Namibia's bilateral HIV/AIDS care program was achieving its main goal of caring for and supporting HIV-infected and -affected individuals. Additionally, the team sought to determine whether USAID/Namibia had effectively implemented recommendations from the 2008 audit of selected partners' PEPFAR activities; those recommendations related to strengthening USAID/Namibia's monitoring of its PEPFAR program.⁵

The audit determined that USAID/Namibia's bilateral HIV/AIDS care program was achieving its main goal of caring for and supporting HIV-infected and -affected individuals. Activities under USAID/Namibia's bilateral HIV/AIDS care program complied with guidance issued by the Office of the U.S. Global AIDS Coordinator (OGAC) to benefit HIV-infected and -affected Namibians, and achieved service-delivery targets.

- *Compliance With OGAC Guidance.* Under its palliative care guidance, OGAC calls for comprehensive services aimed at achieving an optimal quality of life for people living with HIV/AIDS and their families.⁶ The HIV clinics supported by the Namibia HIV Prevention, Care and Support Project do just that by offering clinical, psychological, spiritual, and social care to patients. For example, a patient referred for treatment at the HIV clinic run by Catholic Health Services in Oshikuku will receive pretreatment counseling in both group and individual settings. During treatment, the patient continues to receive clinical care and counseling from nurses. If he or she meets selection criteria, the patient may also receive spiritual counseling. In recent years, facilities supported by the Namibia HIV Prevention, Care and Support Project reported having better treatment adherence rates than the country's average,⁷ and clinic workers attributed improved treatment adherence to the care services provided.

Subrecipients supported by the Community REACH Namibia Program complement the facility-based care services by offering home- and community-based care services. For

⁵ *Audit of Selected Partners Implementing USAID/Namibia's President's Emergency Plan for AIDS Relief*, Report No. 4-673-08-005-P, July 31, 2008.

⁶ "HIV/AIDS Palliative Care Guidance #1 For the United States Government in-Country Staff and Implementing Partners," February 3, 2006.

⁷ The country's average was obtained from *United Nations General Assembly Special Session (UNGASS) Country Report: Reporting Period 2008–2009*, Republic of Namibia Ministry of Health and Social Services, 2010.

example, in the Omusati Region, Catholic AIDS Action organizes volunteers to provide home-based care, support for OVC, and prevention services in 19 communities. During site visits, community members reported that the community-based care activities led to a reduced level of HIV-related stigma.

In its OVC programming guidance, OGAC categorizes three types of interventions: child level, caregiver or family level, and systems level.⁸ The Community REACH Namibia Program included activities to address each of these. At the child level, Catholic AIDS Action operated soup kitchens and after-school programs for OVC, while KAYEC also ran a youth development program. Participants in KAYEC’s youth development program reportedly pass their school grades at a higher rate than their counterparts. KAYEC also offered vocational training that ultimately benefits vulnerable dependents at the caregiver or family level. At the systems level, LifeLine/ChildLine’s effort to establish a national phone number for reporting child abuse is strengthening the structures and networks that should lead to comprehensive and effective care. Additionally, Pact provided support to the Ministry of Gender Equality and Child Welfare and built the capacity of local nongovernmental organizations, some of which are now eligible for direct funding from USAID.

- *Achievement of Service Delivery Targets.* To measure progress toward legislative goals aimed at combating HIV/AIDS, OGAC established common indicators on which country teams are required to report. Under the category of care, the required indicator, *number of eligible adults and children provided with a minimum of one care service*, reflects the legislative goal of providing care services to 12 million people, including 5 million OVC, between FY 2010 and FY 2014. In FY 2010, the target for Namibia was to provide approximately 111,000 individuals with care services, 85,000 through bilateral USAID programs. USAID/Namibia reported exceeding this target by roughly 2,000 individuals⁹ (Table 1).

Table 1. Number of Eligible Adults and Children Provided With a Minimum of One Care Service*

Program	FY 2010 Target	FY 2010 Result	Percentage of Target Reached
Namibia HIV Prevention, Care and Support Project (IntraHealth)	21,000	31,607	151
Community REACH Namibia Program (Pact)	63,544	56,093	88 [†]
Total	84,544	87,700	104

* As described in Appendix I, to validate the FY 2010 results, the audit team compared care indicator data reported to USAID by partner head offices with data retained at subpartner facilities and reviewed controls in the data collection process. The audit team did not note any significant issues with the reported program data or in the FY 2010 monitoring and evaluation processes of USAID or prime partners.

[†] Pact notes that FY 2010 targets did not reflect adjustments in programming made at USAID’s request. Adjustments included ending programs after Quarter 2 instead of Quarter 4, ending another grant entirely, and terminating planned solicitations for new awards.

⁸ “Orphans and Other Vulnerable Children Programming Guidance for United States Government In-Country Staff and Implementing Partners,” July 2006.

⁹ Although the audit identified overstatements in the numbers reported by the implementing partners, these differences did not significantly affect the reported results.

As for implementing the prior recommendations, USAID/Namibia's Health Office has made significant improvements in its monitoring and oversight activities since the last audit. Table 2 details the status of the recommendations made in the Office of Inspector General's July 31, 2008, audit.

Table 2. Status of Recommendations Made in Audit Report No. 4-673-08-005-P

Recommendation	Status
We recommend that USAID/Namibia develop a performance management plan that incorporates its President's Emergency Plan for AIDS Relief activities.	USAID/Namibia has a performance management plan that incorporates a section on HIV/AIDS.
We recommend that USAID/Namibia complete its recruiting to fill the vacancies for its President's Emergency Plan for AIDS Relief program.	USAID/Namibia has decreased the number of vacant positions since 2008 from eight to four, only two of which are within the PEPFAR technical team.
We recommend that USAID/Namibia perform a risk assessment of its President's Emergency Plan for AIDS Relief partners to determine the frequency and focus of site visits to be made to those partners.	USAID/Namibia finalized a site visit risk assessment in June 2009 and subsequently completed site visits.
We recommend that USAID/Namibia develop a plan for its staff to periodically validate its President's Emergency Plan for AIDS Relief partners' data during site visits.	USAID/Namibia now maintains a site visit schedule for its HIV/AIDS activities.

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

- Ministries remained dependent on USAID assistance (page 6).
- Subrecipient funds lacked accountability (page 8).

To strengthen these areas, this audit recommends that the mission:

1. Update its procedures for the annual work plan review process to include a requirement for the completion and review of an exit plan for any implementing partner that provides direct assistance to Government of Namibia ministries (page 8).
2. Remind IntraHealth, in writing, of its responsibilities under its agreement to ensure that required audits are performed, and request notification from IntraHealth when prior audits have been completed (page 9).

Detailed findings appear in the following section. Appendix I presents the scope and methodology. Management comments are included in their entirety in Appendix II, and an evaluation of management comments is included on page 10.

AUDIT FINDINGS

Ministries Remained Dependent on USAID Assistance

The Tom Lantos and Henry J. Hyde United States Global Leadership against HIV/AIDS, Tuberculosis, and Malaria Reauthorization Act of 2008 directs that HIV/AIDS strategies emphasize capacity-building initiatives in order to promote a transition toward greater sustainability through the support of country-driven efforts.¹⁰ Echoing that emphasis, in testimony before the Senate Committee on Foreign Relations, an assistant administrator from USAID stated that USAID's approach is to shift from providing aid to building the capacity of countries to provide for themselves. USAID "will continue to use outside contractors where appropriate, but will direct more assistance to local entities in order to strengthen them and reduce dependence on outside assistance."¹¹

In accordance with this guidance, Pact, under the mission's Community REACH Namibia Program, supported the Namibian Ministry of Gender Equality and Child Welfare with technical advisors and capacity building in various forms. One of the goals of this support was to improve transparency and accountability by building the capacity of the Ministry to monitor, evaluate, and report on data related to OVC. As part of this, Pact facilitated the implementation of a national OVC database and a system for reporting data by providing a database consultant. The consultant also assisted with the development of the !Nam Child Wiki Web site (pictured on the following page), which links to OVC policies, guidelines, and tools, as well as to the OVC database. This consultant worked with the Ministry for approximately 2 years at a cost of about \$91,000 a year. Officials from the Ministry, including social workers posted in the northern regions of the country, were pleased with these tools and commented on their initial effectiveness. However, because the Ministry did not find a qualified individual to train to take over the consultant's responsibilities, the Ministry remained dependent on outside assistance.

¹⁰ Section 204 of Public Law 110-293.

¹¹ Testimony of Mark Feierstein, Assistant Administrator for Latin America and the Caribbean, United States Agency for International Development, Before the Committee on Foreign Relations, United States Senate, February 16, 2011.

!Nam Child Wiki

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Are you looking for information on children in Namibia?
Do you have questions relating to helping children in Namibia?

- Search our archives
- Post a question in our forum
- Start a discussion topic

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Informing you so you can better help children --
Its what we do! :-)

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MGECW FILES

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DISCUSSION FORUM

Please Login or Register with us if you would like to post to this website, add discussion topics or submit comments on its content.

This page greets visitors to the !Nam Child Wiki Web site (<http://namchild.gov.na>, as captured on March 15, 2011).

Similarly, an electronic patient management system (ePMS) was developed by the chief of party for the mission's Namibia HIV Prevention, Care and Support Project. It has been in use in at least one facility since 2004, and since 2007 has been in use at most public HIV clinics in Namibia. However, despite 2 years of efforts to build capacity within the Ministry of Health and Social Services for ePMS support, staff remained dependent on the system's creator for all but basic administrative functions.

If the implementing partners had included an exit plan in their annual work plans, USAID and the implementing partners would have had a means to evaluate whether the ministries were on track to make the transition from outside assistance to self-sufficiency. To be effective, this exit plan would have described when and how the partner was going to hand over responsibilities for specific activities to the particular ministry. However, PEPFAR did not make the sustainability of HIV/AIDS investments a priority until the 2008 reauthorization, and therefore the mission did not require implementing partners to establish such exit plans when specific activities supporting the ministries began. The audit concludes that this is why these programs have been unsuccessful in reducing the ministries' dependence on outside assistance.

When support to the ministries is scheduled to end and exit plans are not in place, USAID must either continue the support at the expense of other initiatives, or watch as the effectiveness of its investments wanes. In the case of the OVC database and Web site, social workers in the field reported that they no longer receive the same level of support that they used to receive from the head office. As a result, the data in the reports that they are able to pull are not as meaningful to them when they review and plan OVC activities in their regions. Additionally, the !Nam Child Wiki Web site was noted to be offline for several days during the audit. Under the November 2010 modification of the agreement, USAID extended the consultancy for an additional 4 to 7 months. Based on the FY 2010 cost of the consultant, this extension will cost the program approximately \$30,000 to \$53,000. The mission has begun to address the sustainability of its investments of the Community REACH Namibia Program and the Namibia

HIV Prevention, Care and Support Project through agreement modifications. However, to prevent similar problems in future programming, this audit makes the following recommendation:

Recommendation 1. *We recommend that USAID/Namibia update its procedures for the annual work plan review process to include a requirement for the completion and review of an exit plan for any implementing partner that provides direct assistance to Government of Namibia ministries.*

Subrecipient Funds Lacked Accountability

According to the designation letter¹² for the IntraHealth agreement, the agreement officer's technical representative (AOTR) is responsible for (1) monitoring the recipient's progress in achieving the objectives of the project and (2) verifying that the recipient's USAID-funded activities conform to the terms of the award. The IntraHealth agreement includes the following:

1. The main goal of the Namibia HIV Prevention, Care and Support Project is to build the technical capacity of Namibian organizations to implement HIV/AIDS programs. One of the objectives of this project is to promote organizational leadership and management in areas, including financial accountability.
2. Under a standard provision in its agreement with USAID, IntraHealth should ensure that any foreign nonprofit organization or subrecipient that expends \$300,000 or more in USAID awards during its fiscal year has an annual audit conducted of those funds in accordance with the *Guidelines for Financial Audits Contracted by Foreign Recipients*, published by the Office of Inspector General.

However, this audit concludes that USAID/Namibia did not take action to ensure that IntraHealth met its responsibilities with respect to building subrecipients' financial accountability in that neither Catholic Health Services nor Lutheran Medical Services, both IntraHealth subrecipients, was prepared for its required annual audits. Specifically:

- Catholic Health Services was unable to provide adequate evidence supporting its financial statements. According to Catholic Health Services' audit report for the period ended March 31, 2010, the auditors stated that because of significant accounting problems, they were not able to obtain "sufficient appropriate audit evidence to provide [a] basis for an audit opinion." The auditors, therefore, did not provide an opinion as to whether Catholic Health Services' financial statements were fairly presented in accordance with the applicable standards.
- Lutheran Medical Services, which received \$1.2 million in FY 2010, and similar amounts in FY 2009, had not had a financial audit covering periods past November 2008. Although IntraHealth is currently taking steps to ensure that required audits are performed, it has not yet met the terms of its agreement for Lutheran Medical Services.

¹² The USAID agreement officer provides a designation letter to the AOTR that outlines the AOTR's administrative responsibilities and authorities for the agreement.

USAID/Namibia did not take action to ensure that IntraHealth met the above responsibilities because—

- Although IntraHealth was working on capacity-building activities to prepare subpartners for eligibility to receive direct funding from USAID and had hired a consultant in March 2010 to assist Catholic Health Services with its financial system, the consultant did not start assisting the subrecipient until the end of FY 2010.
- As stipulated by USAID's Automated Directives System (ADS) 591.3.2.1, subrecipients submit copies of their audits to the prime recipient for review as part of the prime recipient's annual audit. If the audit firm conducting the annual audit determines that the subrecipient is not performing audits or that the audits are deficient or defective, the firm will include a recommendation in the prime recipient's audit report to have the defective issues corrected. Although IntraHealth's independent audits from 2009 and 2010 did note significant deficiencies in the monitoring of subrecipients, IntraHealth is a U.S.-based organization whose audit reports are transmitted to USAID/Washington, not to the mission. In other words, USAID/Namibia did not know the status of the subrecipient audits.

Without assurance from an independent audit that strong accounting and financial systems are in place, neither USAID nor its stakeholders have assurance that the \$3.2 million provided to Catholic Health Services and Lutheran Medical Services in FY 2010, or years prior, has been properly spent. Because of this, this audit makes the following recommendation:

Recommendation 2. *We recommend that USAID/Namibia remind IntraHealth, in writing, of its responsibilities under its agreement to ensure that required audits are performed, and request notification from IntraHealth when prior audits have been completed.*

EVALUATION OF MANAGEMENT COMMENTS

In its comments on the draft report, USAID/Namibia agreed with both recommendations. Management decisions have been reached on Recommendations 1 and 2, and final action has been taken on Recommendation 2. A detailed evaluation of management comments follows.

Recommendation 1. USAID/Namibia agreed to incorporate the completion and review of an exit strategy for any implementing partners that provide direct assistance to the Government of Namibia in the annual work plan approval process. Instructions will be sent to the appropriate staff by August 15, 2011. As a result, a management decision has been reached on Recommendation 1.

We note that phrasing of Recommendation 1 was amended between issuance of the draft report and receipt of final management comments, based on feedback from USAID/Namibia officials.

Recommendation 2. USAID/Namibia agreed to remind IntraHealth of its responsibility to ensure that financial audits are performed. The mission provided a letter dated July 8, 2011, addressed to IntraHealth, which serves this purpose. As a result, a management decision has been reached, and final action taken, on Recommendation 2.

SCOPE AND METHODOLOGY

Scope

The Regional Inspector General/Pretoria conducted this performance audit in accordance with generally accepted government auditing standards.¹³ 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 first objective of this audit was to determine whether USAID/Namibia's bilateral HIV/AIDS care program was achieving its main goal of caring for and supporting HIV-infected and -affected individuals. The second objective of this audit was to determine whether USAID/Namibia effectively implemented recommendations from "Audit of Selected Partners Implementing USAID/Namibia's President's Emergency Plan for AIDS Relief," Report No. 4-673-08-005-P, July 31, 2008.

In planning and performing the audit, we assessed USAID/Namibia's internal controls. Specifically, we obtained an understanding of and evaluated the mission's organizational structure, assistance processes, monitoring and evaluation procedures, and reporting processes.

From USAID/Namibia's portfolio of care activities, we selected the two primary bilateral PEPFAR-funded programs for detailed review, covering approximately 73 percent of the total FY 2010 results reported under PEPFAR's primary care indicator, while using approximately 62 percent of the total care funding. The two programs selected were IntraHealth's Namibia HIV Prevention, Care and Support Project and Pact's Community REACH Namibia Program. As of September 30, 2010, USAID had obligated \$38.7 million and disbursed \$34.8 million to these programs.

From January 24 to 28, 2011, we conducted extensive planning in Windhoek, where we interviewed key personnel at USAID/Namibia and implementing partners' offices. Audit fieldwork was conducted from March 7 to 18, 2011, with travel to Windhoek and the Oshikoto, Omusati, and Oshana Regions of the country.

Namibia HIV Prevention, Care and Support Project (IntraHealth). In Windhoek, we visited the offices of IntraHealth and Catholic Health Services. In the Oshikoto Region, we performed a site visit at the Onandjokwe Hospital, which is operated by Lutheran Medical Services. In the Omusati Region, we performed a site visit at the Oshikuku Hospital, which is operated by Catholic Health Services.

The scope of the audit's data validation procedures for this project was limited to a comparison of care indicator data reported by the IntraHealth head office against patient registers, and a review of the controls in the data collection process. We were unable to validate head office data against patient files because patient data in the clinics is owned by the Government of Namibia, and USAID/Namibia did not foresee the audit team's need to review these data in order to inform the team of the requirement. When the audit team requested access to these data, there was not sufficient time for the mission to request and receive consent from the

¹³ *Government Auditing Standards*, July 2007 Revision (GAO-07-731G).

Government of Namibia prior to fieldwork. A review of the patient files would have been more effective than a review of the patient registers because the patient registers lacked detail that would have allowed the auditors to use a statistically valid sampling approach. Despite this limitation, the procedures performed do provide a reasonable basis for the audit conclusion.

Community REACH Namibia Program (Pact). In Windhoek, we visited the offices of Pact, Catholic AIDS Action, LifeLine/ChildLine, and the Ministry of Gender Equality and Child Welfare. We also performed a site visit at KAYEC's vocational training facility. In the Omusati and Oshana Regions, we performed site visits at a Catholic AIDS Action's home-based care office and center for orphans and vulnerable children.

We also conducted limited fieldwork at the USAID mission in Pretoria, South Africa, as some contracting, human resources, and financial management functions are handled by the regional office there.

Methodology

To answer the audit objective, we first inquired about USAID/Namibia's PEPFAR portfolio and reviewed documentation supporting the inquiry. We then judgmentally selected two programs for review based on (1) award amount, (2) start and end dates, (3) contribution to USAID/Namibia's PEPFAR indicator results, and (4) type of funding. The selected programs represent the two largest in USAID/Namibia's current bilateral PEPFAR care portfolio, both by dollar amount and reported results.

We obtained information to understand the HIV/AIDS epidemic in Namibia, including incidence and prevalence rates and demographic data. We also reviewed applicable laws, best practices, and guidelines pertaining to care activities implemented under PEPFAR. Specifically, we reviewed the Tom Lantos and Henry J. Hyde United States Global Leadership Against HIV/AIDS, Tuberculosis, and Malaria Reauthorization Act of 2008 (Public Law 110-293), PEPFAR reporting requirements, PEPFAR technical guidance, and USAID's ADS.¹⁴

At USAID/Namibia, we met with officials responsible for the selected programs. As applicable, we interviewed the team leaders, agreement officer's technical representatives, activity managers, and subject matter specialists for areas such as gender and environmental practices. We conducted these meetings to assess the mission's knowledge and implementation of PEPFAR and USAID guidance and requirements, and its general familiarity with the selected programs' activities. We reviewed documentation provided by USAID/Namibia, such as agreement documents, work plans, and performance reports, to determine the extent to which planned results were being achieved. Testimonial evidence was evaluated in conjunction with other interviews, available documentation, and site visits.

We conducted additional interviews with implementing partners' and subgrantees' head and field offices. Through these interviews, we assessed implementing partners' knowledge and implementation of PEPFAR and USAID guidance and requirements. In conjunction with the interviews, we reviewed documentation provided by USAID/Namibia, such as work plans and

¹⁴ ADS chapters reviewed include ADS 201, "Planning"; ADS 202, "Achieving"; ADS 203, "Assessing and Learning"; ADS 303, "Grants and Cooperative Agreements to Non-Governmental Organizations"; ADS 320, "Branding and Marking"; and ADS 591, "Financial Audits of USAID Contractors, Recipients, and Host Government Entities."

performance reports, and documentation provided by the implementing partners, such as support for technical assistance.

Namibia HIV Prevention, Care and Support Project (IntraHealth). During site visits to subpartner-run HIV clinics, we conducted interviews with health facility staff to assess the implementation of the program's care activities. We also assessed the level of support provided to the subpartner by IntraHealth.

As described in the scope section (page 11), we also compared the care indicator data reported by the IntraHealth head office against patient registers and reviewed controls in the data collection process.

Community REACH Namibia Program (Pact). During site visits, we conducted interviews with implementing partner and subpartner staff to assess the implementation of the program's care activities. We toured subpartners' office space and service-delivery locations, and met with program-funded volunteers. We also assessed the level of support provided to the subpartner by Pact.

We compared the care indicator data reported by Pact with site-level data. To the extent possible, we reviewed attendance registers, activity collection forms, and call logs to support the care services provided. We also reviewed controls in the data collection process.

Given the nature of the audit objectives, no materiality thresholds were established. Rather, auditors answered audit objective one based on their overall assessments on (1) whether USAID/Namibia programs aligned with OGAC requirements, (2) if service-delivery targets were achieved and evidence gathered supported the accuracy of these results, and (3) anecdotal feedback from beneficiaries and other stakeholders. Auditors answered objective two based on the status of the actions taken to address previous audit recommendations.

MANAGEMENT COMMENTS



USAID | NAMIBIA
FROM THE AMERICAN PEOPLE

Memorandum
July 26, 2011

To: Rob Mason, Acting Regional Inspector General/Pratoria

From: Debra Moser, Acting Mission Director

Subject: Mission Comments on the Draft Audit Report No. 4-673-XXX-P, 2011: Audit of USAID/Namibia's HIV/AIDS Care Program

This memorandum contains USAID/Namibia's management comments to the subject audit report transmitted on June 10, 2011.

Recommendation No. 1: We recommend that USAID/Namibia updates its procedures for the annual work plan review process to include a requirement for the completion and review of an exit strategy for any implementing partner that provides direct assistance to Government of Namibia ministries.

USAID/Namibia concurs to this recommendation. Based in discussions with the Regional Inspector General's Office to clarify the intent of this recommendation, the original recommendation wording was revised to the above. USAID/Namibia will incorporate the completion and review of an exit strategy for any implementing partner that provides direct assistance to Government of Namibia ministries in the written instructions for the annual work plan approval process. These instructions will be sent to all Agreement/Contract Officer Technical Representatives and Activity Managers by August 15, 2011.

Recommendation No. 2: We recommend that USAID/Namibia remind IntraHealth, in writing, of its responsibilities under its agreement to ensure that required audits are performed, and request notification from IntraHealth when prior audits have been completed.

USAID/Namibia concurs with this recommendation. As such, USAID/Namibia has sent a letter (attached) to IntraHealth, reminding them of their ADS 591.3.2.1 requirement to obtain an annual audit for non-U.S. organization recipients that expend more that \$300,000 or more in Federal funds during a fiscal year, as well as requesting them to notify USAID/Namibia when prior audits have been completed.

Based on the action taken above to address the recommendation, the Mission requests that this finding be closed upon issuance of the final report.

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