



OFFICE OF INSPECTOR GENERAL

AUDIT OF USAID'S HIV/AIDS ACTIVITIES IN CÔTE D'IVOIRE

AUDIT REPORT NO. 7-681-11-003-P
FEBRUARY 4, 2011

DAKAR, SENEGAL



Office of Inspector General

February 4, 2011

MEMORANDUM

TO: USAID/West Africa Mission Director, Henderson Patrick

FROM: Regional Inspector General, Gerard Custer /s/

SUBJECT: Audit of USAID'S HIV/AIDS Activities in Côte d'Ivoire (Report No. 7-681-11-003-P)

This memorandum transmits our report on the subject audit. In finalizing the report, we carefully considered your comments on the draft report, and we have included them in their entirety in appendix II.

The report includes 19 recommendations for your action. On the basis of management's comments, we have combined two recommendations (recommendations 8 and 9 in the draft report) and deleted two recommendations (recommendations 19 and 21 in the draft report), and have renumbered the recommendations accordingly in this report. On the basis of your comments and actions planned, a management decision has been reached on all 19 recommendations. Please provide the Audit, Performance, and Compliance Division in the USAID Office of the Chief Financial Officer (M/CFO/APC) with the necessary documentation to achieve final action.

I appreciate the cooperation and courtesy extended to my staff during the audit.

CONTENTS

Summary of Results	1
Audit Findings	6
Le Soutien Did Not Achieve Targets for HIV/AIDS	6
RIP Plus Did Not Achieve the Servir Project Objectives	8
Antiretroviral Drugs Were Not Available at Health Facilities	10
Antiretroviral Drugs Were Missing From Facilities	12
Expired Drugs Not Destroyed	14
PEPFAR Commodities Were Exposed to High Temperatures	15
The Measure Program Was Not Implemented as Intended	16
Monitoring and Evaluation of Activities Were Weak	19
PEPFAR Activities Not Implemented at all University Research Company Program Sites	22
Evaluation of Management Comments	24
Appendix I—Scope and Methodology	30
Appendix II—Management Comments	32

SUMMARY OF RESULTS

The President's Emergency Plan for AIDS Relief (PEPFAR) was signed into law on May 27, 2003, under the United States Leadership Against HIV/AIDS, Tuberculosis, and Malaria Act. This Act committed \$15 billion over 5 years to combat human immunodeficiency virus/acquired immune deficiency syndrome (HIV/AIDS) in the developing world. The Tom Lantos and Henry J. Hyde United States Global Leadership Against HIV/AIDS, Tuberculosis, and Malaria Reauthorization Act, signed on July 30, 2008, extended PEPFAR for 5 more years and committed another \$48 billion.

Côte d'Ivoire is one of the 15 PEPFAR focus countries¹ and has the highest national HIV prevalence in west Africa, estimated at 3.9 percent among adults. Data from Côte d'Ivoire's 2005 National AIDS Indicator Survey describe a generalized epidemic marked by gender and geographic differences, early sexual debut, intergenerational and multiple concurrent partnerships, weak knowledge of HIV transmission and prevention, and low condom use. Despite the seriousness of this epidemic, Côte d'Ivoire's response to HIV/AIDS has been hampered by years of political and military crisis leading to limited access to health care, particularly in the northern part of the country.

In 2001, the Government of Côte d'Ivoire created the Ministry for the Fight Against AIDS to serve as the executive secretariat of the National AIDS Council, the principal governmental policymaking and strategic planning body for HIV/AIDS in Côte d'Ivoire. The creation of this ministry was a key strategy in building effective national-level coordination, as mandated in the National HIV/AIDS Strategic Plan. The mission of the ministry is to coordinate a comprehensive and effective multisectoral and decentralized national response to HIV/AIDS, and the ministry therefore plays a central role in bringing together stakeholders to define national policy and strategies for the care, treatment, and prevention of HIV/AIDS.

USAID does not have a bilateral mission in Côte d'Ivoire, but supports a small number of staff to manage PEPFAR activities. The USAID staff in Côte d'Ivoire consisted of an in-country USAID coordinator assigned from USAID/West Africa (a USAID regional mission based in Accra, Ghana) to direct USAID's portfolio in late 2009, and three advisors (an HIV/AIDS advisor, a supply chain logistics advisor, and an operations coordinator) fielded by a USAID institutional contractor. The staff also consisted of a PEPFAR coordinator (financed by USAID) to coordinate all U.S. Government PEPFAR activities and liaise with the U.S. Ambassador's office.

In addition, finance, contracts, and other critical support services were provided by the USAID/West Africa mission for the agreements it awarded. USAID/Washington's Global Health Bureau also financed projects through field support or in a few instances, through direct programming of central funds by USAID/Washington (e.g., the New Partners' Initiative Grants). Finally, the Centers for Disease Control and Prevention (CDC) provided technical support for collecting, managing, analyzing, and disseminating strategic information, and is a critical partner in the development of the unified national

¹ The 15 focus countries are Botswana, Côte d'Ivoire, Ethiopia, Kenya, Mozambique, Namibia, Nigeria, Rwanda, South Africa, Tanzania, Uganda, and Zambia in Africa; Guyana and Haiti in the Caribbean; and Vietnam in Asia.

vision for monitoring and evaluation, information technologies and information management systems, and HIV surveillance in Côte d'Ivoire.

Between 2007 and 2010, USAID was allocated about \$189 million in PEPFAR funds. At the time of the audit, USAID had 21 active projects (4 awarded by USAID/West Africa and 17 by USAID/Washington Global Health). These USAID programs were implemented through an array of Washington-managed agreements and task orders for field activities. Among these were the Supply Chain Management System (SCMS), which was allocated \$119,272,665 to provide logistical support for PEPFAR-related commodities through a 4-year task order, which started in fiscal year (FY) 2009; the Measure program implemented by John Snow Inc. (JSI) covering FYs 2003–2010 was allocated \$5,617,602 which provided technical assistance to strengthen the Côte d'Ivoire national monitoring and evaluation system for the fight against HIV/AIDS; Social Sectors Development Strategies' program, which, over the period 2009–2014 was allocated \$2,023,000 to strengthen the managerial and technical capacity of indigenous partners and develop HIV/AIDS curriculum and trainers; and the University Research Company's program to improve the quality of monitoring and evaluation data over FYs 2007–2012, with total allocation until 2010 (from the Country Operating Plan) of \$3,800,000.

Two programs that ended at the time of the audit were also selected as part of this audit: Le Soutien's program to educate communities about HIV/AIDS, promote the use of HIV testing services, and provide care and support to orphans and vulnerable children, which ran from FYs 2006–2009 with total funding of \$992,620, and Réseau Ivoirien des Organisations de Personnes Vivant avec le VIH (RIP Plus), a 3-year \$1,559,772 initiative launched in 2006 to build administrative capacity and provide HIV prevention training to select nongovernmental organizations, institutionalize a national testing day, and provide a variety of HIV/AIDS care and support. As of March 2010, USAID has allocated about \$133 million in PEPFAR funds for the six programs selected.

In December 2009, USAID/West Africa staff requested an investigation from the Office of Inspector General's Office of Investigations for PEPFAR activities in Côte d'Ivoire. The OIG determined that an audit was more appropriate given the materiality and nature of the allegations. Accordingly, this audit was conducted to determine whether USAID/West Africa's six selected HIV/AIDS programs in Côte d'Ivoire achieved their main goals of strengthening HIV/AIDS care and support services, facilitating treatment of those with HIV/AIDS and related infections, and enhancing HIV/AIDS monitoring and evaluation.

This audit concluded that USAID/West Africa has not achieved its goals of strengthening HIV/AIDS care and support services and has only partially achieved its goals of facilitating treatment of those with HIV/AIDS and related infections and enhancing HIV/AIDS monitoring and evaluation. Specifically:

- Le Soutien's HIV prevention and testing program failed to meet its goal of providing care and support to 1,500 orphans and vulnerable children. In fact, it could not provide evidence of assisting any orphans and vulnerable children (pages 6–7).
- RIP Plus did not meet its goals of testing 100,000 active youths and adults and reaching 17,500 people living with HIV/AIDS through support and care. In fact, it

could not provide evidence of testing any youths or assisting any people with HIV/AIDS (pages 8–10).

- SCMS was only partially successful at facilitating treatment. SCMS procured and delivered more than 80 percent of the HIV/AIDS drugs and supplies to health facilities in Côte d'Ivoire in 2009 and provided technical assistance to the Government of Côte d'Ivoire by assisting it in forecasting drug and supply demand for HIV/AIDS patients. However, the audit uncovered stockouts of antiretroviral (ARV) drugs, discrepancies with drug counts at warehouses, and a significant amount of expired ARVs with no clear plans for disposal (pages 10–15).
- JSI's Measure program was only partially successful at enhancing HIV/AIDS monitoring and evaluation systems. In 2009, JSI provided technical support to the Government of Côte d'Ivoire and other local organizations by providing several training seminars in areas such as monitoring and evaluation techniques. Although the audit determined that health facilities were using patient registers to record patient information as part of an important element of improving health care systems, further analysis of the data to make important administrative decisions to improve overall patient care and treatment was not performed as intended by the program (pages 16–19).
- Social Sectors Development Strategies' program had less than 1 year of implementation at the time of the audit; therefore it was too early to determine whether the program had met its goals. However, the audit noted that performance indicators and targets had not yet been established to measure program achievements (page 21).
- University Research Company's program reported improvement in the quality of data at the intended target of 41 medical health centers. For example, with the assistance of the Government of Côte d'Ivoire, the program provided professional services and quality improvement dedicated to helping clients use scientific methods and research findings to improve program management and outcomes to achieve organizational and behavioral change. Nevertheless, at two of the six sites visited during the audit, actions to improve the quality of data had not been taken as reported. At these two sites, no activities had taken place as reported (pages 22–23).

These conditions arose because USAID officials did not adequately monitor the implementation of these programs. Furthermore, the multifaceted organizational structure for administering PEPFAR activities in Côte d'Ivoire and the absence of documented operating procedures contributed to these shortcomings (pages 19–22). These findings, along with the allegations of fraud noted in the audit report, have been reported to the Office of Inspector General's Office of Investigations.

The report recommends that USAID:

- Develop a strategy to address Le Soutien's lack of performance and misuse of government funds (page 7).

- Make a final determination for the allowability of \$708,080 of Le Soutien's program expenses, which includes the costs of the motorbikes, desks, and a scanner that have not been returned, and recover amounts determined to be disallowed (page 7).
- Develop and implement a strategy to address RIP Plus's misconduct and misuse of U.S. Government funds (page 10).
- Settle and document any outstanding fees related to the financial audit of RIP Plus by the external auditors to obtain the audit report (page 10).
- Review the inputs used to forecast demand to ensure that drugs are available when needed (page 12).
- Request the Government of Côte d'Ivoire, in writing, to communicate all changes in drug protocols to ensure that the right prescriptions are given to patients (page 12).
- Develop a mechanism to track drugs that are out of stock to ensure timely replacement (page 12).
- Request that the Ministry of Health provide USAID with copies of its supervision reports on physical inventory and status of U.S. Government drugs at health facilities for the duration of the project (pages 13-14).
- Work with the Ministry of Health to establish a plan and schedule for implementing quality control procedures for the distribution and handling of cotrimoxazole at service delivery sites to prevent future losses (page 14).
- Work with the Government of Côte d'Ivoire to develop and implement a plan to destroy the expired drugs currently in storage (page 15).
- Work with the Government of Côte d'Ivoire to develop and implement a policy for storage, pickup, and destruction of expired drugs and effectively communicate it to all health facilities affected (page 15).
- Improve the system to identify expiring drugs and use them before expiration (page 15).
- Work with the Government of Côte d'Ivoire to develop and implement a plan to address proper storage of HIV/AIDS drugs at all warehouses (page 16).
- Work with the University of North Carolina to implement the action plans developed as a result of the program assessment conducted in fiscal year 2008 (page 18).
- In conjunction with John Snow, Inc., work with the Ministry of Health to develop and implement a monitoring plan, which includes communication with health districts, frequent site visits, and prompt attention to problems to improve data use, analysis and decision-making at the local level (page 19).

- Develop and implement a monitoring plan, which includes communication with users, frequent site visits, and prompt attention to problems to improve implementation of the project (page 21).
- Perform a data quality assessment of the results/reported data of the program (page 21).
- Establish and define roles and responsibilities for PEPFAR staff (page 22).
- Verify and document that activities at the 35 sites not visited by the audit team are in fact active (page 23).

Detailed findings appear in the following section. Appendix I describes the audit's scope and methodology.

On the basis of management's comments, we have combined two recommendations and deleted two recommendations in the draft report, and have renumbered the recommendations accordingly in this report. On the basis of mission comments and actions planned, a management decision has been reached on all 19 recommendations. Our evaluation of management's comments is on page 24. USAID/West Africa's written comments on the draft report are included in appendix II.

AUDIT FINDINGS

Le Soutien Did Not Achieve Targets for HIV/AIDS

In 2006, through the New Partners' Initiative,² the Côte d'Ivoire nongovernmental organization (NGO) Le Soutien was awarded a 3-year, \$992,620 agreement to provide care, services, and support for people affected by human immunodeficiency virus/acquired immune deficiency syndrome (HIV/AIDS) and to promote HIV prevention and testing in rural areas of the severely war-affected western region of Côte d'Ivoire. The program targeted groups that have been most underserved by national HIV/AIDS programs, such as youths, women, and orphans and vulnerable children (OVC). The key objectives of the program were to:

- Educate communities about HIV/AIDS, mobilize and support them to promote and use HIV testing services, and provide care and support to at least 1,000 OVCs and their families in 30 villages around Danané.
- Provide care and support to at least 500 OVCs in Yopougon, a suburb of Abidjan.

The audit revealed that Le Soutien had depleted all program funds but could not demonstrate or provide evidence to support implementation of program activities. Officials from Le Soutien acknowledged that very little had been done, stating that funds were used for project startup and some initial work associated with identifying OVCs, performing HIV/AIDS tests, conducting trainings, and participating in the national AIDS Day events. However, they were not able to provide records to support these claims, and could not provide verbal details on how, where, or when the OVCs were identified; HIV testing was performed; or training was conducted. The audit team concluded that very limited activity, if any, had been implemented under this program.

Officials from Le Soutien explained that little had been accomplished in accordance with their agreement with USAID primarily because of inadequate funding and confusion over program implementation between them and the contracting officer's technical representative (COTR) based in Washington, DC. According to Le Soutien officials, the original plan to reach 1,000 beneficiaries in Danané was increased to include an additional 500 beneficiaries in Yopougon. Le Soutien assumed that additional funding would be provided for the increased targets, but according to a consultant from the Academy for Educational Development (AED), a contractor hired to provide technical assistance to Le Soutien, and the COTR in Washington, DC, no such promises were made, and Le Soutien was obliged to implement the program with the increased targets using the initial funding provided. Nevertheless, Le Soutien's explanation was unacceptable because no results were evident for program funding of \$992,620.

² The New Partners Initiative (NPI) is part of a broader effort within the U.S. President's Emergency Plan for AIDS Relief (PEPFAR) to work with new partners, including community and faith-based organizations, to enhance their technical and organizational capacity and ensure the quality and sustainability of HIV/AIDS programs by supporting community ownership.

Moreover, in 2008 (after 2 years of implementation), allegations of fraud by a Le Soutien staff member surfaced, and USAID/West Africa engaged external auditors to review Le Soutien's activities related to the allegations. The report revealed the following issues:

- Le Soutien received reimbursement of \$248,250 for salary payments of staff covering the period from December 2006 to July 2007, but the review indicated that activities started in August 2007, and therefore Le Soutien was not entitled to salary payments for the period before August 2007.
- The auditors found several cases of overbilling and fraudulent practices with travel expenses. Hotel bills charged by Le Soutien to USAID showed daily rates more than twice the rate paid by the auditors who stayed at the same hotel.
- According to one interview conducted by the auditors, Danané staff's monthly salary was less than the amount billed to USAID. The staff members were forced to sign for a higher amount than officially charged to USAID.

As required by the recipient-contracted audit reporting system, the Regional Inspector General/Dakar (RIG/Dakar) reviewed and issued a financial audit report. The issued report questioned \$284,540 in program expenses. A bill was submitted to Le Soutien on September 1, 2009, for this amount and remains uncollected because Le Soutien has no funds. Furthermore, although the program had ended, Le Soutien employees have refused to return 12 motorbikes (claiming nonpayment of their salaries), and nine office desks and one scanner belonging to USAID had not been returned. These issues and others discussed in this report have been referred to the Office of Inspector General's investigative unit for further review.

Le Soutien encountered these problems primarily because of a lack of monitoring by USAID. The COTR, based in Washington, DC, has had limited involvement with the program and has visited implementing partner staff in Côte d'Ivoire only once during the 3 years of implementation (for a 3-day period). These issues of PEPFAR program monitoring and oversight are discussed in more detail later in the report.

USAID and PEPFAR officials in Washington decided to end the program 4 months before it was scheduled to end. Although recovery of funds may be unlikely, USAID should make every attempt to recover the amount for assets not yet questioned by the external review (\$708,080), or at the very least, the tangible assets (motorbikes, desks, and scanner) should be returned. USAID has not taken disciplinary actions against the implementing partner other than terminating the agreement. To address this issue, this audit makes the following recommendations:

Recommendation 1. *We recommend that USAID develop and implement a strategy to address Le Soutien's lack of performance and misuse of U.S. Government funds.*

Recommendation 2. *We recommend that USAID make a final determination for the allowability of \$708,080 of program expenses, which includes the costs of the motorbikes, desks, and scanner that have not been returned, and recover amounts determined to be disallowed.*

RIP Plus Did Not Achieve the Servir Project Objectives

Through the New Partners' Initiative (NPI) program, Réseau Ivoirien des Organisations de Personnes Vivant avec le VIH (RIP Plus) was to implement the "Servir" Project in Côte d'Ivoire between 2006 and 2009 with total funding of \$1,559,772. The project was designed to achieve the following objectives:

- Build administrative capacity of people living with HIV/AIDS (PLWHA) organizations.
- Train members of 25 PLWHA NGOs in positive HIV prevention.
- Implement positive prevention activities.
- Institutionalize a national testing day and test 100,000 active youths and adults.
- Reach 17,500 people living with HIV/AIDS through support and care.
- Provide care and support to newly diagnosed PLWHAs.
- Provide home-based palliative care to those in need.

However, RIP Plus did not accomplish these objectives. RIP Plus was not able to provide any evidence to support program activities and could not substantiate how the funds received from USAID were used. Officials at RIP Plus admitted that very few of the program's activities, if any, were implemented. RIP Plus was to mitigate the impact of HIV/AIDS in vulnerable communities by strengthening its administrative and financial management capacity. However, RIP Plus officials acknowledged that they did not meet their program goals of assisting 17,500 PLWHA, administering HIV/AIDS tests to 100,000 youths, or providing care and support to the HIV/AIDS community as they had initially agreed in their work plan. They were not able to provide any documentation to support any of the activities that they did accomplish. In addition, several other issues occurred with the program:

Misconduct by the Board of Directors and Executive Team – RIP Plus adopted a governing structure that was meant to ensure accountability and professionalism. However, this did not occur. During the audit, RIP Plus officials (both board members and executive team members) accused one another of fraudulent acts and misuse of program funds, which could hinder the achievement of project objectives. Examples cited included the following:

- A member of the executive team claimed that the board of directors had requested and received payment for two projects but only implemented activities for one. Specifically, RIP Plus was the subrecipient of two other PEPFAR partners: Cooperative for Assistance and Relief Everywhere (CARE) and Alliance. The work that RIP Plus executed for CARE and Alliance was very similar in nature, which made it easy to claim expenses for both projects simultaneously.
- A member of the executive team claimed that board members submitted receipts for reimbursement for expenses incurred during the national HIV/AIDS testing day, but had also submitted the same receipts for reimbursement to the World Bank (another sponsor).
- According to a member of the executive team, some members of the board formed NGOs with the intention of winning subawards with RIP Plus. Upon discovering

this, USAID's Office of HIV/AIDS appropriately demanded that these members of the board of directors resign from RIP Plus if they were awarded the subawards. The board of directors decided to remain with RIP Plus, and their respective NGOs were not awarded any of the subawards.

- A member of the board of directors and a consultant for the project claimed that an executive team member had misused project vehicles, despite a written policy from the board president forbidding personnel use of project vehicles.

An External Financial Audit Revealed Irregularities – In light of the allegations of fraud between the board of directors and the executive team, USAID requested a financial audit³ for FYs 2007, 2008, and 2009. However, according to the auditors, RIP Plus's management was less than cooperative, which impeded the completion of the audit work.

The auditors noted an unusual conflict between the board of directors and the executive officers, which precluded the auditors from obtaining sufficient documentation to complete the audit. After several attempts to obtain documentation, management provided only limited documentation for FY 2007 and nothing for FYs 2008 or 2009. Moreover, the information provided for FY 2007 was unreliable. Consequently, the auditors could not express an opinion on the audit report. For 2007 activities, the auditors discovered many financial irregularities, including the following:

- More than \$1,000 of per diem claimed could not be substantiated.
- Expenses of more than \$14,000 related to passport renewals and vehicle maintenance were not supported.
- Claimed expenses of \$12,520 by officials did not have supporting documentation.
- Program vehicles were used inappropriately.
- Procurements were inappropriately executed.

The auditors have withheld their report until full payment for the audit is received.

Recommendations Made by the Independent Consultant Were Disregarded – The PEPFAR program employed an independent consultant from AED to provide technical assistance to both NPI partners: RIP Plus and Le Soutien.

The consultant observed many problems at RIP Plus and made recommendations to address them, but no actions were taken by either RIP Plus officials or USAID. The consultant's report noted, among other things, (1) slow progress and a lack of evident project implementation, (2) a lack of segregation of duties among the board of directors and the executive team and misconduct among the members, and (3) suspected fraud by top management of RIP Plus. The suspected fraud has been referred to the Office of Inspector General's investigative unit for further review.

³ The RIP Plus external financial audit was performed by Deloitte and Touche in Abidjan, Côte d'Ivoire, in 2009.

Both the consultant from AED and the former USAID PEPFAR coordinator attributed the main cause of RIP Plus not meeting its goals and encountering the problems described above to a lack of monitoring and oversight by USAID. The same COTR was managing both programs from Washington, DC, and has had only limited involvement with the program. As a result, funds have not been used properly to assist beneficiaries as intended, and about \$1.6 million of U.S. Government funds were expended with minimal achievements. USAID should make every attempt to take disciplinary actions against the implementing partner other than terminating the agreement. This audit makes the following recommendations:

Recommendation 3. *We recommend that USAID develop and implement a strategy to address Réseau Ivoirien des Organisations de Personnes Vivant avec le VIH (RIP Plus's) misconduct and misuse of U.S. Government funds.*

Recommendation 4. *We recommend that USAID settle and document any outstanding fees related to the financial audit of Réseau Ivoirien des Organisations de Personnes Vivant avec le VIH (RIP Plus) by the external auditors to obtain the audit report.*

Antiretroviral Drugs Were Not Available at Health Facilities

According to Côte d'Ivoire's 2009 Country Operating Plan, Supply Chain Management System (SCMS)⁴ procured most drugs, lab supplies, and other commodities for PEPFAR's implementing partners. SCMS was responsible for ensuring that regular, detailed, and accurate commodities data and analyses were available to inform all stakeholders and empower the Government of Côte d'Ivoire to make appropriate decisions. SCMS was also to establish a system to track ARVs and other HIV/AIDS commodities through the Pharmacie de Santé Publique (PSP), the national drug warehouse, to treatment sites, as well as to strengthen district-level commodities management systems and practices by implementing various tools, including software, to ensure continued availability of commodities at service delivery points.

SCMS procured and delivered more than 80 percent of the HIV/AIDS drugs and supplies to health facilities in Côte d'Ivoire in 2009 and provided technical assistance to the Government of Côte d'Ivoire by assisting it in forecasting drug and supply demand for HIV/AIDS patients. However, the audit team noted that critical ARVs were not available at the three health facilities visited. In all four districts visited, medical personnel complained of frequent stockouts of ARVs.

Table 1 illustrates the medicines that were not available (at least for the past 6 months) at three of the four districts visited.

⁴ Since May 2005, SCMS has been designated as the primary procurement agent for PEPFAR-funded commodities in Côte d'Ivoire and the principal provider of technical assistance for the HIV/AIDS commodities supply chain, especially for forecasting and management.

Table 1. Medication Stockouts

District	Facility Visited	Date Visited	Medication Stockouts
Région du Sud-Comoé	PMI, Abiosso	4/20/2010	- Stavodine/Lamivudine - Tenofovir
Région du Moyen-Comoé	District Sanitaire de Abengourou	4/21/2010	- Stavodine/Lamivudine - Tenofovir and Emtricitabine - Lamivudine 150mg
Région des Lacs	Health District of Yamoussoukro	4/22/2010	- Stavodine/Lamivudine - Tenofovir - Dedanosine - Lamivudine 150mg

In 2009, RIG/Dakar issued *Audit of USAID/West Africa's Procurement and Distribution of Commodities in Côte d'Ivoire for the President's Emergency Plan for AIDS Relief* (Report No. 7-624-09-002-P), which also identified problems of drug shortages. In response to an audit recommendation made to improve the inventory control system, USAID/Africa implemented the Logistic Management Information System (LMIS). This system was not fully operational at the time of this audit but has already revealed some problems. This and other reasons for the stockout of ARV drugs are discussed below.

Inaccurate Inputs Used to Forecast – The inputs used by SCMS to procure drugs were not accurate and did not reflect the actual demand in Côte d'Ivoire. In 2008, SCMS implemented the LMIS, designed to forecast drug consumption more accurately. For this system to work effectively, all the components of the formula used to estimate demand must be as precise and accurate as possible. However, there were several problems with the inputs used. According to SCMS officials, the consumption rate reported was usually incorrect, and was underestimated by as much as 50 percent because the health clinics did not have adequate controls over the inventory of their drugs and did not keep accurate records of amounts received or sold. Consequently, forecasts were inaccurate, contributing to frequent stockouts of critical medicines.

National Protocol to End Distribution of Stavudine – According to SCMS and PSP officials, there has been a change in the national drug protocol for ARV drug prescriptions for Stavudine (a drug used in combination with other medicines to treat HIV infection). SCMS officials stated that the Government of Côte d'Ivoire, in adherence to World Health Organization recommendations, has advised medical facilities to stop prescribing this drug to patients. However, at all four facilities visited, pharmacists and local doctors were not aware of any such changes in the national drug policies and stated that they would continue to prescribe the drug.

Delayed Distribution of Drugs – Drugs have not been delivered to the health facilities timely. Ideally, drugs should be delivered by PSP to sites on a weekly basis, but owing to a lack of transportation resources the drugs were delivered monthly. Even in Abidjan, PSP delivers to the district offices on a weekly basis, but drugs were delivered to local pharmacies on a monthly basis.

The district offices also complained that they do not have transportation to distribute the drugs to pharmacies in their districts. For example, at the District Sanitaire de Abengourou, the pharmacist in charge of drug distribution stated that it was a challenge every month to deliver the drugs to various facilities because the vehicle supplied by

PSP has not been operational for some time. Pharmacies in this district therefore must provide their own transportation to the district office each month to pick up their drugs.

Because of the unavailability of antiretroviral drugs, patients have no choice but to wait or to rely on substitutes that may result in a less effective treatment. According to a pharmacist in Yamoussoukro, taking prescribed medication regularly is a matter of life and death for these patients, and not having the medications when needed advances their HIV/AIDS condition and can make them immune or resistant to the drugs and the therapies when they are finally available. To correct these problems, this audit makes the following recommendations:

Recommendation 5. *We recommend that USAID, in conjunction with Supply Chain Management System, review the inputs used to forecast demand to ensure that drugs are available when needed.*

Recommendation 6. *We recommend that USAID, in conjunction with Supply Chain Management System, request the Government of Côte d'Ivoire, in writing, to communicate all changes in drug protocols to dispensing facilities in a timely manner to ensure that the right prescriptions are given to patients.*

Recommendation 7. *We recommend that USAID, in conjunction with Supply Chain Management System, upgrade or develop a mechanism in the Logistic Management Information System to track drugs that are out of stock or will be out of stock to ensure timely replacement/reorders.*

Antiretroviral Drugs Were Missing From Facilities

The Government Accountability Office's (GAO's) *Standards for Internal Control in the Federal Government*⁵ state that an agency must establish physical control to secure and safeguard vulnerable assets. The standards also state that transactions should be recorded promptly to maintain their relevance and value to management in controlling operations and making decisions.

During site visits to four districts, the audit team noted discrepancies in drug inventory counts for some important ARV drugs without any valid explanations, as noted in table 2.

⁵ GAO/AIMD-00-21.3.1 (11/99).

Table 2. Drug Inventory Discrepancies

Location	Drug	Quantity Per Stock Card	Quantity Verified	Difference
Clinique de Confiance	3TC AZT 150/300 mg	32,160	32,130	(30)
	Cotrimoxazole	33,560	29,195	(4,365)
PMI, Abosso	Lamivudine/Stavudine/ Nevirapine (150/300 mg)	120	180	60
	Cotrimoxazole 960 mg	95	125	30
District Sanitaire de Abengourou	Cotrimoxazole 960 mg	97,280	57,100	(40,180)
	Zidovidine 100 mg	1,710	900	(810)
Health District of Yamoussoukro	Zidovidine 300 mg	1,200	7,300	6,100
	Zidovidine/Lamivudine/ Nevirapine	46,980	47,040	60

Doctors, pharmacists, and administrators could not explain the differences. As noted in table 2, the drug with the largest discrepancy at three of the four sites was cotrimoxazole. According to medical experts, this is a very popular drug in Côte d'Ivoire used to treat other diseases and infections such as cystitis, intestinal, and other bacterial infections. Although some differences were small, others were significant.

This situation has occurred because of a lack of adequate controls, monitoring, and oversight of ARV drug distribution by SCMS. Furthermore, SCMS has not ensured that consumption levels reported by medical facilities were reasonable. During site visits, the audit team noted that facilities were able to place orders for large quantities of drugs even when they had a sufficient supply. For example, at the District Sanitaire de Abengourou, where 40,180 pills of cotrimoxazole were missing, the pharmacist admitted that although he had sufficient inventory to supply patients, he continued to place the orders because no one had questioned it before. Of the newly ordered stock that had been received from PSP, an entire case was missing, and the audit team was not able to verify an additional quantity of 10,000 pills.

Moreover, doctors were able to trade ARV drugs among themselves without much accountability. There was a lack of monitoring and supervision from PSP and SCMS to ensure that the ARV drug trades were conducted in good faith. For example, at the Clinique de Confiance in Abidjan, 4,365 pills of cotrimoxazole were missing; when asked about the whereabouts of the pills, the doctor acknowledged that he often traded drugs with other facilities but did not maintain any records or report this to SCMS or PSP because it was not required. According to a doctor working with PSP, there were suspicions surrounding nationwide stockouts of cotrimoxazole in Côte d'Ivoire; PSP requested assistance from SCMS, but no response was received from SCMS officials.

As a result of these weaknesses in controls, significant amounts of medication are missing, unaccounted for, and were not available to intended beneficiaries. Therefore, this audit makes the following recommendations.

Recommendation 8. *We recommend that USAID advise, in writing, the Government of Côte d'Ivoire's Ministry of Health of the need for greater accountability for the maintenance and disposition of U.S. Government procured drugs and request that the Ministry of Health provide USAID with copies of its*

supervision reports on physical inventory and status of U.S. Government drugs at health facilities for the duration of the project.

Recommendation 9. *We recommend that USAID, in conjunction with Supply Chain Management System, work with the Ministry of Health to establish a plan and schedule for implementing quality control procedures for the distribution and handling of cotrimoxazole at service delivery sites to prevent future losses.*

Expired Drugs Not Destroyed

According to the World Health Organization's guidance on expired drugs (*Guidelines for Safe Disposal of Unwanted Pharmaceuticals in and after Emergencies*, 1999), most pharmaceuticals past their expiry date become less effective, and a few may develop a different adverse drug reaction profile. Improper disposal may be hazardous if it leads to contamination of water supplies used by communities or wildlife. Expired drugs may also come into the hands of scavengers or children if a landfill is insecure. Pilfering from a stockpile of waste drugs or during sorting may result in expired drugs being diverted to the market for resale and misuse.

SCMS employed a national program in Côte d'Ivoire to collect all expired ARVs across the country in FY 2009, and about 12.7 tons⁶ of expired ARVs were collected. However, SCMS does not have plans to dispose of these drugs. Initially, the plan was to destroy the drugs after collection, but the estimated cost to destroy the drugs was more than anticipated (estimated at \$81,000), and the destruction did not occur due to a lack of funding. In the interim, the drugs have been stored at a warehouse⁷ in Abidjan (since December 2009) where SCMS signed a 1-year lease agreement paying approximately \$12,800 monthly. As of September 2010, USAID has paid approximately \$106,000 in storage costs. When asked about future plans for the expired drugs, SCMS officials did not know when the drugs would be destroyed. Furthermore, medical facilities across Côte d'Ivoire continue to accumulate more expired drugs.

During the audit team's visit to the four health facilities, there was confusion regarding the disposal policy, which requires medical facilities to separate expired drugs from nonexpired drugs and to periodically send them to their respective district pharmacies, where they are picked up by PSP for destruction. Medical facilities and district offices were not following the policy, as noted below:

- At the Protection Maternelle et Infantile (PMI) in Abiosso, expired bottles of ARVs were stored with unexpired ones because the pharmacist was unaware of the policy for expired drugs.
- At the Sanitaire de Abengourou, expired and unexpired ARVs were stored in the same room, and several boxes of other expired essential drugs were stored in the lobby area of the facility. The pharmacist said that he has tried to return them to PSP several times for disposal, but PSP has refused to accept them.

⁶ The 12.7 tons of expired ARVs collected by SCMS for destruction included ARVs that had been donated by PEPFAR and other donors.

⁷ PSP sometimes uses this warehouse to store ARVs.

Without a firm plan and policy to manage and dispose of expired drugs, more drugs will continue to accumulate at medical facilities throughout the country. Although the rate of expired drugs was not fully addressed during the audit, it was a problem that was noted in a previous Office of Inspector General audit report and should be addressed when updating and upgrading the LMIS. Furthermore, without an effective plan, clinics and medical facilities may attempt to dispose of drugs or destroy them on their own, which could lead to other risks and hazards to the environment. Also, pilfered drugs from these stockpiles may be diverted to the market for resale and misuse, or may come into the hands of scavengers and children. In addition, the mission has incurred unnecessary storage costs. Therefore, this audit makes the following recommendations:

Recommendation 10. *We recommend that USAID work with the Government of Côte d'Ivoire to develop and implement a plan to destroy the expired drugs currently in storage.*

Recommendation 11. *We recommend that USAID work with the Government of Côte d'Ivoire to develop and implement a policy for storage, pickup, and destruction of expired drugs and effectively communicate it to all health facilities affected.*

Recommendation 12. *We recommend that USAID improve the Logistics Management Information System to identify expiring drugs and implement a plan to use drugs before they expire to prevent waste.*

PEPFAR Commodities Were Exposed to High Temperatures

According to HIV/AIDS experts (doctors and consultants working under PEPFAR), manufacturers of PEPFAR commodities require that antiretroviral medicines be stored at temperatures not to exceed 77°F (or 25°C). However, during site visits to four public health pharmacy warehouses in Abidjan, the audit team noted that the warehouses exceeded these limits. No air-conditioners were installed in any of the three main PSP warehouses to ensure that drugs were stored at the required temperature. The average high temperature in Côte d'Ivoire for the week of the site visits was 91°F (or 33°C), well above the recommended temperature limits. Also, temperatures maintained at ARV storage facilities visited were not acceptable and were well above the recommended limits. Although two of the four medical facilities had air-conditioned storage rooms, pharmacists at these locations noted that the air-conditioners were used only during business hours to conserve electricity.

SCMS and the Government of Côte d'Ivoire had not ensured that necessary accommodations were made to address storage temperature conditions. Although two of four medical facilities visited were air-conditioned, there were no generators or other contingency plans to maintain proper temperatures during power outages. Therefore, drugs maintained at the regional medical stores were periodically subject to temperatures exceeding the recommended limits.

An SCMS official informed the audit team that in 2008, PEPFAR provided \$801,393 in assistance to the Government of Côte d'Ivoire for completing the construction of a PSP

warehouse, the purchase of equipment for the warehouse, and the provision of relevant technical assistance for the new warehouse facility in Abidjan. The audit team visited this new warehouse three times during the audit and noted that no air-conditioners were installed. According to SCMS, plans have been developed to install air-conditioners, but SCMS officials were unsure when this would be completed.



The newly constructed PSP warehouse in Abidjan, Côte d'Ivoire, where all antiretroviral drugs are stored prior to distribution to districts. (Photograph taken by OIG auditor in April 2010)

Storing drugs at temperatures not recommended by the manufacturer could lead to less effective treatment for HIV/AIDS patients and may be harmful to the health of patients. Therefore, this audit makes the following recommendation:

Recommendation 13. *We recommend that USAID work with the Government of Côte d'Ivoire to develop and implement a plan to address proper storage of HIV/AIDS drugs at all warehouses.*

The Measure Program Was Not Implemented as Intended

USAID entered into an agreement with the University of North Carolina–Chapel Hill to implement PEPFAR activities under the Measure Project for FYs 2003–2010 for total funding of \$4,541,994. The project objective was to provide technical assistance for strengthening the national monitoring and evaluation system for the multisector fight against HIV/AIDS. The project was aimed at working closely with the Government of Côte d'Ivoire to strengthen technical capacities of local institutions, and was implemented by John Snow Inc. (JSI) and other partners through a subaward from the University of North Carolina.

According to JSI officials, a key component of the program was to implement data collection and analysis tools in medical facilities across Côte d'Ivoire. In 2009, JSI provided technical support to the Government of Côte d'Ivoire and local organizations by providing several training seminars in areas such as monitoring and evaluation techniques. The program also distributed registration booklets to local medical facilities to be used to record

all HIV/AIDS patient data during medical visits. The health facilities would then compile these data monthly and use them to improve patient care and management. This information is also forwarded to the district and other Government agencies for analysis and use in overall district and national patient care and management.

However, the tools provided for the program have not been used as intended. The audit team noted that health facilities were using registers to record patient information, but further analysis of the data to make important administrative decisions to improve overall patient care and treatment was not performed:

- At the district office in Abengourou, the supervising doctor stated that he had attended an all-expenses-paid training seminar in Senegal on how to implement Measure's programs in his district. However, when asked several times to provide specifics on how the data had been used by his district, he could not provide any details. He was not able to identify any analysis that had been performed or any administrative decisions that had been made as a result of using Measure's tools.

The audit team then visited one hospital in that same district, Dispensaire Urbain de Dioulakio, where the chief medical doctor (also a member of the medical board for Abengourou) was responsible for developing recommendations to improve patient care and treatment processes based on the analysis performed by hospital staff. The chief medical doctor stated that patient registers were used at his hospital to record patient information, but no further analysis of patient data was performed by hospital staff, administrators, or district officials. The chief medical doctor was surprised and taken aback that the supervising doctor at the district office claimed that any analyses was being performed in his district. He made clear that none of Measure's program tools (e.g., data gathering, patient care analyses) were utilized because the hospital has been understaffed (only four nurses were employed at the hospital) and could not devote time to conducting analyses that were much too time-consuming. Although the data could be used to perform different analysis without a computer, it is much more cumbersome and time-consuming, and the doctor noted that his hospital did not have a computer to perform these analyses. Furthermore, he added that no one from the University of North Carolina, JSI, or the Government of Côte d'Ivoire had visited the hospital to evaluate the progress of the program or to answer staff questions or concerns regarding the tools since the program began at his hospital.

- At the district of Abbosso, district officials and administrators from the Hospital General Ayame could not provide specific details on how the information had been used to improve overall patient care and treatment. According to a district monitoring and evaluation staff member, he entered data into the system but did not analyze the data. At a hospital (Bonoua) in that same district, the hospital administrator was confused about the entire program. He did not know about the Measure program or the registration booklets or its purpose.
- At the district offices of Marcory, the acting district director was not able to provide specifics on how the data had been used by his district to improve patient care and treatment. The audit team also visited the general hospital in this district, where monthly data collection exercises were performed and the results were sent to the Ministry of Health as required by the program. However, the

HIV/AIDS doctor at the hospital added that monthly data were collected only because he personally entered all the data. He believed that other officials at the hospital were not as motivated to do this data collection, so he has taken on this task alone. Unfortunately, because he spends at least half a day per month entering data, he spends less time with patients. Despite his efforts, he acknowledged that there have not been any improvements or decisions that can be attributed to these monthly exercises at the hospital. Furthermore, the quality of the data needed improvement, as the audit team, in conjunction with the monitoring and evaluations specialist who is an employee of the hospital, discovered several uncorrected errors during a review of records from 2009.

Furthermore, action plans developed to address program weaknesses were never implemented. In 2008 (4 years after implementation), the project commissioned an evaluation to assess the national health information system. According to JSI officials, the evaluation noted the following:

- Program data were used at only 38 percent of health facilities and 44 percent of districts.
- Medical personnel using the data were poorly trained and did not have the necessary analytical skills to use the data accurately.
- Personnel who should be using the data were not doing so owing to lack of motivation and understanding of how data should be used.
- The quality of data being generated and used by facilities was inadequate because there were issues with the accuracy and completeness. The review found the average accuracy of data at the facility level to be at 40 percent.

In response to the results of this evaluation, the University of North Carolina and JSI officials developed action plans to address the problems. These action plans included (1) offering courses in data use and analysis at the national institute for midwives and nurses, as well as integrating these courses into the training of medical students, and (2) working with the National Statistic Institute to implement a training program on data analysis and use for medical personnel in the field. However, there was no evidence that any of these action plans had been implemented.

The program has not been implemented as intended primarily because of a lack of monitoring, followup, program assessment, and support from the University of North Carolina, JSI, and the Government of Côte d'Ivoire. At the four hospitals visited, officials noted that no one from the University of North Carolina, JSI, or the Government of Côte d'Ivoire had visited the hospital since the program started in 2004 to assess its progress or to provide them with guidance or feedback. Furthermore, there was a lack of oversight by the AOTR for this project, who was based in Washington, DC, and has never visited the program in Côte d'Ivoire. Because of the lack of monitoring over the program's implementation, U.S. Government funding was not effectively utilized and medical facilities did not benefit from the program as intended. Therefore, this audit makes the following recommendations:

Recommendation 14. *We recommend that USAID work with the University of North Carolina to implement the action plans developed as a result of the program assessment conducted in fiscal year 2008.*

Recommendation 15. *We recommend that USAID, in conjunction with John Snow, Inc., work with the Ministry of Health to develop and implement a monitoring plan, which includes communication with health districts, frequent site visits, and prompt attention to problems to improve data use, analysis and decision-making at the local level.*

Monitoring and Evaluation of Activities Were Weak

USAID has developed extensive guidelines on the management of awards. Most notably, USAID's Automated Directives System (ADS) 303, *Grants and Cooperative Agreements to Nongovernmental Organizations*, Section 303.2(f), states that technical representatives should review and analyze reports, monitor reporting requirements, and ensure the recipient's compliance with numerous terms and conditions of an award. However, the audit determined that the PEPFAR team in Côte d'Ivoire and Washington, DC, did not adequately supervise, monitor, or evaluate activities. Many of the problems discussed in this report could have been avoided with adequate monitoring and oversight. Specifically, the PEPFAR team did not provide adequate oversight, conduct data quality assessments, or finalize some program indicators and targets.

Lack of Oversight – Several issues that have been noted in the audit report—the lack of implementation of activities and potential acts of fraud—might have been avoided had USAID properly monitored its programs. Both the consultant from AED who was hired to provide technical assistance to Le Soutien and RIP Plus and the former USAID PEPFAR senior program manager (a U.S. contractor) agreed that the root cause of the problems identified in this report was the lack of oversight by USAID. The former senior program manager added that the COTRs were stretched too thin and overburdened with too many projects to manage. Moreover, they were working remotely from Washington, DC, and Accra, which hindered their oversight capabilities.

The current USAID PEPFAR director also noted that staffing had been a major concern for the program. There had not been a USAID U.S. direct hire in country until October 2009, and since his arrival, three of the six contractors have left. He stated that USAID plans to increase staffing in the next few years.

According to the ADS, each COTR should provide adequate oversight over their programs, including regular communication, site visits, and verification of activities and results. It was clearly impossible for the COTR for RIP Plus and Le Soutien to devote time and effort to each of the programs. According to the AED consultant, the COTR was part of a team of three that managed 27 NPI projects. Without constant involvement, communication, support, and verification of results, problems are more likely to surface. Moreover, some of these implementing partners required even more oversight since they were working with USAID for the first time.

Although ADS 303.3.17.b states that “site visits are an important part of effective award management, since they usually allow a more effective review of the project,” USAID staff did not conduct adequate site visits of programs selected under this audit.

- For the University Research Corporation's (URC) project, which was implemented in 41 sites across Côte d'Ivoire, neither USAID nor the implementing partner had

conducted site visits since the start of the program in 2007. According to URC officials, their interaction with USAID/West Africa program personnel was either by phone or at the headquarters of URC, but never at their sites of implementation. In fact, the COTR, who was based in Washington, DC, stated that he had never visited the URC program in Côte d'Ivoire.

- For Le Soutien, the COTR visited Côte d'Ivoire only one time for 3 days during the 3-year implementation period for discussions at Le Soutien's headquarters. No visits to program implementation sites were conducted during those 3 years. Moreover, the program assessments that should have been completed during the initial stages of program implementation did not occur until 14 months after the project started.
- RIP Plus officials informed the audit team that USAID officials did not perform any site visits of their program during the 3-year implementation period. Moreover, according to an AED consultant, the program assessments that should have been completed during the initial stages of program implementation did not happen until 14 months after the project began. This COTR was managing Le Soutien as well as other programs.
- For the University of North Carolina–Chapel Hill, all four medical hospitals visited for the audit indicated that no one from the university or JSI (the subpartner) had visited their facilities or contacted them regarding the progress of implementation.

An active monitoring plan with regular site visits for monitoring project progress and verifying data might have identified the implementation and reporting problems identified in this report.

Lack of Clearly Defined Roles and Responsibilities Between CDC and USAID –

To better manage programs, managers should ensure that roles are clearly defined, thereby eliminating any confusion over responsibilities. The PEPFAR program in Côte d'Ivoire was being implemented primarily by USAID and the Centers for Disease Control and Prevention (CDC). There were approximately 100 employees for the PEPFAR program in Côte d'Ivoire; 11 were USAID employees and the remainder were CDC and institutional contract employees. However, 36 percent of PEFAR-funded activities were for USAID and the remaining 64 percent for CDC. This made it challenging for USAID to provide the level of oversight needed to effectively manage its programs in Côte d'Ivoire. Furthermore, according to a USAID official, many USAID staff reported directly to CDC management, which some USAID/West Africa officials regard as a possible cause for problems noted in this report.

According to the former USAID PEPFAR senior program manager, there were no clearly defined roles and responsibilities between CDC and USAID. This had a negative impact on PEPFAR activities in Côte d'Ivoire. Many USAID employees in Côte d'Ivoire believed that CDC was overly involved in many aspects of the program, such as requesting changes in the scope and deliverables of certain activities (even by nontechnical personnel), which sometimes caused delays and confusion for the implementing partner and the PEPFAR team. Without clearly defined roles and responsibilities for each organization, efforts may be overlapping, confusing, or unorganized, or may put USAID funds at risk.

Data Quality Assessments Were Not Conducted – ADS 203.3.5.2 states that the purpose of data quality assessments is to ensure that the USAID mission/office and assistance objective teams are aware of the strengths and weaknesses of the data as determined by applying applicable quality standards and of the extent to which data integrity can be trusted to influence management decisions. ADS further states that reported data must have had a data quality assessment at some time within the 3 years before submission.

USAID/West Africa had not performed a data quality assessment of its activities in Côte d'Ivoire in the past 5 years. The audit noted that data quality needed improvement. ARV inventory data in all four districts and local pharmacies visited were inaccurate. As another example, a hospital reporting data for the University of North Carolina–Chapel Hill's Measure program reported inaccurate patient data. USAID/West Africa did not perform a data quality assessment of its program primarily because of staffing constraints. The program was therefore relying on inaccurate data, which could impede its determination of whether or not program goals are achieved. Without adequate data validity and reliability testing, the mission did not have reasonable assurance that data used for performance-based decision making and reporting were valid and reliable.

Performance Indicators and Targets Were Not Finalized for AIDSTAR II Activities – ADS 203.3.2.1 states that the assistance objectives team must plan how it will monitor and evaluate progress toward results, including the selection of performance indicators. Furthermore, the Office of the Global AIDS Coordinator, which oversees PEPFAR, adds that regardless of levels of funding, all programs should be results-oriented with clearly established targets.

Social Sectors Development Strategies (SSDS), through its AIDSTAR II program, was the implementing partner of a project that aimed to provide technical assistance to six small local NGOs in capacity building.⁸ Since the start of the project in May 2009, SSDS had not established any relevant indicators and targets to track its program activities.

SSDS officials were not familiar with USAID guidance and believed that establishing indicators and targets was not required during the first year of implementation. USAID/West Africa did not ensure that indicators and targets were established and approved (within 60 days of the signed award) as required by the agreement between USAID and SSDS. Without established indicators and targets, it would not be possible to evaluate and assess program achievement.

To address the issues above, this audit makes the following recommendations:

Recommendation 16. *We recommend that USAID develop and implement a monitoring plan for PEPFAR activities in Côte d'Ivoire that includes adequate resources to provide regular communication with users, frequent site visits, and prompt attention to problems to improve program implementation.*

Recommendation 17. *We recommend that USAID perform a data quality assessment of the results/reported data of the program.*

⁸ There were seven small NGOs when the program started. In late 2009, one of the NGOs—UNESCO University Club for the Fight against Drugs—was discontinued because of a conflict of interest.

Recommendation 18. *We recommend that USAID, in coordination with the Centers for Disease Control and Prevention, establish and define roles and responsibilities for its PEPFAR staff.*

PEPFAR Activities Not Implemented at All University Research Company Program Sites

USAID awarded the University Research Company (URC) a 5-year agreement from FYs 2007 to 2012 and has allocated \$3.8 million⁹ to coordinate with other system-strengthening activities such as health financing, health governance, information management, and pharmaceutical management, in countries including Côte d'Ivoire. Its objective was to provide an enhanced approach on quality improvement on HIV/AIDS health care services while working with the Government of Côte d'Ivoire and nongovernmental medical health centers in 41 selected sites in the first year of the project.

Implementation of its program was to occur through four subpartners selected by USAID/West Africa and involved carrying out a detailed assessment of antiretroviral treatment (ART) services across the continuum of care at all national ART sites. These services include evaluating palliative care, pediatric ART, and HIV/tuberculosis care.

URC reported that implementation had taken place through its subpartners at all 41 sites. URC, in working with the Government of Côte d'Ivoire, provided professional services and quality improvement dedicated to helping clients use scientific methods and research findings to improve program management and outcomes to achieve organizational and behavioral change. However, no implementation had taken place at two of the six health facilities selected for testing during the audit (Centre de Pris en Sage des Research et Formation and l'Hôpital Général in Abobo). Officials of the subpartner responsible for implementation at these two sites admitted that implementation simply did not occur because hospital administrators there were not interested in URC's program. Even though URC has received funding for implementation at 41 sites, there was a 33 percent discrepancy in the small sample (two of six sites selected). It is questionable that activities at the remaining 35 unverified sites have been implemented as intended.

Furthermore, according to URC, participation of the two hospitals identified was crucial because they were major delivery sites of HIV/AIDS services in Abidjan and important to the overall goals of the project. These sites are dedicated hospitals for HIV/AIDS patients' referral and are among the country's biggest health care providers. They are located in the populated areas in Abidjan considered strategic for the fight against HIV/AIDS. However, URC realized that the subpartners were not actively convincing the hospitals to participate in the program.

Activities that are important to the program were not carried out as planned, thereby affecting overall project goals. This audit makes the following recommendation:

⁹ This amount only includes funding through 2010. Funding is allocated each year, and amounts for FYs 2011 and 2012 were not available at the time of the audit.

Recommendation 19. *We recommend that USAID verify and document that activities at the 35 sites not visited by the audit team are in fact active and that hospital participation is apparent.*

EVALUATION OF MANAGEMENT COMMENTS

USAID/West Africa and USAID/Washington's Bureau for Management, Office of Acquisition and Assistance, Global Health Bureau, Office of HIV/AIDS (M/OAA/GH/OHA) agreed with most of the recommendations in the draft report. In preparing the final report, the Regional Inspector General/Dakar (RIG/Dakar) considered management's comments and revised the report accordingly. On the basis of management's comments, we have combined two recommendations and deleted two recommendations from the draft audit report and have renumbered the recommendations in the report. For the comments with which we did not agree, we have clarified our position below. The evaluation of management comments is summarized below.

USAID/West Africa has asked that we identify the appropriate action office in our recommendations. However, because our report is addressed to the USAID/West Africa Mission Director (based in Accra/Ghana), our recommendations must be addressed only to that office. Since there are several offices involved, we will make our recommendations to USAID and ask that USAID/West Africa work with the other offices, as it has done, to close the recommendations.

General Comment A: We have revised our description of the staff makeup of the USAID PEPFAR program in Côte d'Ivoire, on the basis of management's comments. We would also add that although the PEPFAR program in Côte d'Ivoire is implemented by both Centers for Disease Control and Prevention (CDC) and USAID with shared responsibilities, the audit focused only on USAID activities because USAID's Office of Inspector General (OIG) has purview over USAID activities not CDC's.

General Comment B: The program is extensive and complicated, and the audit focused on six programs. We have revised our wording of "key programs" to "selected programs" as suggested by management's comments.

General Comment C: USAID/Washington argues that despite the management problems experienced by Le Soutien and Réseau Ivoirien des Organisations de Personnes Vivant avec le VIH (RIP Plus), a number of HIV/AIDS activities did take place (and were documented in quarterly reports). We agree that quarterly reports were submitted, but we could not verify the activities reported. Furthermore, representatives of the partner admitted to the auditors that very little had been done or accomplished under the program.

General Comment D: USAID/Washington reported that four site visits were conducted instead of two reported by RIG/Dakar. However, we obtained evidence for only two site visits. If support for the other two site visits does exist, it was not provided to the auditors. The auditors attempted several times during the course of the audit to contact the agreement officer's technical representative (AOTR) in Washington to clarify some audit issues, but the AOTR was not available and never returned the auditors' calls.

USAID/Washington suggested that the report acknowledge factors that strained its ability to manage activities. These limitations were conveyed in the report. For example, the report notes that “the COTRs were stretched too thin and overburdened with too many projects to manage.... the COTR was part of a team of three that managed 27 NPI projects.” The report also states that “the current USAID PEPFAR director also noted that staffing had been a major concern for the program.”

Recommendation 1. USAID/Washington and M/OAA/GH/OHA agree with the recommendation and plan to work with the Office of HIV/AIDS in the Global Health Bureau to determine whether it is appropriate to issue a followup to its bill of collection. The agreement officer has also begun discussions with M/OAA/E to determine whether a referral for suspension or debarment of the partner or any of its key employees is appropriate. The target date for these actions is March 31, 2011. Accordingly, a management decision has been reached.

We would also like to clarify some points made under this recommendation by USAID/Washington and M/OAA/GH/OHA.

- OHA disputes that “very limited activity, if any was implemented under this program.” OHA states that it has ample evidence, including quarterly reports by Le Soutien, weekly reports, etc., to support that activities were undertaken and that targets were achieved in year 2 of the project. However, we would like to point out that although quarterly reports were submitted by the partner, the information in the reports could not be verified or substantiated during the audit. Moreover, as we noted in the audit report, Le Soutien’s top officials admitted to us that very limited activity, if any, was implemented under the program. They admitted that there was no documentation to support activities in the field. Furthermore, we made several attempts to discuss these issues with the AOTR in Washington, but were not successful—the AOTR was unavailable throughout the audit.
- OHA disputes that one of the key objectives of the program was to “provide care and support to at least 500 OVCs in Yopougon.” However, this objective was clearly stated in the “Narrative of Workplan FY 2008 (1 Oct 2007–30 Sept 2008) Partnership NGO Le Soutien/PEPFAR/NPI/USAID Nunsseu project (the child is the future),” provided to us by the PEPFAR team in Côte d’Ivoire.
- OHA claims it has evidence to support training of Le Soutien staff, thereby claiming that some results were obtained by Le Soutien. Although training of Le Soutien staff is important, it is only an intermediary step to assisting beneficiaries and has no direct link to the overall goals of the program. Furthermore, as we have noted previously, no documentation was provided to the auditors during the audit to support any activities implemented.
- OHA claims that the AOTR met Le Soutien in Côte d’Ivoire twice, met NPI representatives twice, and participated in weekly monitoring calls. We agree that the AOTR met with Le Soutien twice, but as stated in the audit report, these visits were short and were made only to the partner’s offices, not to any planned

activity sites. We did not receive any information or documentation supporting the two visits by NPI representatives or weekly monitoring calls.

Recommendation 2. USAID/Washington agrees with the recommendation and plans to audit the costs not previously reviewed to determine unallowable costs and plans to complete this task by March 31, 2011. Accordingly, a management decision has been reached for this recommendation.

Recommendation 3. USAID/Washington agrees with the recommendation and will work to finalize the determination of whether any costs under the RIP Plus agreement should be disallowed and a bill of collections issued for any such costs. The agreement officer has also begun discussions with M/OAA/E to determine whether referral for suspension and debarment of RIP Plus or any of its board members is appropriate and plans to complete these tasks by June 30, 2011. Accordingly, a management decision has been reached for this recommendation.

We would also like to clarify some points made under this recommendation by USAID/Washington and M/OAA/GH/OHA.

- OHA claims to have evidence to support achievement of targets and has provided us with a summary. OHA also claims to have evidence to support granting of 30 subawards. As we stated earlier, none of the items reported could be verified or substantiated during the course of the audit.
- OHA disputes that RIP Plus had a goal of testing 100,000 people. However, according to the New Partners' Initiative Annual Report 2008, Program Description, RIP Plus was "expected to reach directly 17,500 PLWHAs and test 100,000 active youths and adults through the Côte d'Ivoire Testing Day."
- OHA claims that training took place over the life of the project for the staff of RIP Plus. As previously stated, we were not provided with any documentation to support these activities during the course of our audit.

Recommendation 4. USAID/Washington agrees with this recommendation and according to OHA, Deloitte has been paid and copies of the audit report have been distributed to both USAID/Côte d'Ivoire and RIG/Dakar. However, RIG/Dakar has not received this report, and furthermore, as of July 2010, the audit manager at Deloitte stated that only partial payment has been received and the final report will not be released until full payment is received. Additionally RIG/Dakar received an email from the USAID in-country coordinator in Côte d'Ivoire on September 15, 2010, stating that he had received a call from the audit manager of Deloitte and Touche demanding final payment for the audit work performed. OHA has an established target date of March 31, 2011, for final closure. Accordingly, a management decision has been reached for this recommendation.

Recommendation 5. USAID/Washington agrees with this recommendation and is reviewing the methodology and input data for projecting demand. The target date for this action is June 30, 2011. Accordingly, a management decision has been reached for this recommendation.

Recommendation 6. USAID/Washington agrees with the recommendation and plans to make a written request to the Government of Côte d'Ivoire's Ministry of Health. The target date for completion is June 30, 2011. Accordingly, a management decision has been reached for this recommendation.

Recommendation 7. USAID/Washington agrees with the recommendation and has recently incorporated a tracking tool to predict and avoid stockouts of ARVs. The target date for completion is September 30, 2011. Accordingly, a management decision has been reached.

Recommendations 8 and 9 (new recommendation 8). We have combined and revised these recommendations as requested by USAID/Washington. USAID/Washington will inform the Ministry of Health in writing of its concerns about the maintenance and accountability of the drugs and supplies provided by the U.S. Government. USAID will officially request regular spot checks and reports regarding physical inventory and status of U.S. Government procurements at facility sites. The target date for completion is June 30, 2011. Accordingly, a management decision has been reached for this recommendation.

Recommendation 10 (new recommendation 9). We revised this recommendation as requested by USAID/Washington. According to USAID/Washington, a team conducted site visits at 17 health facilities in July 2010 and confirmed RIG/Dakar's finding regarding the quantities of cotrimoxazole missing from certain sites and further noted staff weaknesses in record keeping and drug ordering practices, and partial understanding of stock management principles and LMIS tools. On the basis of these findings, the team made several recommendations to improve quality control over cotrimoxazole. The mission will work with the Ministry of Health to implement these recommendations by the target date of June 30, 2011. Accordingly, a management decision has been reached for this recommendation.

Recommendation 11 (new recommendation 10). According to USAID/Washington, in November 2009, USAID, SCMS, and the Ministry of Health developed a plan to destroy the expired drugs. The Government of Côte d'Ivoire is working to raise funds for this purpose and USAID expects that the destruction of the drugs will take place by March 2011. Accordingly, a management decision has been reached for this recommendation.

Recommendation 12 (new recommendation 11). USAID will recommend to SCMS to work with the Ministry of Health to revise and validate a national policy on waste products, including expired drugs. The target date for completion is September 30, 2011. Accordingly, a management decision has been reached on this recommendation.

Recommendation 13 (new recommendation 12). USAID/Washington agrees with the recommendation. SCMS developed and is currently piloting an electronic dispensing tool at 10 service sites. USAID expects that the new tool will be rolled out to 240 sites by March 2011. Accordingly, a management decision has been reached for this recommendation.

Recommendation 14 (new recommendation 13). According to USAID/Washington, SCMS is procuring climate control equipment, including air-conditioners and roofing materials. Also, in the PEPFAR Country Operating Plan 2011, USAID has proposed that SCMS work with the Ministry of Health to develop national standards for site, district,

and regional warehouses. The target date for completion is March 31, 2011. Accordingly, a management decision has been reached for this recommendation.

Recommendation 15 (new recommendation 14). USAID/Washington agrees with the recommendation but disputes some language in the report. For example, USAID/Washington argues that the 2008 recommendations for the 2008 PRISM project were acted upon and addressed. However, the chief of party for Measure admitted to us that no actions had been taken to implement these recommendations. She further stated that she did not have any documentation to support any activities implemented.

Measure is planning to send a team to Côte d'Ivoire to discuss the audit findings and make any necessary changes to its work plan and strategies. The target date for completion is September 30, 2011. Accordingly, a management decision has been reached for this recommendation.

Recommendation 16 (new recommendation 15). We have revised the recommendation based on USAID/Washington's comments. Also, USAID will work with JSI to work with the Ministry of Health to develop and implement a monitoring plan that includes communication with health districts, frequent site visits, and prompt attention to problems by the target date of September 30, 2011. Accordingly, a management decision has been reached for this recommendation.

Recommendation 17 (new recommendation 16). USAID agrees with the recommendation. As of November 2010, five additional hires are in various stages, with an additional nine positions to be filled. The target date for completion is March 31, 2011. Accordingly, a management decision has been reached for this recommendation.

Recommendation 18 (new recommendation 17). USAID agrees with this recommendation but argued that data quality assessments were conducted. However, in an email from the monitoring and evaluation advisor for the PEPFAR program in Côte d'Ivoire dated June 18, 2010, we were informed that although implementing partners were encouraged to perform data quality assessments of their programs, data quality assessments conducted of the PEPFAR program in Côte d'Ivoire did not meet ADS guidelines. USAID plans to conduct data quality assessments for selected PEPFAR activities in 2011. The target date for completion is September 30, 2011. Accordingly, a management decision has been reached for this recommendation.

Recommendation 19. On the basis of management's comments, we have deleted this recommendation from the audit report.

Recommendation 20 (new recommendation 18). USAID agrees with this recommendation. A memorandum of understanding has been drafted to affirm and clarify the parameters of the USAID-CDC joint management of PEPFAR. The memorandum will be revised and cleared by both parties in early 2011. Also, a scope of work for training needs of the managers and technical advisors is under way. The target date for completion is March 30, 2011. Accordingly, a management decision has been reached for this recommendation.

Recommendation 21. On the basis of management comments, we have deleted this recommendation from the audit report. However, we would like to clarify the following points:

USAID pointed out that the report misconstrued the nature and scope of the Health Care Improvement Project by stating that University Research Corporation (URC) was to “improve the quality of monitoring and evaluation data.” This description, however, was from the program’s monitoring plan under objective one. USAID also pointed out that it was incorrect to say that URC’s work “involved carrying out a detailed assessment of ART services across the continuum of care at all national ART sites.” This description, however, was verbatim in the 2008 Country Operating Plan narrative. Furthermore, the description of the program and its activities was confirmed by URC’s chief of party during meetings with him in Côte d’Ivoire prior to the start of field work.

USAID stated that the audit report failed to mention that the URC Country Director had advised USAID and the audit team of the situation at the sites (the two poor performers) prior to the start of the audit. This was not accurate; the audit team was not informed of the lack of performance at the two hospitals selected for testing by the URC country director. Although we had several discussions with his team before our site visits started, this was discovered during site visits to these health facilities. Additionally, Alliance Nationale Contre le SIDA en Côte d’Ivoire (ACONDA) officials stated that the main cause of lack of participation of these hospitals is lack of program leadership as the management staffs at these facilities did not recognize the importance of the program. ACONDA officials also agreed that they and URC have not taken any action such as contacting the Government of Côte d’Ivoire to ensure that these facilities participate in the program. Nevertheless, we have deleted this recommendation as USAID has already assessed the causes of poor performance at the two hospitals.

Recommendation 22 (new recommendation 19). USAID agrees with this recommendation and is confident that satisfactory implementation is occurring at the other 35 sites not visited. URC/HCO will continue to work with the Ministry of Health and implementing partners to strengthen the quality of services and monitoring and evaluation of all sites. The target date for this action is March 31, 2011. Accordingly, a management decision has been reached for this recommendation.

SCOPE AND METHODOLOGY

Scope

The Regional Inspector General/Dakar conducted this audit in accordance with generally accepted Government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on the audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective, which was to determine if USAID/West Africa's six selected human immunodeficiency virus/acquired immune deficiency syndrome (HIV/AIDS) programs in Côte d'Ivoire achieved their main goals of strengthening HIV/AIDS care and support services, facilitating treatment of those with HIV/AIDS and related infections, and enhancing HIV/AIDS monitoring and evaluation.

Between 2007 and 2010, USAID was allocated about \$189 million in PEPFAR funds. At the time of the audit, USAID had 21 active projects. Among these were programs by Réseau Ivoirien des Organisations de Personnes Vivant avec le VIH (RIP Plus), Le Soutien, Supply Chain Management System (SCMS), John Snow International (JSI), Social Sectors Development Strategies, and the University Research Company.

The audit focused on HIV/AIDS activities for FY 2009 and evaluated the achievements of USAID/West Africa's activities and its implementing partners. As of March 2010, USAID has allocated about \$133 million in PEPFAR funds for the six programs selected.

Fieldwork for this audit was performed from March 29 to April 30, 2010, in Abidjan and other cities in Côte d'Ivoire. We interviewed officials and visited PEPFAR offices, implementing partner offices, health facilities, and warehouses. As part of the audit, we assessed the significant internal controls used by USAID/West Africa to monitor program activities. The assessment included controls related to whether USAID had (1) reviewed progress and financial reports submitted by the implementing partners, (2) conducted and documented periodic meetings with the implementing partners, (3) performed documented visits to the activity sites, and (4) developed and implemented policies and procedures to safeguard the assets and resources of the activities. We also reviewed the mission's Federal Managers' Financial Integrity Act report for FY 2008 and prior audit reports for any issues related to the audit objective.

Methodology

To answer the audit objective, we reviewed activities implemented by selected implementing partners as well as the PEPFAR indicators reported by USAID/West Africa in FY 2009. We met with the PEPFAR team in Côte d'Ivoire to gain an understanding of the program activities and also reviewed available agreements, progress reports, and implementing partner work plans. We reviewed applicable laws and regulations and USAID policies and procedures pertaining to USAID/West Africa's PEPFAR program, including Automated Directives System guidance; the PEPFAR Act of May 2003 and subsequent reauthorization in July 2008; and the PEPFAR 5-year strategic plan. During site visits, we interviewed implementing partner staff, service providers, beneficiaries,

and officials from the Government of Côte d'Ivoire's health and education ministries. We also verified reported results, performed inventory counts on antiretroviral drug commodities, and ensured that activities were being monitored and evaluated as required.

We conducted site visits to 16 facilities, which included warehouses and health centers in four regions in Côte d'Ivoire: (1) Région des Lagunes; (2) Région du Sud-Comoé; (3) Région du Moyen-Comoé, and (4) Région des Lacs. The sample of the 16 sites represented were located in the regions where PEPFAR programs were being implemented and were nonrestricted areas within Côte d'Ivoire, and included both large and small medical facilities. Since this testing was based on a judgmental—not statistical—sample of programs and sites, the results and overall conclusions related to this analysis were limited to the items tested and could not be projected to the entire audit universe. However, we believe that our work provides a reasonable basis for our conclusions.

MANAGEMENT COMMENTS



Memorandum

To: Gerard Custer, Regional Inspector General/Dakar

From: Henderson Patrick, Mission Director, USAID/West Africa

Thru: Karen Fall, Regional Controller, USAID/West Africa

Date: November 29, 2010

Subject: Mission Comments on the Draft Regional Inspector General's Audit Report No. 7-681-11-00X-P, USAID/West Africa's HIV/AIDS (PEPFAR) Activities in Côte d'Ivoire.

This memo transmits USAID/West Africa's response and comments to the Draft Audit Report of the HIV/AIDS Activities in Côte d'Ivoire. Of the 22 Recommendations included in the Draft Report, we generally concurred with all the recommendations with the exception of Recommendations 10, 16, 19, and 21. We also suggest that Recommendations 8 and 9 be combined and reformulated and closure for Recommendation 4.

USAID/West Africa (WA) extends its appreciation to the Regional Inspector General (RIG)/Dakar for promptly responding to USAID's call for an unscheduled audit of its HIV/AIDS activities in Côte d'Ivoire (per USAID/WA's request Annex 1). The request was made because of revelations of possible financial mismanagement by two USAID/Washington grantees, Le Soutien and RIP+'s Project, which had been audited (by local auditing firms) as part of USAID/WA's efforts to strengthen program management and monitoring systems in Côte d'Ivoire (CI). RIG's presence in Abidjan for several weeks, in response to this request, sent a clear message to USAID and other USG PEPFAR CI implementing partners (IPs) that mismanagement of USG funds would not go unsanctioned. As you are aware, USAID/WA Abidjan-based staff had initially asked the Pretoria-based Inspector General's Office to investigate the allegations concerning Le Soutien and RIP+, but this request was turned down. We believe the deterrent effect of the RIG audit has been helpful in demonstrating to all USG implementing partners that they will be held accountable for the management of USG funds. Moreover, we appreciate the specific observations and recommendations in the report that go towards strengthening USAID's management of its activities.

The RIG findings have underscored the urgent need for USAID to clarify the roles and

responsibilities of the different USAID units and decision points involved in the CI PEPFAR program (i.e., USAID/ Washington: Global Health Bureau, Acquisitions and Assistance, Africa Bureau; the USAID West Africa Regional Office; USAID Abidjan-based staff). It is currently a misnomer to speak of a “USAID program in CI.” There is really only one major USG assistance program in CI and that is PEPFAR (the U.S. President’s Emergency Plan for AIDS Relief) which has a single integrated bi-agency management structure between USAID and the Centers for Disease Control and Prevention (CDC). We present some of the strengths, weaknesses and challenges we have experienced with this joint arrangement in our response to recommendations.

USAID uses a variety of instruments to implement HIV/AIDS activities in CI including direct awards from USAID/WA Accra (four at the time of the audit) and USAID/Washington field support mechanisms (then 17). The latter awards make up most of the USAID portfolio in CI. Of the approximately \$189 million in PEPFAR funding allocated to USAID partners over the past four years (2007-2010), about 20% was obligated by USAID/WA (in millions: FY07 \$6.75; FY08 \$7.87; FY09 \$11.55; FY10 \$11.25); the remaining 80% was obligated by USAID/Washington and falls under the management control of USAID/Washington AOTRs and COTRs.

Of the six projects selected by the auditors to review, only one falls under the purview of USAID/WA, i.e., the AIDSTAR II Indefinite Quantity Contract (IQC) with Social Sectors Development Strategies (SSDS). The other five activities are USAID/Washington Global Health Bureau projects of which two are IQCs, i.e., Supply Chain Management Services (SCMS) and Health Care Improvement (HCI) and three are Cooperative Agreements (CAs), i.e., MEASURE Evaluation, Le Soutien, RIP+ SERVIR. The audit report did not identify the types of awards or discuss their specific management requirements which are clearly relevant in considering how these activities have been managed to date. IQCs enable USAID to rapidly secure services from a preapproved list of contractors. Cooperative Agreements allow the government limited participation in the recipient’s assistance program. This participation is limited and may not necessarily include all components of approval of implementation plans and key personnel, participation or collaboration in advisory committees on technical or programmatic issues, concurrence on substantive provisions of any sub awards, approval of monitoring and evaluation plans, and agency monitoring to permit specified directions or redirection because of interrelationships with other projects. The cooperative agreements for both RIP+ and Le Soutien did not include this capability, substantially limiting USAID’s participation in their programs.

Moreover, the audit report addressed all the recommendations to USAID/WA when all except about five would more appropriately have been addressed to the responsible USAID/Washington AO/CO and AOTRs/COTRs. Nonetheless, USAID/WA Accra and Abidjan-based staff consulted with the appropriate AOTRs and COTRs for the preparation of the responses to the individual audit recommendations.

Given the preceding, we request that you modify the title of the report to reflect the true scope of the audit by saying “*USAID’s HIV/AIDS Activities in Côte d’Ivoire*” rather than “*USAID/West Africa’s HIV/AIDS program in Côte d’Ivoire.*” We also request that the RIG/Dakar clarify the responsible USAID management units (USAID Washington Global Health Bureau, USAID West Africa) for each audited activity to facilitate the coordination and closure of the audit recommendations.

USAID/WA and its on-site staff strongly recommend joint USAID-CDC audits of this program for any future audits. The highly integrated bi-agency management structure of the program makes it impossible to tease out and attribute agency specific outputs and impact among the approximately 50 awards sponsored by the two agencies. Moreover, continual unilateral audits by USAID of its PEPFAR partners do not produce the intended potential impact on the integrated program but instead generate tensions between implementing partners. A coordinated audit that treats all implementing partners equally sends a strong message of a single USG team applying the same principles for improved program impact.

USAID staff in Accra and Abidjan will collaborate with Washington-based USAID staff who have the primary responsibility to manage the Washington awards and to implement the recommendations in this audit report. We further believe that the audit report should acknowledge that it was the Abidjan-based USAID team that initiated this audit, with concurrence from the previous US Ambassador to CI, after the Abidjan team's request to the IG to investigate specific allegations about the program was turned down.

Finally, please find below our responses to the specific recommendations in the audit report, preceded by a few general comments and clarifications about the CI program.

USAID/WA General Observations and Clarifications:

General Comment A. Page 1, Para 4 is an incorrect depiction of the USAID PEPFAR CI program. A more accurate depiction follows:

USAID does not have a Mission in CI but supports a small number of staff to manage PEPFAR-funded HIV/AIDS activities. At the time of the audit, USAID staff in Abidjan consisted of one US direct hire Country Program Coordinator assigned from the USAID/WA Mission to direct USAID's portfolio in late 2009 and three advisors (an HIV/AIDS Advisor, a Supply Chain Logistics Advisor, and an Operations Coordinator) fielded by a USAID institutional contractor (IAP Worldwide Services). Another position, titled the PEPFAR Coordinator is financed by USAID at the request of S/OGAC to coordinate all USG PEPFAR activities and liaise with the US Ambassador's Office.

Finance, contracts, and other critical support services are provided by the USAID/WA Mission for those USAID activities for which USAID/WA has direct contracting and financial responsibility. At the time of the audit, USAID/WA managed four awards (plus local management and operations charges) while the remaining 17 USAID awards came under the purview of USAID/Washington's Global Health (GH) Bureau. The GH projects were financed through field support "buy-ins" or, in a few instances, through direct programming of central funds by USAID/Washington (e.g., the New Partner Initiative grants).

In addition to USAID's portfolio, the PEPFAR CI program includes about 30 CDC and other USG agencies' projects. CDC and USAID receive about 99% of the PEPFAR CI funding. USAID's activities generally focus on health systems strengthening while CDC takes the lead in HIV/AIDS prevention, care and treatment services and interventions. Both agencies share responsibility for capacity building of local NGOs although CDC prime partners manage about four times as many subpartners as do USAID's primes.

It should be noted that the PEPFAR CI program is unique in that activities, regardless of whether USAID or CDC is the grantor or sponsoring Agency, are considered part of one coherent program that is implemented jointly by the two Agencies. CDC has a workforce of about 120, with a preponderance of technical advisors who, given the small number of USAID staff, have by default provided oversight and guidance for both CDC and USAID activities. This was not an ideal situation from USAID's point of view since CDC staffs' technical competence does not mean they are conversant with USAID rules, regulations, or project management requirements. Nonetheless, given the circumstances, it can be argued that oversight of USAID activities by another USG agency was preferable to no oversight at all.

General Comment B: Page 1, Para 5 is an incorrect depiction of the USAID PEPFAR CI program. It is inaccurate to describe (as is done throughout the report) the audited projects as "USAID's six key HIV/AIDS programs" or "the six key HIV/AIDS programs of USAID." The six projects were selected for the audit for specific reasons that the auditors should have cited (in some cases, they were selected at USAID Abidjan staffs' suggestion not because they were "key" projects but rather because they were problematic). This is not to downplay the importance of any USAID activity -- they are all important and part of a coherent joint-Agency vision-- but other USAID CI projects are far larger and more "key" than, for example, RIP+ or Le Soutien, which were two of USAID's smallest projects in Côte d'Ivoire. Therefore, to characterize Le Soutien and RIP+ as two of "the six key programs" misrepresents USAID's CI program and the scope of the audit.

A more accurate depiction of USAID's CI portfolio follows:

Between 2007 and 2010, USAID was allocated about \$189 million in PEPFAR funds. At the time of the audit, USAID had 21 active projects (four awarded by USAID/WA and 17 by USAID/Washington GH).

USAID/WA Awards	USAID/W Field Support & Type* of Award
1. Next Generation Social & Behavior Change - Johns Hopkins University Center for Communication Programs (JHU/CCP) (CA)	1. Supply Chain Management System (SCMS) (IQC)
2. Care & Support for Orphans and Vulnerable Children - Save the Children UK (CA)	2. Abstinence & Behavior Change - Olive Leaf Found. (CA)
3. World Food Program (G)	3. Health Systems 20/20 - Abt Associates (CA)
4. AIDSTAR Sector II/ERCACI - Social Sectors Development Strategies (SSDS) (TO under IQC)	4. RESPOND - Engender Health (CA)
	5. FANTA 2 - Academy for Educational Development (CA)
	6. Infant & Young Child Nutrition - PATH (CA)
	7. MEASURE Phase III DHS - MACRO International (C)
	8. Health Care Improvement - University Research Co. (IQC)
	9. Leadership, Management & Sustainability - MSH (CA)
	10. MEASURE Evaluation - Carolina Pop. Ctr., UNC (CA)
	11. Associazione Volontari per il Servizio (AVSI) - <i>follow-on to be awarded by USAID/WA by Nov. 2010</i> (CA)
	12. New Partners Initiative - Geneva Global- <i>follow-on to be awarded by USAID/WA by Dec. 2010</i> (CA)
	13. Global Health Technical Assistance Project (GH Tech) - QED Group LLC (TO)

<p>* IQC = Indefinite Quantity Contract CA = Cooperative Agreement C = Contract TO = Task Order G = Grant</p>	<p>14. Global Health Support Initiative (GHSI) - IAP Worldwide Services (C) 15. Central Contraceptive Procurement (C) 16. Health Policy Initiative - Futures Constella Group (IQC) 17. AIDSTAR-One (Legal Cell Study) - Centrally funded (TO under IQC)</p>
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Based on funding levels and importance to the overall PEPFAR CI program, the “key” USAID activity is SCMS, representing about 63% of USAID funding between 2007 and 2010, and responsible for procuring about 80% of all HIV/AIDS drugs for the entire Government of Côte d’Ivoire (GOCI) HIV/AIDS program. Other “key” activities, with substantially more funding and nation-wide reach than several of the activities audited by RIG, include Johns Hopkins University CCP’s Next Generation Social & Behavior Change Program and Abt Associates’ PSP One and HS20/20 systems strengthening projects (with budgets that are about eight times Le Soutien’s). Partners such as Save the Children UK, AVSI and SSDS AIDSTAR II/ERCACI also have far larger budgets than RIP + or Le Soutien and play a major service-delivery or local capacity-building role.

The RIG auditors chose to scrutinize three active USAID/Washington projects (SCMS, MEASURE Evaluation, URC’s Health Care Improvement), two USAID/Washington “high risk” New Partners Initiative grantees, including one terminated in 2009 for poor performance (Le Soutien), one which had ended before the audit (RIP+ Project SERVIR), and only one active USAID/WA project (SSDS’ AIDSTAR II/ERCACI) which was still in start-up mode at the time of the audit. The audit conclusions, therefore, should not be construed as representative of the entire USAID/CI portfolio but rather a reflection of findings limited to six (four active, two inactive) out of 21 activities.

General Comment C. The draft audit report contains a number of factual inaccuracies and incomplete or misleading characterizations that weaken its credibility and usefulness as an advocacy and management tool. We provide detailed clarifications in our response to the individual recommendations.

In regard to USAID’s New Partners Initiative (NPI) activities, we would like to point out that the purpose of NPI was to provide intensive and extensive capacity building support to indigenous organizations that had little or no USG prior experience and that aspired to address HIV/AIDS needs at the community level. From the outset, because of their inexperience these partners were considered to be relatively high-risk partners. USAID/Washington supported technical assistance initially through MSCl and later through the Academy for Educational Development (AED) to work with all the NPI CI partners to address identified management weaknesses. When it became evident that some problems were insurmountable despite intensive and concerted efforts by AED, the in-country USAID team, and USAID/Washington to address shortcomings, the decision was made by USAID/Washington to terminate one of the NPI projects early and allow the second to end at its award date. It is disappointing that two NPI partners performed poorly. In contrast, a third NPI grantee, Geneva Global, met and in several instances exceeded its targets, but this project was not covered by the auditors.

The two problematic NPI projects were audited in 2009 by USAID-approved local audit firms and the outstanding issues were well-known at the time of the RIG audit. We were hoping that the RIG would provide guidance in addressing some of those issues instead

of simply reiterating what had already been documented in the earlier audit reports. Furthermore, it is not true to assert that Le Soutien and RIP+ did not carry out any activities or did not produce any results. Despite the management problems experienced by these two organizations, a number of HIV/AIDS activities did take place (and were documented in quarterly reports as requested by the USG team in Côte d'Ivoire which were shared with the auditors). At the time of the RIG audit, both of these projects had already ended (one through termination and one at its end date), the staff had been let go, and some staff were still owed money by the projects. It is unfortunate but not surprising that the staff who had worked on these projects did not want to cooperate with the RIG.

General Comment D. On Page 18, the report says the audit determined that “the PEPFAR team in Côte d'Ivoire and Washington” did not adequately supervise, monitor, or evaluate activities. We generally agree with this finding. But the paragraphs that follow cite the failure of the AOTRs to monitor, implying that no monitoring was done. This is not accurate. In the instance of NPI, the USAID/Washington team conducted four TDYs in just over a two -year period, reviewed and responded to quarterly reports per the cooperative agreement terms, and conducted weekly updates and calls on NPI partners along with regular communications with the USG team in Côte d'Ivoire. The PEPFAR CI team -- USAID and CDC colleagues --and the USAID/WA team monitored progress and financial reports, conducted site visits, and met with the partners. This monitoring was not adequate, but the report should not state that no effort at monitoring was made by “the PEPFAR team.” The audit report, at a minimum, should have acknowledged the converging factors that severely strained USAID’s ability to manage its activities, and not simply fault the AOTRs/COTRs and activity managers. These factors include the severe shortage of qualified USAID staff, the sheer magnitude of PEPFAR CI, the crisis-driven urgent demands of the emergency program, the nature of the USAID - CDC joint vision and joint management of PEPFAR CI, and the multitude of PEPFAR CI prime and sub-partners.

Responses to the Specific Audit Recommendations:

Recommendation No. 1 – *We recommend that USAID/West Africa develop a strategy to address Le Soutien’s lack of performance and misuse of U.S. Government funds.*

Management Response: Le Soutien is a partner under the New Partners’ Initiative (NPI) program, a program which is run by USAID/Washington. Because the Agreement Officer (AO) and the Agreement Officer’s Technical Representative (AOTR) for the Le Soutien Cooperative Agreement are both based in Washington, the action for this recommendation is more appropriately addressed by USAID/Washington. USAID/West Africa has referred this recommendation to USAID/Washington and M/OAA/GH/OHA and their comment are included below.

As described in the report, after receiving the Regional Inspector General/Dakar audit report in August 2009, the Agreement Officer issued a bill of collection to Le Soutien on August 26, 2009 for the amount of \$284,540. M/OAA/GH/OHA will work with the Office of HIV/AIDS in the Global Health Bureau (OHA) to determine whether it is appropriate to issue a follow-up to its bill of collection, and will refer the bill of collection to the Department of the Treasury. The AO has begun discussions with M/OAA/E to determine whether a referral for suspension or debarment of the partner or of any of its key employees is appropriate.

Additionally, we would like to make a few clarifying statements relating to conclusions in the draft audit report.

First, the draft report states that “very limited activity, if any, [was] implemented under this program.” OHA disputes this conclusion. USAID has ample evidence, including in the form of quarterly reports provided by Le Soutien, in weekly reports provided by AED, the TA provider, and in information discussed in weekly calls between AED and the AOTR and NPI team over the life of the Agreement, that activities were undertaken under the Agreement and targets had been met. Specifically, OHA has evidence that many of the original life-of-project targets were achieved by Le Soutien by the end of FY2008, or year 2 of the project. Although the same level of results for these ongoing targets was not being met in FY2009, activities were demonstrably being achieved under the Agreement. OHA provided a summary of this information to Regional Inspector General/Dakar on April 14, 2010.

Second, the draft report states that one of the key objectives of the programs was to “[p]rovide care and support to at least 500 OVCs in Yopougon, a suburb of Abidjan.” This is incorrect; preliminary discussions were held by the USG team in Côte d’Ivoire about expanding the program to include this, but the Cooperative Agreement was ultimately never modified to include this as a program objective. In addition, Le Soutien never had a target for testing people (nor was it ever envisioned that they would have the capacity to do so). A small part of its care and support project was to promote HIV testing, but it is not accurate to say that it failed to meet a testing target. Equally worth clarifying, Le Soutien’s care and support was for people affected by HIV/AIDS (orphans and vulnerable children and their host families), not necessarily living with HIV/AIDS.

Third, although the draft audit report acknowledges that Le Soutien was an NPI partner and notes that a goal of NPI is to “enhance [New Partners’] technical and organization capacity,” it does not take this goal into account in the conclusion that “no results were evident” from Le Soutien’s activities. OHA has evidence of staff of Le Soutien attending training as scheduled over the life of the Agreement in areas such as implementation strategies, compliance with USG and PEPFAR Guidance, strategic planning, country registration, financial management, human resource management, and network building. By an NPI partner having its employees attend these trainings, results under the Agreement are being achieved. Furthermore, all NPI partners underwent comprehensive organization capacity assessments – reviewing areas of governance, human resources systems, administration, financial systems, organizational management, programmatic management, and project performance – twice, once at the beginning of the award and again at close-out. Le Soutien went through assessments in January 2007 and again at close-out in November 2009. Results of the assessment demonstrate that the capacity of Le Soutien as an organization as well as its employees as individuals in the areas described above was improved, again showing results under the Agreement.

Fourth, OHA agrees that the model of running and monitoring a program like NPI from Washington presents challenges that need to be addressed. In fact, the AOTR has been directly involved in the Agency’s procurement reform efforts, providing input and lessons learned on this very topic. Nevertheless, the AOTR did meet in Côte d’Ivoire with Le Soutien twice, sent representatives from the NPI Washington team twice, and participated in weekly monitoring calls with the in-country TA provider. We note that the

allegations of fraud that gave rise to the audit report issued in August 2009 were originally reported to the AOTR and the AO, who referred the matter to the RIG/Dakar in July of 2008. Furthermore, the AOTR has evidence of hundreds of communications, in emails and phone calls, with the employees of Le Soutien itself. We would also like to point out that during the period of this Agreement, death threats were reported to American and local staff, hampering the ability of in-person monitoring both from Washington and from USG Cote d'Ivoire personnel.

Target Date: March 31, 2011. Action was for NPI AOTR (with assistance from USAID Abidjan)

Recommendation No. 2 – *We recommend that USAID/West Africa make a final determination for the allowability of \$708,080 of program expenses, which includes the costs of motorbikes, desks, and scanner that have not been returned, and recover amounts determined to be disallowed.*

Management Response: Le Soutien is a partner under the New Partners' Initiative (NPI) program, a program which is run by USAID/Washington. Because the Agreement Officer (AO) and the Agreement Officer's Technical Representative (AOTR) for the Le Soutien Cooperative Agreement are both based in Washington, the action for this recommendation is more appropriately addressed by USAID/Washington. USAID/West Africa has referred this recommendation to USAID/Washington and their comments are included below.

Upon receipt of the August 2009 audit report, the AO made a determination of allowability, determined that \$284,540 of costs were disallowed, and issued a bill of collection in that amount. The AO, in conjunction with OHA, will use best efforts to take steps to audit the costs not previously reviewed.

With respect to the program assets, on November 24, 2009, the AO sent a letter to Le Soutien requesting distribution of the Le Soutien program assets to eight other USAID partners in Cote d'Ivoire. On December 8, 2009, the AOTR received notice that, other than the motorbikes, all program assets had been distributed as requested. On December 30, 2009, the AO issued a bill of collection in the amount of \$11,790 for the motorbikes.

Target Date: March 31, 2011. Action: NPI AOTR (with assistance from USAID Abidjan)

Recommendation No. 3: *We recommend that USAID/West Africa develop and implement a strategy to address Reseau Ivoirien des Organisations de Personnes Vivant avec le VIH (RIP+'s) misconduct and misuse of U.S. Government funds.*

Management Response: RIP+ is a partner under the New Partners' Initiative (NPI) program, a program which is run by USAID/Washington. Because the Agreement Officer (AO) and the Agreement Officer's Technical Representative (AOTR) for RIP+ are both based in Washington, the action for this recommendation is more appropriately addressed by USAID/Washington. USAID/West Africa has referred this recommendation to USAID/Washington and their comments are included below.

The AO will work to finalize the determination of whether any costs under the RIP+

Cooperative Agreement should be disallowed and a bill of collection issued for any such costs. The AO has begun discussions with M/OAA/E to determine whether a referral for suspension or debarment of RIP+ or any of its Board Members individually is appropriate.

While we agree with the conclusion that we should consider taking action against the organization of RIP+, we would like to make a few clarifying statements relating to other conclusions in the draft audit report pertaining to RIP+.

First, the draft audit report states that "RIP Plus was not able to provide any evidence to support program activities." However, OHA has evidence that the Agreement targets were met in the range of 0%-70%, with the average being that they met 20-40% of their targets. OHA provided a summary of this information to Regional Inspector General/Dakar on April 14, 2010. Furthermore, part of the activity of RIP+ was to grant subawards to other organizations to achieve targets; OHA has evidence that 30 subawards were granted – thereby again showing that activities under the Agreement were being achieved.

RIP+ objectives included:

- Institutionalize a National Testing Day. RIP+ succeeded in helping to organize the first National Testing Day (2009), which surpassed its national target, was widely judged a success, and earned considerable praise for RIP+'s community-mobilization and counseling/referral efforts. The second National Testing Day is planned for early 2011.
- Build administrative and technical capacities of local organizations of people living with HIV/AIDS (PLWHA). RIP+ organized a significant number of trainings and other capacity-building activities in prevention, palliative care, monitoring and evaluation (M&E), and governance for RIP+ itself and for member PLWHA organizations. This can be confirmed by the USAID/Washington AOTR, the AED consultant who provided TA to RIP+, PEPFAR in-country staff, RIP+ members, and member PLWHA organizations. RIP+ also helped start local associations and support groups for PLWHA around the country, conducted capacity analyses of local PLWHA organizations, donated IT equipment to local organizations, and helped member PLWHA organizations develop M&E plans.
- Implement positive prevention activities. RIP+ developed a positive-prevention approach/process and trained national trainers and local PLWHA organizations in this approach.
- Strengthen the national HIV/AIDS response through advocacy and policy work. RIP+ conducted a variety of advocacy and information activities, including presentations during National AIDS Days, advocating for availability and use of generic and free antiretroviral drugs (ARVs), organizing and conducting a national workshop with 72 health districts to promote the "district approach," and helped develop national guidelines for community/lay counselors.

RIP+ never had a goal of testing 100,000 people (or even one person). It had a goal of helping to institute a National Testing Day, which it succeeded in doing. (The 100,000 was an estimate of how many would be tested during National Testing Days, though not

by RIP+)RIP+ was never supposed to “administer HIV/AIDS tests.” It is not accurate, as a blanket statement, to say that RIP + “did not accomplish these objectives” or that “very few, if any, activities were implemented.”

Second, like with Le Soutien, although the draft audit report acknowledges that RIP+ was an NPI partner, it does not take the goals of the NPI program into account when stating that “about \$1.6 million of U.S. government funds were expended with little to demonstrate.” A central focus of the NPI program was to work with new partners who were unfamiliar with US standards of financial and organizational management, and build their capacity to effectively manage funds and programs in the future by providing regular training over the life of the Agreement and providing in-country support from another partner of USAID contracted to provide technical assistance (TA) to the NPI partners. OHA has evidence of staff of RIP+ attending training as scheduled over the life of the Agreement in areas such as implementation strategies, compliance with USG and PEPFAR Guidance, strategic planning, country registration, financial management, human resource management, and network building. By an NPI partner having its employees attend these trainings, results under the Agreement are being achieved. Furthermore, all NPI partners underwent comprehensive organization capacity assessments – reviewing areas of governance, human resources systems, administration, financial systems, organizational management, programmatic management, and project performance – twice, once at the beginning of the award and again at close-out. RIP+ went through assessments in January 2007 and again at close-out in November 2009. Results of the assessment demonstrate that the capacity of RIP+ as an organization and its employees as individuals in the areas described above was improved, again showing results under the Agreement.

Third, as with Le Soutien, the draft report incorrectly describes the agreement with RIP+ as a “contract.” RIP+ received a Cooperative Agreement, not a contract, a distinction that is important because the level of influence and control retained by the AO and the AOTR is much less than is the case when there is a contract.

Fourth, the draft audit report highlights an instance where some members of the board formed NGOs with the intention of winning subawards with RIP+, with the situation ultimately being resolved by the board members agreeing to not have any subawards go to their NGOs. A full account of this instance illustrates both the type of capacity-building activities inherently necessary within the context of the NPI program, as well as the ongoing monitoring and involvement of the AO and the AOTR. While visiting Cote d’Ivoire in 2008, the AOTR determined that there was a conflict of interest between some Board members who were also in control of proposed sub-grantee awardees. Since the Cooperative Agreement’s Substantial Agreement Clause required AOTR approval of subawards, the AOTR determined that she could not approve these until those with conflicts selected to either serve on the Board or resigned from the Board while maintaining their organizational leadership. After an extended period and much negotiation did every Board member with a conflict choose one of the options. This delay in RIP+ Board members choosing which option to pursue seriously delayed awarding subawards to RIP+ association members – as mentioned above, a key component to achieving RIP+’s stated results. This identification of conflict of interest and subsequent measures was conducted by OHA, not USAID/West Africa.

Another example of the difficulties inherent in the NPI program that required extensive input from the AO and the AOTR is the Board’s By-Laws. The By-Laws proved to be a

serious hindrance to the functioning of the organization. These were identified during the AOTR's visit in 2008. For example, the Board Chair was required to sign any check over \$50.00. As a result of this, he was effectively able to manage the flow of funds to the detriment of the organization and towards the end of the Agreement, he apparently refused to sign any checks. However, since this was a cooperative agreement (not a contract, as clarified above), it was not within USAID's purview to change an organization's by-laws, assuming that they were in compliance with local laws. Once the issue was discovered, the AOTR directed the TA provider to provide specific additional training in good governance, in Cote d'Ivoire, to the Board members, the leadership team, and RIP+'s subpartners.

Finally, again, OHA agrees that the model of running and monitoring a program like NPI from Washington presents challenges that need to be addressed, which is why the AOTR is sharing the lessons learned from the NPI experience as part of the Agency's procurement reform efforts. Nevertheless, the AOTR did visit the program site twice, sent representatives from the NPI Washington team twice, and participated in weekly monitoring calls with the in-country TA provider. Furthermore, the AOTR has evidence of hundreds of communications, in emails and phone calls, with the employees of RIP+ itself. We would also like to point out that during the period of this Agreement, death threats were reported to American and local staff, hampering the ability of in-person monitoring both from Washington and from USG Cote d'Ivoire personnel.

Target Date: June 30, 2011. Action was for NPI AOTR (with assistance from USAID Abidjan)

Recommendation No. 4: *–We recommend that USAID/West Africa settle and document any outstanding fees related to the financial audit of Réseau Ivoirien des Organisations de Personnes Vivant avec le VIH (RIP+) by the external auditors to obtain the audit report.*

Management Response: RIP+ is a partner under the New Partners' Initiative (NPI) program, a program which is run by USAID/Washington. Because the Agreement Officer (AO) and the Agreement Officer's Technical Representative (AOTR) for RIP+ are both based in Washington, the action for this recommendation is more appropriately addressed by USAID/Washington. USAID/West Africa has referred this recommendation to USAID/Washington and their comments are included below. Per discussions with the Deloitte auditors in February 2010, USAID Abidjan-based staff learned that Deloitte was paid by RIP+ for the audit work. Copies of the final financial audit report performed by Deloitte have been distributed to both USAID/Cote d'Ivoire and RIG/Dakar. Based on the above, we request closure of this recommendation upon issuance of the final audit report.

Target Date: March 31, 2011. Action was for NPI AOTR (with assistance from USAID Abidjan)

Recommendation No. 5: *We recommend that USAID/West Africa, in conjunction with Supply Chain Management System, review the inputs used to forecast demand to ensure that drugs are available when needed.*

Management Response: We agree with this recommendation. Both the quantification methodology and input data for projecting demand are currently being reviewed by

stateside CDC and USAID logistics specialists, with follow-up from PEPFAR/CI agency heads and technical staff. This is a top priority for both agencies.

However, we note that the Supply Chain Management System (SCMS) Project is a USAID/Washington award with the COTR and Agreement Officer located in Washington, D.C. We request that the recommendation be rephrased to correctly identify the appropriate action office(s) in USAID/Washington.

Target Date: June 30, 2011. Action: SCMS COTR, with assistance from USAID Abidjan.

***Recommendation No. 6:** We recommend that USAID/West Africa, in conjunction with Supply Chain Management System, request the Government of Côte d'Ivoire in writing, to communicate all changes in drug protocols to dispensing facilities timely[sic] to ensure that the right prescriptions are given to patients.*

Management Response. USAID/CI will make this request to the GOCI Ministry of Health (MOH), in writing as suggested, before the end of the year. However, it should be noted that the MOH PNPEC (National HIV/AIDS Program) is solely responsible for communicating changes in the national treatment guidelines to dispensing facilities. Abidjan-based USAID and CDC Agency heads and senior staff will work closely with PNPEC (National HIV/AIDS Care and Treatment Program) and PSP (National Public Health Pharmacy) and with appropriate PEPFAR care and treatment partners to help disseminate this information and to verify that each antiretroviral therapy (ART) site has these protocols. SCMS will be called on for assistance as necessary. We do not believe that USG actions alone will solve the problem and we will continue to work with GOCI counterparts and other donors to strengthen compliance and enforcement of MOH guidelines at the facility level.

Supply Chain Management System (SCMS) is a USAID/Washington award with the COTR and Contracting Officers located in Washington, D.C. We request that the recommendation be rephrased to correctly identify the appropriate action officer(s) in USAID/Washington.

Target Date: June 30, 2011. Action: SCMS COTR, with assistance from USAID Abidjan.

***Recommendation No. 7:** We recommend that USAID/West Africa, in conjunction with Supply Chain Management System, upgrade or develop a mechanism in the Logistic Management Information System to track drugs that are out of stock or will be out of stock to ensure timely replacement/reorders.*

Management Response: A tool for tracking the expiration dates of drugs was recently incorporated into the ARV LMIS. This has strengthened the MOH's capacity to predict and therefore avoid stockouts of ARVs. SCMS will continue to provide support to the paper-based LMIS while working on the development of a comprehensive integrated electronic LMIS that will include ARVs and related laboratory supplies (now tracked by two separate LMIS). The new LMIS will be able to aggregate, validate and analyze data and generate electronic reports in real time on consumption, stock levels and requisitions. By the end of 2011, the paper-based LMIS will have all the tracking capabilities that are now missing. By the end of the following year (2012), we expect the

integrated electronic LMIS system to be fully functional. PEPFAR CI and the PSP have also begun to carry out regular spot checks of drug stocks at random ART sites as well as at sites where reported consumption data and service statistics deviate from historical trends. See also our comments under Recommendation No. 13.

Please note that Supply Chain Management System (SCMS) is a USAID/Washington award with the COTR and Contracting Officer located in Washington, D.C. We request that the recommendation be rephrased to correctly identify the appropriate action office(s) in USAID/Washington.

Target Date: Sept. 30, 2011. Action: SCMS COTR, with assistance from USAID Abidjan.

Recommendation No. 8: *We recommend that USAID/West Africa implement adequate controls to ensure that drugs are properly maintained and accounted for by requiring regular physical inventory counts to be conducted by health facilities and spot checks by USAID and by disallowing drug trades among doctors unless prior approval from Pharmacie de Santé Publique is obtained.*

Management Response: We suggest that Recommendations 8 and 9 be combined and reformulated taking into account the information provided below. Suggested revision: *We recommend that USAID advise the GOCI MOH of the need for greater accountability for the maintenance and disposition of USG-procured drugs and request that the MOH provide USAID with copies of its supervision reports on physical inventory and status of USG drugs at health facility sites, for the duration of the SCMS project.*

The maintenance and tracking of ARVs and other HIV/AIDS commodities are managed through the GOCI National Public Health Pharmacy (PSP) with support from SCMS, a USAID/Washington project with the COTR and Contracting Officers located in Washington, D.C. We request that the recommendation be rephrased to correctly identify the appropriate action officer(s) in USAID/Washington.

While we agree with Recommendation 8 in principle, we believe that it is the responsibility of the GOCI and not USAID to ensure that drugs are properly maintained and accounted for. USAID will encourage and facilitate this through continued dialogue with the MOH and the provision of technical assistance through SCMS. USAID will inform the MOH, in writing, of our concerns about maintenance and accountability of USG-provided drugs and supplies. We will officially request regular spot checks and reports from the MOH and from appropriate PEPFAR-funded implementing partners regarding physical inventory and status of USG procurements at facility sites.

We take this opportunity to provide more perspective on the drug distribution system in CI by describing the environment in which it operates. A decade of political turmoil, civil unrest, and an ineffectual coalition government have taken their toll on CI's national health systems, including its drug logistics system. With technical assistance from SCMS, the MOH put the current paper-based logistics system in place in 2008 to track ARV use. The system is quite accurate if users at all levels of the health pyramid follow implementation guidelines properly and consistently. The MOH PNPEC (National HIV/AIDS Care and Treatment Program) has ultimate responsibility for ARV logistics but has not shown the professional rigor and tenacity to enforce national guidelines in regard to ARV logistics and has not coordinated well with other GOCI MOH units that also play

important roles in logistics, such as the PSP and the DIPE (Directorate for Information, Planning, and Evaluation). The PSP is responsible for procurement and distribution of drugs throughout the country, but it has no authority to request, much less enforce, new inventory and reporting requirements for health facilities. In the current political environment, there is no quick fix for the lack of coordination and cooperation among the MOH entities that should work together to ensure a smoothly functioning drug logistics system.

With SCMS support, the PSP has clarified roles and drug distribution schedules are met. SCMS is responsible for the ordering, reception and delivery of drugs to the central PSP warehouse in Abidjan. PSP delivers the ARVs to the health district pharmacies (N=101), and to the national and regional hospitals. All ART sites outside Abidjan receive their ARV stocks once per month, while sites in Abidjan receive their stocks every two weeks. LMIS inventory control guidelines recommend a maximum three-month stock of ARVs at district pharmacies and hospitals, and a maximum two-month stock at ART sites. If facilities and district pharmacies followed the protocol and reported monthly consumption to the PSP, there would be no stock-outs. At the health district level, a shortage of vehicles has contributed to late drug deliveries to sites.

The MOH PSP would like to shift more stock from its central warehouse in Abidjan to district facilities throughout the country to facilitate rapid deliveries to treatment sites, but this can only be achieved with substantial support from donors.

With regard to forecasting and quantification of ARVs, PEPFAR and the PSP have worked out a functional system. In January-February of each year, the PSP carries out an active collection of all logistics data at all ART sites. Collection entails a physical inventory, i.e. stock counts; consumption rates; compliance with national maximum and minimum stock norms; service reports on the number of new and continuing ART and prevention of mother-to-child transmission (PMTCT) patients; the number of patients lost to follow-up; and the number and percentage of people whose treatment regimen was changed. The PSP compares this data to data reported by all ART sites nationwide and prepares ARV forecasting and quantification tables.

Regarding the transfer of drugs between facilities, this practice is sanctioned by the MOH under authority delegated to the district pharmacists. Since the health system in Côte d'Ivoire is decentralized, the PSP has no authority to sign off on the transfer of drugs from one health facility to another, as the RIG auditors recommended be done. The PSP has facilitated the process by designing and distributing the national tools (forms) that must be filled out to document a transfer. Transferring drugs between facilities is not problematic in and of itself; in fact it can help to minimize the number of expired products at service sites. It only becomes problematic when service sites fail to complete and submit the proper documentation to the district pharmacists who, in the absence of this information, cannot adjust district drug distribution records and subsequent orders to the PSP.

Through SCMS, USAID will continue to assist the MOH to improve drug maintenance and accountability. As part of the process of developing the electronic LMIS system, SCMS has assisted the MOH to implement adequate controls to ensure that drugs are properly maintained and accounted for at health facilities. These controls include the requirement that health facilities conduct monthly physical inventory counts. USAID and SCMS will continue to emphasize to our MOH counterparts the need for diligence,

consistency, and rigor with regard to inventory control. SCMS is also assisting the MOH and PEPFAR implementing partners in revising a supervision protocol that will include spot checks of drug stocks. As mentioned under audit recommendation No. 7, PEPFAR CI and the PSP have begun to carry out spot checks at random ART sites as well as at sites where reported consumption data and service statistics deviate from historical trends.

The Memorandum of Understanding (MOU) between the GOCI MOH and SCMS is currently being revised. If proposed changes in the MOU are accepted by the MOH, SCMS will provide additional assistance and will support the MOH and PEPFAR implementing partners (IPs) in establishing a supervision mechanism that will include training of MOH district and regional staff in verification of drug consumption reports. If approved, SCMS will intensify TA efforts to construct a single well-functioning Logistics Management Unit (LMU) that incorporates the several vertical offices (including the ARV Unit) that currently operate at the PSP. The LMU will be based at the central level and will validate and analyze logistics information; it will also be able to verify that monthly inventory controls have been conducted and reported prior to approval of orders.

Target Date June 30, 201. Action: SCMS COTR, with assistance from USAID Abidjan.

***Recommendation No. 9:** We recommend that USAID/West Africa, through the Government of Cote d'Ivoire, implement adequate controls to ensure that current drug inventory and pharmacy consumption levels are verified before drug requests are approved and delivered.*

Management Response: We suggest that Recommendations 8 and 9 be combined and reformulated. See comments under Recommendation No. 8.

Target Date: June 30, 201. Action: SCMS COTR, with assistance from USAID Abidjan.

***Recommendation No. 10:** We recommend that USAID/West Africa make a final determination of the allowability of the amount of missing cotrimoxazole and recover any amounts determined to be unallowable.*

Management Response: We suggest that Recommendation No. 10 be revised to say: *"We recommend that USAID/SCMS continue to work with the MOH to establish a plan and schedule for implementing the recommendations of the July 2010 joint PNPEC, PSP, and SCMS team concerning the use of cotrimoxazole at service delivery sites.*

In July 2010, a team comprised of representatives from the PNPEC, the PSP, and SCMS conducted site visits at 17 health facilities, including the ones cited by the auditors, to examine how cotrimoxazole (CTX) was dispensed at the sites. They confirmed the auditors' findings that quantities of CTX were missing from certain sites. They concluded that, contrary to MOH guidelines, CTX was not reserved exclusively for preventing and treating opportunistic infections in PLWHAs but was prescribed for various pathologies in all patients. The team further noted staff weaknesses in record keeping and drug ordering practices, and only partial understanding of stock management principles and LMIS tools.

Based on its findings, the team recommended the following:

- (1) Quality control of reporting data should be integrated into regular supervision visits at all levels of the health system.
- (2) Regular quality control visits (such as the one conducted in July 2010) should be organized and conducted, as necessary, by PNPEC and PSP, based on an analysis of consumption reports submitted to the PSP by the districts.
- (3) Where significant discrepancies are noted between ART patient and ARV consumption data, the PNPEC and PSP should work with sites to determine the average monthly consumption rates and reaffirm that the CTX should be reserved for PLWHAs.
- (4) Report “recidivist” sites that do not comply with MOH directives to the Director General of Health for further action.
- (5) The PSP should organize additional trainings in the LMIS with a focus on personnel at high-consumption sites.

While there is evidence that drugs (CTX) are missing and were dispensed to non-PLWHAs patients, we do not believe it is in the best interests of PEPFAR to devote staff time and effort at this point to “recover any amounts [of CTX] determined to be unallowable.” However, we believe it is reasonable to expect the MOH to establish a plan and schedule for implementing the above recommendations by early CY2011. USAID CI staff will continue to insist that the MOH strengthen compliance and enforcement of its own rules and guidelines and will provide technical assistance through SCMS to further strengthen the drug consumption monitoring system. Furthermore, USAID CI, in collaboration with CDC PEPFAR colleagues, will request that PEPFAR implementing partners take a more active role in the monitoring of CTX and their respective sites.

Target Date: June 30, 2011. Action: SCMS COTR, with assistance from USAID Abidjan.

***Recommendation No. 11:** We recommend that USAID/West Africa work with the government of Côte d’Ivoire to develop and implement a plan to destroy the expired drugs currently in storage.*

Management Response: In November 2009, USAID, the MOH, SCMS and several other stakeholders developed a plan to destroy the expired drugs currently in storage in a warehouse that was rented for PSP’s use while its main warehouse was being renovated. It should be noted that these drugs had been accumulating throughout the country since 1998, five years before the start of PEPFAR in CI. At the request of the MOH, SCMS and the PSP collected the drugs from ART sites, stored them in the rented warehouse, and familiarized themselves with the complex procedures -- per WHO guidelines -- to be followed for their destruction.

Although the expired drugs were collected in late 2009, they have not yet been destroyed due to a lack of MOH funding for this. The GOCI is currently mobilizing funds to destroy the drugs. The MOH and Ministry of Economy and Finance are finalizing an inter-ministerial decree that will allow the PSP to use some of the GOCI ARV cost recovery funds to pay for the destruction of the expired drugs, now estimated to take place some time in early 2011.

Target Date: March 31, 2011. Action: SCMS COTR, with assistance from USAID

Abidjan.

Recommendation No. 12: *We recommend that USAID/West Africa work with the government of Cote d'Ivoire to develop and implement a policy for storage, pickup, and destruction of expired drugs and effectively communicate it to all health facilities affected.*

Management Response: A policy is in place, but is not enforced. According to the DPM (the MOH Drug Regulatory Directorate), destruction of expired drugs is the responsibility of the receiving health district/sites. The onus is on the health districts to order the correct quantities of ARVs, based on patients' needs, and to dispense the drugs before their expiration dates. But, given the cost and required procedures for destroying expired drugs, the districts have neither the financial or physical means for disposal. Instead, expired drugs are simply set aside and stored. We recommend that SCMS work with the appropriate MOH authorities (DPM, PSP, etc.) and WHO to revise and validate a national policy on waste products, including expired drugs. The validated national policy on management of expired pharmaceuticals should be communicated and disseminated to health facilities by DPM.

However, since SCMS is a USAID/Washington award, we request that the recommendation be rephrased to correctly identify the appropriate action office(s) in USAID/Washington.

Target Date: Sept 30 , 2011. Action: SCMS COTR, with assistance from USAID Abidjan.

Recommendation No. 13: *We recommend that USAID/West Africa upgrade the Logistics Management Information System to identify expiring drugs and implement plan to use drugs before they expire to prevent waste.*

Management Response: We would like to point out that assistance to the MOH for the LMIS is provided by SCMS, a USAID/Washington award with the COTR and Contracting Officer located in Washington, D.C. We request that the recommendation be rephrased to correctly identify the appropriate action office(s) in USAID/Washington.

We agree with this recommendation and note that it is very similar to Recommendation No. 7. We take this opportunity to point out that actions are on-going to improve the logistics system and minimize wastage to the greatest extent possible. For example, with assistance from SCMS, the MOH is currently modifying existing ARV and laboratory LMIS tools to incorporate entries that capture expiration dates and related remarks. SCMS developed and is currently piloting an Electronic Dispensing Tool (EDT) at 10 service sites. Upon successful completion of the pilot activity in March 2011, the EDT will be progressively rolled out to 240 sites. We estimate that the system will be fully functional by the end of CY2012. SCMS also plans to work with the PSP, PNPEC, and DIPE to enhance the quality of reporting through quarterly supervision visits.

Target Date: March 31, 2011. Action: SCMS COTR, with assistance from USAID Abidjan.

Recommendation No. 14: *We recommend that USAID/West Africa work with the Government of Cote d'Ivoire to develop and implement a plan to address proper storage*

of HIV/AIDS drugs at all warehouses.

Management Response: Assistance in addressing drug storage is provided to the MOH by the SCMS Project which is a USAID/Washington award with the COTR and Contracting Officers located in Washington, D.C. We request that the recommendation be rephrased to correctly identify the appropriate action officer in USAID/Washington.

A comprehensive plan was drawn up in 2009, with technical assistance from USAID through SCMS, to address warehouse deficiencies identified at the PSP central warehouse in Abidjan. With continued assistance from SCMS, the PSP began implementing the plan in 2010, and all deficiencies at this warehouse have been addressed with the exception of climate control. For recurrent cost reasons, the former PSP director did not approve the installation of air conditioners at the warehouse, pending a study of alternative cooling measures. However, her successor, who took over in August 2010, has reversed that decision, and SCMS is procuring the needed climate-control equipment, including air conditioners and roofing materials.

SCMS has also made recommendations to improve conditions at district supply sites (there are no regional warehouses yet, only plans to build five), but it is beyond the scope of work and funding level of SCMS to implement these recommendations. We have shared these recommendations with the MOH/PSP and will share them with other donors and potential private-sector investors and advocate for their support. In addition, in the recently submitted PEPFAR COP 2011 (implementation period is mid-2011 to mid-2012), USAID/CI has proposed that SCMS work with the MOH Directorate for Infrastructure, Equipment and Maintenance (DIEM) to develop national standards for site, district, and regional warehouses.

Target Date: March 31, 2011. Action: SCMS COTR, with assistance from USAID Abidjan.

***Recommendation No. 15:** We recommend that USAID/West Africa work with the University of North Carolina to implement the action plans developed as a result of the program assessment conducted in fiscal year 2008.*

USAID/WA Management Response: The MEASURE Evaluation Phase III Project (referred to as MEASURE hereafter) is implemented by John Snow Inc. (JSI) through a sub-award with the Carolina Population Center, University of North Carolina under a USAID/Washington cooperative agreement (Leader with Associate award). The USAID/AOTR and Agreement Officer are located in Washington, D.C. We request that the recommendation be rephrased to correctly identify the appropriate awardee and action officer(s) in USAID/Washington.

We agree with the recommendation. However, it incorrectly implies that MEASURE has not yet acted on the recommendations of the 2008 PRISM Project. In this regard the audit report presents an incomplete and misleading picture of the MEASURE Project and its challenges and achievements. The recommended activities proposed under PRISM were included in MEASURE's COP 2009 work plan and are continuing under MEASURE's COP 2010 work plan which began in October 2010. See Annex 2 for a table showing PRISM recommendations and the work plan activities designed to address them. Some of the activities are discussed below.

MEASURE activities are managed by a USAID/Washington AOTR (not COTR) with assistance from a small number of technical staff who cover more than 100 activities in 40 countries. Although Washington-based staff have not conducted regular field visits to CI, there has been regular and frequent contact, by phone and email, among USAID/Washington, USAID/CI, and the JSI in-country team. USAID/CI meets regularly with the JSI in-country team and consultants. We sent several MEASURE reports -- describing activities, strategies, results, successes and challenges -- to the RIG auditors in July 2010 in response to their preliminary audit report, but none of the pertinent information contained therein was reflected in the revised report.

The RIG auditors seem to have focused only on a narrow portion of MEASURE's scope of work in CI, providing a poor understanding of the project and leading the auditors to conclude, on Page 15 that "the MEASURE Program was not implemented as intended." The auditors investigated whether data from the HIV/AIDS patient monitoring system were being used at the health facility level. But MEASURE works primarily at the national/central level. MEASURE works to strengthen MOH capacities for collection, reporting and aggregation of HIV data; promotes regular reviews of HIV/AIDS data and supportive supervision within the MOH; and advises on the production and dissemination of national HIV/AIDS reports. In addition, MEASURE works with three other GOCI ministries at the national/central level. None of these other components of the MEASURE Program were considered by the RIG auditors.

The audit report reflects an inadequate understanding of the MEASURE Project's progress from improved data collection to improved data use. On Page 16, the auditors stated that they "noted that health facilities were using registers to record patient information, but further analysis of the data to make important administrative decisions to improve overall patient care was not performed." While data use is the ultimate goal of the MEASURE Project, much is required before this can be achieved. We believe that the audit report does not give adequate recognition to the difficulties and time investment inherent in getting people to use data to plan and manage their programs. This is not a problem that is unique to CI. It is a process that sometimes takes years of sustained effort. MEASURE is well aware that participating facilities are not yet systematically using data for decision-making, and its COP 2010 work plan includes an emphasis on building capacity to use data.

As a necessary precursor to effective data use, the MEASURE project has succeeded in improving the data collection process. The auditors documented that patient registers and other forms developed by the MOH with assistance from MEASURE were in use and that data were being collected and reported to the district and national levels. The use of the forms nationwide represents the culmination of work that required building consensus, harmonizing indicators, developing and revising forms, training workers, and logistics planning to ensure the availability of forms at all HIV care and treatment sites.

MEASURE began its work to strengthen data use as part of its work plan for CY2010, starting six months before the audit. This is not sufficient time to achieve this type of objective. Furthermore, the stated data use objective in the work plan does not specify use of patient level data or use for improving patient care. To date, MEASURE's focus has been to assist MOH national and district level staff, who use the aggregated data being collected and reported through the information system. The RIG did not interview national-level MOH staff; if they had, they would have learned that data is indeed being used at the national level for program planning and budgeting. The DIPE produces and

disseminates the GOCI *Rapport Annuel sur la Situation Sanitaire en Côte d'Ivoire* (Annual Report on the Health Sector) and the *Rapport Annuel du VIH/SIDA* (Annual HIV/AIDS Report). The DIPE has plans to produce the HIV/AIDS report semi-annually. In addition to providing the data on which the national health budget is based, these reports are used to design the GOCI's proposals for Global Fund support as well as by all health sector donors to design and budget for their respective assistance programs.

On Page 17, the auditors wrote that “in 2008 (4 years after implementation), the project commissioned an evaluation to determine program effectiveness. According to JSI officials the evaluation noted the following: program data were used at only 38% of health facilities and 44% of districts; medical personnel using data were poorly trained ... ; personnel who should be using the data were not doing so....; and the quality of the data being generated and used by facilities was inadequate.” We would like to clarify that the purpose of the 2008 PRISM Assessment was not to assess the effectiveness of the MEASURE Project, but to assess the state of the national health information system. The same assessment, when compared to a similar assessment completed in January 2004, shows improvements in the quality of HIV data. For example, data accuracy of 50% for two key HIV indicators represented an improvement from 45% and 31% in January 2004.

The first opportunity to introduce new activities to address the findings of the 2008 Assessment was the COP 2009. The routine data quality assessments that are being institutionalized as part of the supportive supervision conducted by the national and district levels were included in the FY09 work plan to address data quality. In addition, reports on several activities that were included in the FY09 work plan were shared with the RIG but not mentioned in the audit report. For instance, new partnerships were established with ENSEA (National School of Statistics and Applied Economics) and INFAS (National Institute for Health Workers) to conduct M&E courses in July 2010. Between September 2009, and March 2010 when the RIG audit took place, MOUs were negotiated and signed with the two pre-service training institutions, a workshop was completed in January 2010 to finalize the curriculum with technical assistance from U.S.-based MEASURE staff, and a data use component was integrated into the curriculum. The training of trainers for ENSEA was completed in May 2010 and the first Data Analysis, Use and Quality Workshop was taught at ENSEA in June 2010, in accordance with the work plan submitted to the mission.

MEASURE is planning to send a team from Washington to CI to further discuss the audit findings with the PEPFAR CI team, in-country MEASURE staff and host country counterparts and to make any necessary adjustments in its work plan and strategies. This visit is likely to be scheduled during the first quarter of CY 2011.

Target Date: Sept. 30, 2011. Action for MEASURE Evaluation AOTR, with assistance from USAID Abidjan.

Recommendation No. 16: *We recommend that USAID/West Africa work with the University of North Carolina to develop and implement a monitoring plan, which includes communication with users, frequent site visits, and prompt attention to problems to improve implementation of the project.*

Management Response: The MEASURE Evaluation Project is implemented by John Snow Inc. (JSI) through a sub-award with the Carolina Population Center, University of

North Carolina under a USAID/Washington Leader with Associate award; the USAID/AOTR and Agreement Officer are located in Washington, D.C. We request that the recommendation be rephrased to correctly identify the appropriate awardee and action office(s) in USAID/Washington.

MEASURE's role is to provide technical assistance to help the MOH Directorate of Information, Planning, Evaluation (DIPE) to perform its role at the health facility level. MEASURE works at the national/central level. We do not agree with Recommendation as it is worded. It is not MEASURE's role to conduct frequent site visits to health facilities. To promote sustainability and country ownership, MEASURE encourages the DIPE to conduct frequent site visits to GOCI facilities. On occasion, a MEASURE staff person accompanies someone from the DIPE to a site, but MEASURE staff cannot perform what is an inherently GOCI function.

Based on the above, we suggest that the Recommendation No. 16 be revised to say: *We recommend that the MEASURE Evaluation Project work with the MOH DIPE to develop and implement a monitoring plan that includes communication with health districts, frequent site visits, and prompt attention to problems to improve data use, analysis and decision-making at the local level.*

Target Date: Sept. 30, 2011. Action: MEASURE Evaluation AOTR, with assistance from USAID Abidjan.

Recommendation No. 17: *We recommend that USAID/West Africa develop and implement a monitoring plan for PEPFAR activities in Cote d'Ivoire that includes adequate resources to provide regular communication with users, frequent site visits, and prompt attention to problems to improve program implementation.*

Management Response: USAID/WA agrees with this recommendation. The entire PEPFAR CI inter-agency team has supported increased funding to USAID to strengthen project monitoring. USAID's management budget for the PEPFAR CI program more than tripled from COP 2007 to COP 2011.

USAID/WA has been working with USAID Abidjan staff to review and revise its project assignments/coverage to ensure that there is proper oversight for all USAID activities, regardless of the awarding office. USAID Abidjan-based staff, in consultation with USAID/WA, have made the recruitment of additional staff a top priority. As of November 2010, USAID CI's portfolio consists of four (soon to be six) awards by USAID/WA and 15 awards by USAID/Washington. As was correctly pointed out by the RIG, the USAID/W AOTRs/COTRs are often responsible for activities in dozens of countries and do not have the time or resources to follow activities in the field. They rely on in-country resident advisors and project managers for information and feedback on activities in the field. Our strategy is to strengthen our in-country presence by increasing our staff numbers more than threefold by the end of 2011.

At the time of the RIG audit, the in-country staff consisted of one USAID DH staff (the Country Program Coordinator), three institutional contractor staff, and protracted short-term assistance from USAID/Washington GH Tech. (The USAID-financed USPSC PEPFAR Coordinator coordinates PEPFAR activities of all USG agencies and does not perform any USAID project management and oversight duties.) Since the audit, two project managers have joined the USAID CI team, bringing the number of full-time

project managers to four. Three of the four were fast-tracked for USAID AOTR /COTR training in August and October 2010. The project managers' annual work objectives include making regular and frequent site visits to check on the work of implementing partners and their sub-partners in the field.

As of November 2010, five additional recruitments are in various stages, with an additional 9 positions planned to be filled by the end of CY2011. Based on experience with recruiting for USAID/CI, the average timeline from position description development and approval to recruitment and arrival at post is 12 months. In the meantime, USAID/WA continues to provide critical support for all financial, programmatic, contracting and technical matters pertaining to USAID/WA awards.

It should also be noted that at the end of CY2009, USAID initiated periodic partner performance reviews (PPR) of all PEPFAR CI partners. Conducted jointly by USAID and CDC, PEPFAR partners' activities, results, and financial reports are thoroughly reviewed and discussed with each partner twice a year. The PPR has turned out to be an important and effective monitoring tool for USAID, CDC, and the implementing partners.

Target Date: March 31, 2011. Action: USAID/WA and Abidjan.

Recommendation No. 18: *We recommend that USAID/West Africa perform a data quality assessment of the results/reported data of the program.*

Management Response: USAID/West Africa agrees with this recommendation, but notes that the auditors are incorrect when they say that there has never been a data quality assessment of USAID activities. In 2009 PEPFAR CI's Strategic Information Branch initiated a data quality assessment (DQA) in which three USAID/WA Health Team members participated. The results of the DQA were disseminated in a workshop in Abidjan April 15-17, 2009, and again, all three members of the USAID/WA Health Team participated. The documents validating the DQA as well as recommendations made by participants were finalized and disseminated as part of the workshop. Beginning January 2011, the MOH DIPE will begin conducting annual DQAs of all HIV/AIDS sites, with assistance from MEASURE and CDC Atlanta. Furthermore, since USAID has limited in-country staff in CI, CDC has taken the lead in data collection, aggregation and analysis of all PEPFAR CI partners' activities. This is a tremendous task, given that between USAID and CDC, there are about 50 prime partners and nearly 300 sub-partners. Both Agencies have recognized the need to strengthen M&E and improve data quality and both are currently recruiting M&E Advisors. One of the first assignments the selected candidates will carry out will be to plan and implement a DQA for select PEPFAR CI activities during CY2011.

Target Date: Sept. 30, 2011. Action: USAID/WA and Abidjan.

Recommendation No. 19: *We recommend that USAID/West Africa, in collaboration with the implementing partner on AIDSTAR II activities, finalize and approve its monitoring and evaluation plan to include indicators and targets.*

Management Response: The draft report is inaccurate in saying that no indicators were established. Indicators were defined before April 2010. Preliminary indicators and targets were established in PEPFAR COP 2009 and later incorporated into the

AIDSTAR Task Order with Social Sectors Development Strategies (SSDS) for the ERCACI Project (*Ensemble pour le Renforcement des Capacités en Côte d'Ivoire*). Targets for the sub-partners were finalized in April 2010 when SSDS concluded sub-grants with five NGO partners.

At this time, both indicators and targets have been established (see Annex 3). We request that RIG/Dakar consider deleting this recommendation from the final report.

Recommendation No. 20: *We recommend that USAID/West Africa, in coordination with the Centers for Disease Control and Prevention, establish and define roles and responsibilities for its PEPFAR staff.*

Management Response: USAID/West Africa agrees with this recommendation. As cited in the audit report, one of the main challenges of the PEPFAR CI Program has been the joint management of the program. Identified as a major issue by the PEPFAR Team in Côte d'Ivoire, a retreat was held in February 2010 to review the program workload, staffing needs and structure. And, progress has been made in this regard since the retreat. The Inter-agency Organization Chart has been revised a few times since the retreat, and USAID and CDC are working together to refine a common set of operational procedures that respect the regulations of each implementing USG agency without unnecessarily complicating or compromising the integrity of overall program implementation.

We do take issue with the auditors' opening remarks (Page 3, Para 4) in which they characterize the organizational structure of PEPFAR CI as "vague." The structure itself is clear and logical (see Annex 4 for updated Inter-agency Organization Chart). The challenge has been to effectively operationalize a management structure that comprises staff from different agencies which have their own unique institutional mindsets and practices.

Under the joint management arrangement, a three- person Executive Council oversees and directs the work undertaken by seven operational units (called Branches). The Branches include (i) Care and Treatment, (ii) Laboratory, (iii) Prevention, (iv) Project Management, (v) Strategic Information, (vi) Systems Strengthening, and (vii) Operations. USAID and CDC staff work together to implement the program. At times the joint management and implementation effort seems to be a "strength" as both Agencies bring their respective complementary experiences and competencies to bear on the program. At other times, it seems to be a "weakness" when the team must confront and reconcile two sets of rules, regulations, institutional mindsets and practices. The situation becomes even more complicated, and sometimes frustrating, as directives from OGAC and the Department of State have to be taken into account.

So, while the organizational structure itself is not vague, it is very different from the way the USAID and CDC traditionally work in other countries. In CI there is one integrated USG team. The team elaborated a Standard Operating Procedures Manual for PEPFAR CI to help guide the project implementation process. The Manual is periodically updated as necessary. A Memorandum of Understanding (MOU) has also been drafted to affirm and clarify the parameters of the USAID–CDC joint management of PEPFAR CI. The MOU will be further revised and circulated for clearance to both Agencies early in CY2011.

With regard to staff roles and responsibilities, progress has been made since the February 2010 PEPFAR staff retreat. The addition of five project managers (two USAID, three CDC) to the formerly three-person Project Management Branch has considerably strengthened project management and oversight of all PEPFAR CI activities. Project managers from both Agencies bring management skills, financial rigor and accountability to program implementation. This has enabled PEPFAR technical advisors to focus on what they do best, that is, advise on technical matters related to PEPFAR activities.

Following up on our commitment to strengthening project management and oversight for PEPFAR CI activities, USAID/CI and WA staff, in consultation with the USAID/Washington Human Resources Office and CDC PEPFAR colleagues, drafted a SOW for a training needs assessment and development and implementation of a training program for PEPFAR CI project managers and technical advisors. The SOW was submitted to USAID/WA for review, approval and processing in July 2010. We would like to get the TNA underway in early CY2011.

Target Date: March 30, 2011. Action: USAID/WA and Abidjan.

Recommendation No 21: *We recommend that USAID/West Africa develop and implement a plan to address participation of the two hospitals identified in the [URC HCI] program.*

Management Response: The Health Care Improvement (HCI) Project is a USAID/Washington Indefinite Quantity Contract (IQC) and is implemented by University Research Co., LLC. (URC). The USAID/COTR and Contracting Officer are located in Washington, D.C. We request that the recommendation be rephrased to correctly identify the appropriate action office(s) in USAID/Washington.

Moreover, we have read and re-read the findings concerning URC's work and regret that the auditors' discussion of URC's work is faulty. The report misconstrues the nature and scope of the Health Care Improvement Project (which, curiously enough, is never mentioned by name anywhere in the audit report). The USAID/Washington COTR has provided the following seven comments on the audit report and clarifications about HCI:

1. The report gives an inconsistent description of URC's scope of work (SOW). The summary on Page 2 states that URC was to "improve the quality of monitoring and evaluation data." This is simply wrong. On page 21, the report says that URC's work "involved carrying out a detailed assessment of ART services across the continuum of care at all national ART sites." This is also wrong. A baseline assessment was carried out in preparation for the actual SOW which is to introduce a specific quality improvement (QI) methodology to address areas of low performance identified by the baseline (and other data sources). On the same page, the report describes URC's work yet again, this time as providing "professional services and quality improvement dedicated to helping clients use scientific methods and research findings to improve program management and outcomes to achieve organizational and behavioral change." This description obfuscates the real SOW underlined above.

The auditors assert that URC was to do this work "with the assistance of the Government of Côte d' Ivoire." In fact, the SOW calls for precisely the reverse: URC was to assist the GOCI to improve the quality of its own services. And finally, even the

summary of the overall IQC's purpose is inaccurate (p. 21, para 1), listing health financing, governance, and pharmaceutical management as focus areas for the project when in fact they are not.

2. The SOW of URC is to support the implementation of a well-recognized QI methodology, called the "improvement collaborative," through the implementing PEPFAR sub-partners identified by USAID, for 41 facilities, including the two hospitals cited in the audit report. URC did in fact carry out this service for the entire group of facilities, including the two hospitals visited by the auditors, by providing training in QI methodologies and support for facility-level improvement teams composed of regular providers. The activities carried out by these providers are voluntary, and variation in effort is normal, as reported in the improvement literature.

Based on a misunderstanding of what URC/HCI was asked to do, the audit report misinterprets its only major finding, that is, that two hospitals were indeed poor performers at an early stage of the improvement collaborative. The audit report fails to mention that the URC Country Director had advised USAID and the audit team of the situation at the sites prior to the audit work -- indeed their known poor performance was precisely the reason they were targeted by URC/HCI.

URC followed standard practice in the field -- as it has done in over 50 such collaboratives over the past 10 years -- in reporting improvements in the average performance of the whole group. Changes in performance are monitored in terms of quantitative indicators of quality selected at the beginning of the collaborative, and the number of reporting facilities is given for each indicator, since not all facilities address all indicators, and it is common for some participating facilities to fail to report some months. This is normal and expected for this methodology. For example, during FY 09, the overall improvements for the facilities in the ART collaborative included:

- Filling out all key items in the ART medical record 13% at baseline, 85% by Sept. 09 for PMTCT records, 8% to 87%
- ART patient lost to follow up: 28% to 7%
- Percentage of children born to an HIV + mother, tested for HIV: 15% to 79%

These impressive results reflect work carried out voluntarily by providers in the participating facilities overall. The performance of individual facilities varies, but this in no way indicates that URC did not "implement" its program of work. The report suggests that low performance in the two hospitals raises doubt that URC conducted an improvement collaborative for the 41 facilities. This conclusion reflects a basic misunderstanding of what URC was asked to do, and ignores the detailed reports of the QI teams.

3. The auditors' suggestion that USAID can and should somehow force the hospitals to carry out improvement activities runs counter to the entire experience in the field of quality improvement. Indeed, following accepted practices, URC has already assessed the causes of poor performance in the two hospitals, found that the hospital leaders were away on travel during the key improvement training, and working through the implementing PEPFAR sub-partner, have succeeded in raising the performance of both hospitals. Not only were these efforts omitted from the audit report, the auditors imply without any basis that URC was aware of the poor performance of the hospitals and did nothing about it in order to do use the funds elsewhere.

4. The report also wrongly suggests that the URC budget was directly linked to the number of facilities performing well (p.21). As discussed above, this perspective reflects a misunderstanding of the methodology. URC indeed developed a collaborative for 41 facilities, and the performance of these facilities varied, as expected. Further, with no change in overall funding, the number of participating facilities has already been expanded to 120 sites.

5. The report concludes that it is **important** [emphasis added] to note that results reported by the implementing partner are **misleading** [emphasis added] as "some activities may not have taken place as reported." This kind of innuendo has no place in a professional report, stating that the reports ARE misleading because the team suspects activities MAY not have taken place. Further, as noted above, the team's concept of what URC and the partners were implementing is erroneous--it is not the results of *their* work that is referenced in the report, but those of the MOH facility teams.

6. On p.18 the report states that the "implementing partner" had not conducted site visits since the start of the program in 2007. Since both URC and the PEPFAR implementing sub-partners are resident in the country, and most certainly did conduct training and facilitation visits leading to quantitative improvement reported by facility teams, and since both organizations also demonstrated knowledge about the details of the facility teams performance, this assertion flies in the face of the facts.

7. Finally, the draft summary observes that URC's program "**reportedly** [emphasis added] improved the quality of data at the intended target of 41 medical health centers." Not only does this statement get the objective wrong -- it is the quality of services, not data that is the objective -- it insinuates that the actual improvements illustrated above are false. There is simply no basis for this.

We request that RIG/Dakar consider deleting this recommendation from the final report.

Recommendation No 22: *We recommend that USAID/West Africa verify that activities at the 35 sites not visited by the audit team are in fact active and that hospital participation is apparent.*

Management Response: The Health Care Improvement Project is a USAID/W Indefinite Quantity Contract (IQC) and is implemented by University Research Co., LLC. (URC). The USAID/COTR and Contracting Officer are located in Washington, D.C. We request that the recommendation be rephrased to correctly identify the appropriate action officer(s) in USAID/Washington.

USAID/CI staff are confident that activities at the 35 sites not visited by the auditors are in fact active as reported by MOH and PEPFAR implementing partners. URC/HCI will continue to work with the MOH and IPs to strengthen the quality of services, and monitoring and evaluation of all sites. Progress in these areas has and will continue to be documented in URC's quarterly and other PEPFAR CI reports.

Target Date: March 31, 2011. Action: HCI COTR, with assistance from USAID Abidjan.

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