



Office of Inspector General

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INFORMATION MEMO FOR THE ADMINISTRATOR

FROM: Office of Inspector General – Acting Inspector General Michael G. Carroll /s/

SUBJECT: Analysis of Health-Related Audit Reports, Fiscal Year 2009 to Fiscal Year 2011

The Office of Inspector General (OIG) has issued 48 performance audit reports of health-related activities in 35 countries since Fiscal Year (FY) 2009. This has resulted in a wide body of health program reports that includes HIV/AIDS-related activities, malaria and tuberculosis programs, and other health-related subjects. (These reports are listed by subject matter in appendices 1-3, which are attached to this memorandum).

This memorandum highlights systemic accomplishments and challenges across USAID missions' health activities. I believe that this information will help program managers, staff, and implementers as we continue to work with USAID to mitigate risks and improve the effectiveness of U.S. foreign assistance.

HIV/AIDS-Related Activities

We have conducted 26 performance audits on HIV/AIDS-related activities, which found successes in expanding access to voluntary testing and counseling, treatment, and Preventing Mother-to-Child Transmission of HIV (PMTCT) services. Recent audits also have noted USAID missions' increased attention on gender and efforts to improve the capacity of host countries' health care systems.

Nevertheless, USAID's HIV/AIDS-related activities face several common challenges, which include:

- 1) Difficulty Measuring Results**
- 2) Inadequate Oversight and Management Controls**
- 3) Loss and Mismanagement of Commodities**

4) Weak Communication with Federal Partners

Difficulty Measuring Results. In 92 percent of our HIV/AIDS-related audit reports, USAID missions lacked at least one of two important inputs to measuring results: effective performance management plans (PMP) and reliable data. Missions have either developed ineffective performance plans or targets, or simply not developed them. Poor selection and design of performance indicators contributes to the ineffectiveness of some missions' performance plans. For example, one audit reported inconsistent targets across operational and performance plans used by both the USAID mission and implementers, making performance difficult to assess. Periodic absence of valid, consistent performance metrics in missions' programs impedes results-based decision-making.

In 65 percent of our HIV/AIDS reports, we identified data quality problems. Notably, USAID missions were not performing required data quality assessments, including data provided for Government Performance and Results Act reporting purposes. Poor data quality and failure to conduct assessments stem in part from missions' tendency to forgo these activities in favor of other priorities, sometimes due to staffing shortages. Yet, questionable data exposes the agency to misinformed decision-making and risks the release of inaccurate information to the public or Congress. We recently reported on a USAID mission's expenditure of over \$4.6 million to develop and maintain a data warehouse that has not provided consistently reliable or useful information, due in part to poor design and faulty formulas.

Inadequate Oversight and Program Controls. In 62 percent of our HIV/AIDS audits, we identified insufficient oversight or program controls that increased the risk for fraud and poor performance. As with efforts to ensure data quality, infrequent site visits and insufficient monitoring by USAID missions stem partially from decisions to forgo oversight in favor of competing priorities. This choice, however, increases the risk that implementers might deviate from program requirements or allow the quality of goods and services to diminish.

Notably, a 2011 audit described how a nongovernmental organization (NGO) received \$992,620 in program funds but could not demonstrate any results for the funding it had received. The same audit reported a similar instance with a different NGO receiving nearly \$1.6 million in USAID funding without any demonstrated results. Infrequent oversight by the contracting officer's technical representative (COTR), based thousands of miles from the program, contributed to this lapse in project oversight.

Loss and Mismanagement of Commodities. In 54 percent of our HIV/AIDS audit reports, we identified the loss or mismanagement of commodities. Weak controls, such as failure to conduct inventory checks, have led to the loss of commodities; in one case, 35,000 HIV test kits, estimated to be worth \$630,000, were lost due to theft or expiration. Beyond the dollar cost to the program, the loss reduced the likelihood that intended beneficiaries—those potentially infected with HIV—delayed or did not receive testing.

Poor inventory management has resulted in retention of expiring commodities. In one audit, we found health clinics were using expired HIV test kits, in part because host country officials had

incorrectly indicated kits could be used past the expiration date. Inadequate security measures and improper temperature controls for storage of sensitive drugs also has jeopardized USAID-funded commodities. Audits have partly attributed these lapses to poor training and the lack of experience handling commodities.

Weak Communication with Federal Partners. Two audits in 2011 also noted the need for greater coordination between USAID and the Centers for Disease Control and Prevention (CDC) in areas of data collection, management and ensuring familiarity with HIV/AIDS-related priorities. The absence of communication also has affected USAID missions' ability to set performance measures. Though not identified as a systemic challenge, improving communication between USAID and other federal agencies can help ensure a well-coordinated, efficient response to HIV/AIDS-related activities throughout the world.

Malaria and Tuberculosis-Related Activities

Accomplishments under USAID's malaria-related activities include providing commodities and spraying efforts to control the mosquito population. USAID has increased the ability of communities to treat those suffering from malaria while reducing the likelihood of exposure to the disease in locations across multiple countries, including Ghana, Mali, and Angola. In our audit of USAID/Ghana's tuberculosis program, the mission had contributed to the host country's disease management efforts, including creation of a national strategic plan.

USAID's malaria and tuberculosis activities face two basic challenges with

- 1) **Difficulty Measuring Results**
- 2) **Loss and Mismanagement of Commodities**

Difficulty Measuring Results. All nine of our malaria and tuberculosis-related audit reports cited concerns over inadequate data quality or performance plans. Poor data collection and data entry, mostly related to indoor residual spraying efforts, have led to inaccuracies in program data. Multiple audits noted errors in recording, tallying, and entering data on spraying activities; a recent audit also noted intentional over-reporting of spray results by implementer staff. In these cases, auditors cited a lack of training. In one audit, mission staff failed to perform a data quality assessment, a feature that if more regularly implemented would improve oversight and data quality.

Also, some audits have linked failure to capture information on key performance indicators to inadequate PMPs. Some USAID program targets are inconsistent; in one case, auditors observed the use of four different target numbers for the purchase of bed nets across four separate sources. Some USAID missions also have not established PMPs for implementers.

Loss and Mismanagement of Commodities. In 78 percent of our reports on malaria and tuberculosis activities, we identified difficulties in managing and securing commodities that resulted from inadequate internal controls, poor storage conditions, and lack of training. We reported the theft of malaria drugs, valued at \$642,000, which resulted from weak controls over a receipt and delivery process that was managed by the host country government. In another audit,

we cited a lack of training, poor controls, and poor storage conditions as reasons that bed nets were missing or sold for profit. As with HIV/AIDS commodities, such direct and immediate losses to health-related activities represent not only the immediate depletion of program resources but a decrease in available interventions available to those USAID means to help.

Other Health-Related Activities

The remaining 13 audit reports on USAID health activities address programs in reproductive health, maternal and child health, avian influenza-related commodities, and health system capacity in Afghanistan. We identified two basic challenges:

Difficulty Measuring Results. Our reports on health-related activities beyond HIV/AIDS, malaria, and tuberculosis continue to demonstrate the need for missions to improve the collection, evaluation, and ultimately, the quality of data. Mission activities have suffered in some cases from implementers' failure to collect data, which in turn affects the ability to report and gauge results. Missions also have not always verified data submitted by implementers and, as result, have reported inaccurate data.

Inadequate Oversight and Program Controls. The need to more actively oversee programs and evaluate accomplishments periodically emerges among the remaining audit reports on USAID's other health-related activities. Recent audits cited concerns over weak oversight and supervision with respect to a range of project areas including site visits and program evaluation in addition to performance cost-sharing, environmental compliance, and commodity storage. In some cases, other responsibilities or assignments have drawn oversight officials away from conducting monitoring and evaluation activities.

Attachment

cc: Ariel Pablos-Mendez, Assistant Administrator of Global Health

Appendix 1: Table of HIV/AIDS-Related Reports

| Report No. | Report Name | Difficulty Measuring Results | Inadequate Oversight and Management Controls | Loss and Mismanagement of Commodities | Weak Communication with Federal Partners |
|----------------|---|------------------------------|--|---------------------------------------|--|
| 7-675-11-010-P | Audit of USAID/Guinea's HIV/AIDS and Fistula Care Activities | ✓ | ✓ | | |
| 4-673-11-011-P | Audit of USAID/Namibia's HIV/AIDS Care Program | | ✓ | | |
| 5-440-11-009-P | Audit of USAID/Vietnam's Social Marketing Prevention and Supportive Services Program | ✓ | ✓ | ✓ | ✓ |
| 4-674-11-009-P | Audit of USAID/Southern Africa's HIV/AIDS Treatment Activities | ✓ | ✓ | | ✓ |
| 5-442-11-006-P | Audit of USAID's Social Marketing and Behavior Change Interventions for HIV/AIDS, Reproductive and Sexual Health and Child Survival in Cambodia Project | ✓ | | | |
| 4-611-11-006-P | Audit of USAID/Zambia's Gender-Related HIV/AIDS Activities | ✓ | | | |
| 9-000-11-001-P | Audit of USAID/Namibia's HIV/AIDS Efforts to Build Health Workforce Capacity | ✓ | | | |
| 7-681-11-003-P | Audit of USAID'S HIV/AIDS Activities in Cote d'Ivoire | ✓ | ✓ | ✓ | |
| 4-674-11-004-P | Audit of USAID/Southern Africa's Gender-Related HIV/AIDS Activities | ✓ | ✓ | | |
| 7-615-10-10-P | Audit of USAID/Kenya's PEPFAR-Funded Activities for the Prevention of Transmission of HIV | ✓ | ✓ | | |
| 4-656-10-06-P | Audit of USAID/Mozambique's HIV/AIDS Treatment Program | ✓ | | ✓ | |
| 7-641-10-06-P | Audit of USAID/Ghana's HIV/AIDS Program | ✓ | | ✓ | |

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|----------------|--|---|---|---|--|
| 9-000-10-08-P | Audit of USAID/Uganda's PEPFAR-Funded Activities for the Prevention of Transmission of HIV | ✓ | | | |
| 4-674-10-05-P | Audit of USAID/Southern Africa's Regional HIV/AIDS Program in Botswana | ✓ | ✓ | | |
| 4-696-10-002-P | Audit of USAID/Rwanda's HIV/AIDS Treatment Activities | ✓ | ✓ | ✓ | |
| 9-000-10-005-P | Worldwide Audit of the PEPFAR-Funded Activities and Commodities for the Prevention of Mother-to-Child Transmission of HIV | ✓ | ✓ | ✓ | |
| 7-620-10-002-P | Audit of USAID/Nigeria's PEPFAR-Funded Activities and Commodities for the Prevention of Mother-to-Child Transmission of HIV | ✓ | | ✓ | |
| 1-517-10-001-S | Review of USAID/Dominican Republic's PEPFAR-Funded Activities and Commodities for the Prevention of Mother-To-Child Transmission of HIV | ✓ | | | |
| 1-504-10-003-P | Follow-Up Audit of USAID/Guyana's Progress in Implementing the President's Emergency Plan for AIDS Relief | ✓ | | | |
| 4-621-09-008-P | Audit of USAID/Tanzania's PEPFAR-Funded Activities and Commodities for the Prevention of Mother-to-Child Transmission of HIV | ✓ | ✓ | ✓ | |
| 4-615-09-007-P | Audit of USAID/Kenya's PEPFAR-Funded Activities and Commodities for the Prevention of Mother-to-Child Transmission of HIV | | ✓ | ✓ | |
| 9-000-09-011-P | Worldwide Audit of USAID's Procurement and Distribution of Commodities for the President's Emergency Plan for AIDS Relief | ✓ | | ✓ | |
| 9-663-09-008-P | Audit of USAID/Ethiopia's PEPFAR-Funded Activities and Commodities for the Prevention of Mother-to-Child Transmission of HIV | ✓ | | ✓ | |
| 7-624-09-002-P | Audit of USAID/West Africa's Procurement and Distribution of Commodities in Cote d'Ivoire for the President's Emergency Plan for AIDS Relief | ✓ | | ✓ | |

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|----------------|--|---|---|---|--|
| 4-656-09-001-P | Audit of USAID/Mozambique's Procurement and Distribution of Commodities for the President's Emergency Plan for AIDS Relief | ✓ | ✓ | ✓ | |
| 1-521-09-001-P | Audit of USAID/Haiti's Procurement and Distribution of Commodities for the President's Emergency Plan for AIDS Relief | ✓ | | ✓ | |

Appendix 2: Table of Malaria- and Tuberculosis-Related Reports

| Report No. | Report Name | Difficulty Measuring Results | Loss and Management of Commodities |
|----------------|--|------------------------------|------------------------------------|
| 7-641-11-011-P | Audit of USAID/Ghana's Malaria Program | ✓ | |
| 7-688-11-009-P | Audit of USAID/Mali's Malaria Activities | ✓ | ✓ |
| 4-621-11-007-P | Audit of USAID/Tanzania's Ongoing Activities Under the President's Malaria Initiative | ✓ | ✓ |
| 7-641-11-005-P | Audit of USAID/Ghana's Tuberculosis Program | ✓ | ✓ |
| 7-680-11-004-P | Audit of USAID/Benin's Implementation of the President's Malaria Initiative | ✓ | ✓ |
| 4-656-11-005-P | Audit of USAID/Mozambique's Implementation of the President's Malaria Initiative | ✓ | ✓ |
| 7-620-10-008-P | Audit of USAID/Nigeria's Malaria Intervention | ✓ | ✓ |
| 7-685-10-005-P | Audit of USAID/Senegal's Implementation of the President's Malaria Initiative | ✓ | ✓ |
| 4-654-10-001-P | Audit of USAID/Angola's Procurement and Distribution of Commodities Under the President's Malaria Initiative | ✓ | ✓ |

Appendix 3: Table of Additional Health-Related Reports

| Report No. | Report Name | Difficulty Measuring Results | Inadequate Oversight and Management Controls |
|----------------|--|------------------------------|--|
| F-306-11-004-P | Audit of USAID/Afghanistan's On-budget Funding Assistance to the Ministry of Public Health in Support of the Partnership Contracts for Health Services Program | ✓ | ✓ |
| 4-687-11-012-P | Audit of USAID/Madagascar's Family Planning and Reproductive Health Activities | ✓ | ✓ |
| 5-386-11-010-P | Audit of Phase III of USAID/India's Innovations in Family Planning Services Project | | |
| 4-650-11-010-P | Audit of USAID/Sudan's Maternal and Child Health Activities | ✓ | |
| 6-263-11-007-P | Audit of USAID/Egypt's Communication for Healthy Living Program | ✓ | ✓ |
| 1-519-11-004-P | Audit of USAID/El Salvador's Maternal and Child Health Activities | ✓ | ✓ |
| 6-278-11-004-P | Audit of USAID/Jordan's Private Sector Project for Women's Health | ✓ | ✓ |
| 9-000-10-001-S | Review of USAID's Effectiveness in Obtaining the Benefits of Its Research and Development Efforts | | ✓ |
| 5-388-10-003-P | Audit of Selected USAID/Bangladesh Population and Health Activities | | |
| 1-521-10-002-P | Audit of USAID/Haiti's P.L. 480 Title II Programs | | ✓ |
| 5-492-10-001-P | Audit of USAID/Philippines' Sustainable Health Improvements through Empowerment and Local Development Project | ✓ | |
| 9-000-09-006-P | Audit of USAID's Commodities for Avian Influenza Activities | | |
| 1-511-09-004-P | Audit of Engender Health's Management of Activities Financed by USAID/Bolivia | | ✓ |