



# OFFICE OF INSPECTOR GENERAL

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## AUDIT OF USAID/WEST AFRICA'S PROCUREMENT AND DISTRIBUTION OF COMMODITIES IN CÔTE D'IVOIRE FOR THE PRESIDENT'S EMERGENCY PLAN FOR AIDS RELIEF

AUDIT REPORT NO. 7-624-09-002-P  
MAY 8, 2009

RIG/DAKAR



*Office of Inspector General*

May 8, 2009

**MEMORANDUM**

**TO:** USAID/West Africa Director, Henderson Patrick

**FROM:** Regional Inspector General, Abdoulaye Gueye, Acting /s/

**SUBJECT:** 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)

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

The report includes nine recommendations intended to improve the implementation of USAID/West Africa's Procurement and Distribution of Commodities in Côte d'Ivoire for the President's Emergency Plan for AIDS Relief. In your response to the draft audit report, you indicated corrective action plans addressing two of the nine recommendations, and you have taken sufficient action to close seven of the nine. Therefore, we consider that management decisions have been reached on the two recommendations with corrective action plans and we consider the other seven recommendations closed upon issuance of this report. Final action to close the two recommendations with management decisions should be coordinated with the Audit, Performance and Compliance Division (M/CFO/APC) upon completion of the planned actions.

I appreciate the cooperation and courtesies extended to the members of our audit team during this audit.

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# SUMMARY OF RESULTS

In response to the President's Emergency Plan for AIDS Relief (PEPFAR), USAID contracted with the Partnership for Supply Chain Management (Partnership) to procure antiretroviral drugs, laboratory supplies, and other commodities for storage and distribution by PEPFAR implementers in Côte d'Ivoire (page 3). The Partnership was also responsible for upgrading Côte d'Ivoire's Public Health Pharmacy physical infrastructure, developing a computerized inventory warehouse management system, providing technical assistance and human resources support and coordination, and maintaining a 3-month buffer stock in the distribution system (page 8).

The Regional Inspector General/Dakar conducted this audit to determine whether USAID/West Africa procured, deployed, and warehoused its PEPFAR commodities to ensure that intended results were achieved and to assess the impact of these efforts (page 6).

Generally, the audit found that USAID/West Africa procured, deployed and warehoused the commodities supporting PEPFAR in the effort to combat HIV/AIDS (human immunodeficiency virus/acquired immunodeficiency syndrome), and the mission's implementation of PEPFAR has had a positive impact on people living with HIV/AIDS in Côte d'Ivoire. From 2005 to 2007, the number of patients receiving PEPFAR-supported antiretroviral drugs more than quadrupled to 46,000. The mission accomplished positive results in fiscal year (FY) 2007, especially in reaching 46,000 of the 47,500 patients encompassed in the country operational plan (page 7). However, because of problems summarized below, shortages of critical supplies and medications at some sites disrupted the flow of drugs, endangering patients' health, while at other sites, medications were at risk of going to waste because they were stored improperly or were ordered in excess (pages 8 through 11).

Inventory management problems were a primary impediment to achievement of intended results (page 7). The audit found shortages of much-needed laboratory supplies and stockouts of some critical antiretroviral drugs because of inadequate inventory planning, insufficient inventory forecasting, and the lack of a system to track the use of commodities (pages 9 through 12). Storage conditions also needed improvement, as boxes were stored in unsecured hallways, sometimes upside down, and exposed to high humidity and heat (pages 10 and 11). In addition, the number of patients on antiretroviral drugs was overreported, because implementers and the health facilities could not measure and report accurately and the implementers did not consistently apply the Office of the U.S. Global AIDS Coordinator's definition of an active patient (pages 12 through 16). The overreporting caused orders of drugs in excess, and the surplus drugs are in danger of expiring (pages 13 and 15).

Another significant matter that came to the auditors' attention concerned a cost-recovery system established by the Government of Côte d'Ivoire. This system was designed to generate revenues to help strengthen Côte d'Ivoire's program to combat HIV/AIDS. However, the lack of transparency and accountability regarding proceeds from patients has left an estimated \$1.5 million collected since 2004 still unaccounted for (page 16).

This report includes nine recommendations to help USAID/West Africa achieve the greatest

possible results by improving its commodity acquisition, distribution, and warehousing operations; improving program reporting; and preventing fraud, waste, and abuse (pages 11 through 17).

# BACKGROUND

In May 2003, Congress enacted legislation to fight HIV/AIDS (human immunodeficiency virus/acquired immunodeficiency syndrome) globally through the President's Emergency Plan for AIDS Relief (PEPFAR). Although PEPFAR was originally intended to provide \$15 billion over 5 years for the prevention, treatment, and care of individuals with HIV/AIDS, \$18.8 billion had been committed through January 3, 2008, with 58 percent allocated to programs in 15 focus countries.<sup>1</sup> On July 30, 2008, President George W. Bush signed into law the Tom Lantos and Henry J. Hyde United States Global Leadership Against HIV/AIDS, Tuberculosis, and Malaria Reauthorization Act of 2008. This legislation responds to the President's call to expand the U.S. Government's commitment to this successful program for an additional 5 years, from 2009 through 2013. The legislation increased the U.S. financial commitment by \$48 billion, of which \$39 billion is set aside for PEPFAR bilateral HIV/AIDS programs.

In September 2005, USAID contracted with the Partnership for Supply Chain Management (the Partnership<sup>2</sup>) to procure commodities for the care and treatment of persons with HIV/AIDS and related infections and to provide related technical assistance. This USAID/Washington-managed contract has a ceiling price of \$7 billion. USAID/Washington's contracting officer issues task orders against the contract as needs become defined. The first task orders called for up to \$652 million over 3 years to procure and distribute antiretroviral drugs and other commodities and to provide technical assistance for supply chains. Missions access the task orders by allocating mission funding to the contract. The task orders had estimated completion dates of September 29, 2008.

The Partnership's objective is to establish and operate a safe, secure, reliable, and sustainable supply chain to procure and distribute pharmaceuticals and other commodities needed to provide such treatment.

Côte d'Ivoire, one of the 15 PEPFAR focus countries, has a population of 18 million people of whom nearly 600,000 (about 3 percent) are thought to be infected with HIV/AIDS. Around 47,000 people succumb to the disease each year. According to the PEPFAR 2008 Annual Report to Congress, 46,000 people in Côte d'Ivoire received antiretroviral drugs in fiscal year (FY) 2007, and PEPFAR had an ambitious goal of reaching 77,000 people in FY 2008.

In Côte d'Ivoire, USAID contributed funding and technical assistance to PEPFAR through an array of Washington-managed implementation agreements and "buy-ins" for field activities. Though there is no USAID bilateral mission in Côte d'Ivoire, USAID conducted local management and technical oversight of activities through an in-country USAID adviser who served on the U.S. Government PEPFAR integrated management

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<sup>1</sup> Botswana, Cote d'Ivoire, Ethiopia, Guyana, Haiti, Kenya, Mozambique, Namibia, Nigeria, Rwanda, South Africa, Tanzania, Uganda, Vietnam, and Zambia.

<sup>2</sup> The Partnership for Supply Chain Management is a nonprofit organization established by John Snow, Inc., Research & Training Institute, and Management Sciences for Health. The Partnership includes nonprofit and faith-based organizations, commercial private sector corporations, and academic institutions.

team. USAID/West Africa (a USAID regional mission based in Accra, Ghana) provided technical and program management support through ongoing virtual consultation and short-term field visits. The day-to-day operation was directed by the PEPFAR in-country coordinator<sup>3</sup> and the Centers for Disease Control and Prevention (CDC).

Procurement, warehousing, and distribution of PEPFAR commodities in Côte d'Ivoire were carried out by the Partnership, as the primary procurement agent for PEPFAR-funded commodities and the principal provider of technical assistance for the commodity supply chain, especially for forecasting and management, in collaboration with the Ministry of Health through the Public Health Pharmacy.

The Public Health Pharmacy was the only entity in Côte d'Ivoire licensed to import medication, and it served as the central point for ordering and warehousing all HIV/AIDS-related and other consumable health supplies in Côte d'Ivoire. Antiretroviral drugs and other commodities procured by PEPFAR and other funding sources (such as the Global Fund<sup>4</sup>) pass through the Public Health Pharmacy warehouse before being dispatched to antiretroviral service outlets.<sup>5</sup> However, activities related to direct intervention and interaction with patients and end users, such as dispensing antiretroviral drugs and collecting data, are implemented by two local nongovernmental organizations (NGOs) referred to hereafter as the implementers—the Elizabeth Glaser Pediatric AIDS Foundation (EGPAF) and Alliance Nationale Contre le SIDA en Côte d'Ivoire (ACONDA)—under agreement with the CDC.<sup>6</sup>

In spite of Côte d'Ivoire's sociopolitical crises and the weaknesses in its health care system, PEPFAR activities have rapidly scaled up care and treatment across the country, from 16 antiretroviral service outlets in FY 2004 to 92 sites by the end of calendar year 2007. As of September 30, 2007, an estimated 46,000 people were receiving antiretroviral medications. Funding for PEPFAR in Côte d'Ivoire has grown from \$46 million in FY 2006 to \$84 million in FY 2007. According to the country operational plan for FY 2008, PEPFAR in Côte d'Ivoire was allocated \$120 million, of which CDC managed \$67.6 million, USAID managed \$52.1 million, and other U.S. agencies managed the remainder.

As mentioned above, several stakeholders are involved in procuring, distributing, and warehousing antiretroviral commodities, collecting data on PEPFAR procurement activities in Côte d'Ivoire, and managing and reporting on results. The stakeholders' primary responsibilities are as follows:

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<sup>3</sup> Under the Chief of Mission, the PEPFAR in-country coordinator serves as an operational coordinator for PEPFAR activities in Côte d'Ivoire. The PEPFAR in-country coordinator also serves as the primary liaison for the Côte d'Ivoire in-country team with the USAID Office of Global Health.

<sup>4</sup> The Global Fund was created to finance a dramatic turnaround in the fight against HIV/AIDS, malaria, and tuberculosis. Several nations, including the United States, contribute to the Global Fund.

<sup>5</sup> Antiretroviral service outlets are the lowest level of unit, such as a hospital, clinic, or mobile unit, where therapeutic activities including the provision of antiretroviral drugs and clinical monitoring are provided to those with the HIV infection. Antiretroviral service outlets are also known as antiretroviral therapy (ART) sites.

<sup>6</sup> ACONDA and EGPAF are the only implementing entities providing technical assistance to the health facilities and the district pharmacies. They are responsible for the collection of patient data. ACONDA and EGPAF agreements are with CDC, not USAID.

- The PEPFAR in-country team is made up of a CDC director, a CDC deputy director and senior management branch chiefs, and USAID/West Africa technical advisers. The PEPFAR in-country team coordinates and plans program activities and makes high-level interagency decisions. USAID does not have a bilateral mission in Côte d'Ivoire, but program activities receive critical support through USAID/West Africa.
- USAID/West Africa provides technical assistance to the PEPFAR in-country team and serves as a budget pass-through for funds allocated to PEPFAR implementing mechanisms. However, according to mission officials, the mission never received or allocated funding for the Partnership for Supply Chain Management.
- The Partnership is the primary procurement agent of PEPFAR-funded commodities. It is also responsible for forecasting, securing, and monitoring the flow of drug commodities and providing technical assistance to the Public Health Pharmacy.
- CDC provides technical support for collecting, managing, analyzing, and disseminating strategic information. It is a critical partner in the development of the unified national vision for monitoring and evaluation, information technologies and information management systems, and HIV surveillance in Côte d'Ivoire. Because USAID does not have a presence in Côte d'Ivoire, CDC-funded management, administration and motor pool staff supports the U.S Government (CDC-USAID) integrated project management team and technical assistance sections, as well as the laboratory and strategic information functions for PEPFAR.
- After previously working as a treatment implementer for EGPAF, ACONDA has been an independent PEPFAR NGO with a CDC grant since September 2007. ACONDA provides innovative, comprehensive, family-based care services in support of the Ministry of Health's programs for the prevention of mother-to-child transmission (PMTCT) and HIV treatment. ACONDA encourages HIV-positive individuals to undergo clinical and biological assessments to determine eligibility for antiretroviral therapy (ART) initiation, while supporting antiretroviral service outlets and tracking patients enrolled in ART.
- EGPAF has been a U.S. Government implementer for HIV/AIDS relief in Côte d'Ivoire since 2005, applying a holistic approach to HIV prevention, care, and treatment. EGPAF also works with the Partnership and the Public Health Pharmacy to support antiretroviral drug quantification and delivery of drugs to antiretroviral service outlets supported by PEPFAR. EGPAF also tracks patients enrolled in antiretroviral therapy.
- The Office of the U.S. Global AIDS Coordinator (OGAC) leads the implementation of PEPFAR around the world. It authorizes the Partnership to procure antiretroviral drugs and issues guidance and receives periodic progress reports on PEPFAR activities.
- The PEPFAR in-country coordinator is the primary contact with OGAC and the U.S. Embassy front office, as well as the spokesperson for the overall program in Côte d'Ivoire.

## **AUDIT OBJECTIVE**

This audit was conducted as part of a worldwide audit of USAID's procurement and distribution of PEPFAR commodities. The Regional Inspector General/Dakar conducted this audit in Côte d'Ivoire to answer the following audit objective:

- Has USAID/West Africa procured, deployed, and warehoused its PEPFAR commodities in Côte d'Ivoire to help ensure that intended results were achieved, and what has been the impact?

Appendix I contains a discussion of the audit's scope and methodology.

# AUDIT FINDINGS

In general, USAID/West Africa procured, deployed, and warehoused the commodities supporting the President's Emergency Plan for AIDS Relief (PEPFAR). However, we noted significant problems with the inventory management system that hindered the achievement of intended results. As discussed below, several of the 15 antiretroviral service outlets visited did not have laboratory supplies and were short of some antiretroviral drugs. Storage conditions at the Public Health Pharmacy, the two district pharmacies visited, and several antiretroviral service outlets were inadequate and did not meet storage condition standards. While the results achieved were encouraging, the mission did not reach its intended results. In spite of these challenges, USAID's efforts had a positive impact on the number of individuals receiving antiretroviral therapy (ART) as described in the following paragraphs.

**Procurement.** USAID/West Africa procured more than 90 percent of the planned antiretroviral drug purchases targeted in the 2007 country operational plan. The mission procured \$15.9 million of the planned \$17.5 million purchases. As mentioned in the finding beginning on page 8, USAID/West Africa procured antiretroviral drugs and some laboratory supplies, but because of inadequacies in the inventory management system it did not procure sufficient quantities for the program in Côte d'Ivoire during fiscal year (FY) 2007.

**Deployment.** Commodities were deployed first to the central warehouse in Accra, Ghana, then to the Public Health Pharmacy in Abidjan, Côte d'Ivoire, and lastly to districts warehouses, hospitals, and health facilities. Although commodities were deployed at all 15 health facilities visited, and these facilities had adequate supplies of test kits, 4 of the 15 health facilities experienced shortages of antiretroviral drugs, and 9 of the 15 reported shortages of laboratory supplies during FY 2007.

**Warehousing.** The PEPFAR commodities stored at the central warehouse in Accra were properly warehoused. However, the Public Health Pharmacy, the two district warehouses, and 6 of 15 health facilities in Côte d'Ivoire did not meet the storage condition standards tested, as discussed in the finding beginning on page 8.

**Impact.** USAID's efforts in procuring, deploying, and warehousing its commodities have had a substantial positive impact on the number of individuals receiving antiretroviral therapy. As information in PEPFAR annual reports shows, the number of individuals undergoing antiretroviral therapy increased from 11,097 in September 2005 to 20,923 in September 2006 and to 46,000 in September 2007. However, the September 2007 number was slightly below the September 2007 target of 47,500 individuals receiving antiretroviral therapy. Additionally, the reported September 2007 figure was not supported—see discussion in the finding starting on page 11.

Also, the audit found a lack of coordination between the Partnership and the Public Health Pharmacy as well as inaccurate and unsupported reported information. The following sections discuss the reasons for the inventory control system weakness and identify opportunities to improve program reporting and make the program more sustainable.

## Inventory Control System Needs Improvement

Summary: According to the country operational plan and the memorandum of understanding between the Partnership for Supply Chain Management and the Ministry of Health, the Partnership was responsible for providing technical assistance, human resources support, and coordination with the Public Health Pharmacy, as well as for procuring HIV/AIDS commodities and improving the inventory and distribution system. However, the audit found a weak inventory control system and a lack of coordination between the Partnership and the Public Health Pharmacy. Several factors weakened inventory control system, including the Partnership's inability to establish a logistical management system to ensure adequate distribution of supplies. Insufficient funding and the lack of training and experience in inventory management contributed to the system's weakness and resulted in critical drug shortages, which disrupted patients' drug regimens and endangered their lives.

According to the country operational plan the Partnership for Supply Chain Management (Partnership) was to procure most drugs, laboratory supplies, and other commodities for the President's Emergency Plan for AIDS Relief (PEPFAR) implementers. A critical component of the Partnership's support was to strengthen the Ministry of Health's Public Health Pharmacy inventory management unit, where the supplies were stored and distributed to antiretroviral service outlets. The Partnership was expected to do the following:

- Procure and store HIV/AIDS commodities<sup>7</sup> at the Public Health Pharmacy and maintain a 3-month buffer stock to avoid stockouts at PEPFAR antiretroviral delivery sites.
- Generate regular, accurate inventory reports using improved management tools to ensure that all sites were quickly equipped and trained, received support in using the inventory management tools, and produced regular reports.
- Upgrade the physical infrastructure of the Public Health Pharmacy in Abidjan and district warehouses.
- Develop a computerized warehouse inventory management system at the Public Health Pharmacy.
- Set up a system for tracking HIV/AIDS commodities through the Public Health Pharmacy to antiretroviral service outlets.

According to the memorandum of understanding between the Partnership and the Ministry of Health, the Partnership was responsible for coordinating with and providing technical assistance and human resources support to the Public Health Pharmacy. The audit found a weak inventory control system that lacked coordination between the

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<sup>7</sup> Throughout this report "commodities" refers to HIV/AIDS supplies such as antiretroviral drugs, laboratory supplies, test kits, or reagents.

Partnership and the Public Health Pharmacy. Other weaknesses in the system included inadequate inventory planning, insufficient inventory forecasting, and the lack of a system to track commodities usage and management.

As of April 2008, the Partnership had not completed the infrastructure upgrade of the annex warehouse or provided a warehouse management system to improve the efficiency of the inventory distribution system and the safety and security of PEPFAR commodities. The new warehouse was still under construction, and the equipment to store the inventory had not yet arrived.

Also, HIV/AIDS commodities at the Public Health Pharmacy were not properly stored, the warehouse had no inventory management system in place, and none of the antiretroviral drug test counts reconciled with the Public Health Pharmacy's warehouse stock cards. The audit test count did not reconcile with the Public Health Pharmacy's inventory listing completed during a physical inventory at the end of December 2007, even though the inventory had been completed just 3 months before the audit test count.

Furthermore, the Partnership did not have accurate data on actual usage patterns of antiretrovirals to provide ongoing analyses on consumption compared with patient treatment data. Without the usage data, accurately quantified drug usage reports could not be produced. Most analyses at the Public Health Pharmacy were performed manually or with Excel spreadsheets.

As a further indication of the inventory control system's weaknesses, antiretroviral drugs<sup>8</sup> were stored at only 15 of the 23 health facilities visited, and the inventory control systems at 7 of 15 sites were not producing accurate results. In fact, only 6 of the 15 visited facilities had the 3-month reserve of supplies required by the government norm. At a large voluntary counseling and testing outlet in Abidjan, patients could obtain only a 1-month supply of antiretroviral drugs because the clinic was concerned about running out. This restriction caused particular difficulty for patients who lived far from the facility.

Several clinics had supplies sufficient to last only 1 month; several others, including the district warehouses, had stockouts of one or two types of antiretroviral drugs. For instance, the district warehouse in Agnibilékrou had stockouts of nevirapine 200 mg and of the drug combination stavudine/lamivudine/nevirapine. Likewise, the district warehouse in Abengourou had a stockout of nevirapine and zidovudine, even though the Public Health Pharmacy warehouse in Abidjan had sufficient supplies of these drugs.

Almost all sites visited reported difficulty obtaining much-needed laboratory supplies from their district pharmacy or the Public Health Pharmacy, because the PEPFAR program in Côte d'Ivoire did not purchase sufficient quantities. During site visits, nine health facilities had a shortage of some or all of the following supplies: gloves, cotton, needles, bleach, and absolute CD4 count<sup>9</sup> reagent.

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<sup>8</sup> Antiretroviral drugs decrease the human immunodeficiency virus's ability to replicate and deplete CD4 cells, which help the body's immune system fight off opportunistic infections like pneumonia and tuberculosis.

<sup>9</sup> The absolute CD4 count is a measurement of the number of functional CD4 T-cells circulating in the blood. It is measured by a simple blood test and is reported as the number of CD4 cells per cubic millimeter of blood. HIV-infected people have counts that are typically lower than 500, and people with AIDS can have counts of 200 or lower.

Moreover, storage facilities were inadequate at the Public Health Pharmacy warehouse, two district warehouses, and several health facilities. At the Public Health Pharmacy warehouse, where all PEPFAR and Global Fund commodities were stored, boxes were stacked in unsecured hallways and rooms and some boxes were stacked upside down. The Public Health Pharmacy did not have air conditioners to maintain recommended storage temperatures; in fact, the thermometer read 32 °C (89.6 °F) at the Public Pharmacy central warehouse during the three visits we conducted, exceeding the recommended temperature threshold of 25 °C (77 °F).

Similarly, several health facility warehouses had no air conditioners and no inventory control mechanisms to report discrepancies between the supplies ordered and supplies received; additionally, boxes were stacked upside down and there were no stock cards to maintain a perpetual inventory system. One warehouse had water damage and another was infested with rodents, resulting in a loss of inventory.

Lastly, the distribution system was weak and needed improvement. For example, pharmacies in two large centers in Abidjan were so small that they could hardly accommodate their patient loads. In the region of Abengourou, antiretroviral drugs were available only at the district warehouse/pharmacy, where no testing or doctors were available; like some health facilities, the district warehouse in Abengourou did not have a vehicle to distribute the antiretroviral drugs to the peripheral sites. Some health facilities depended on the public transportation system to get their supplies, as they had no other means of obtaining them.

Several factors weakened the inventory control system. One was the Partnership's inability to establish a logistical management system to ensure adequate distribution of supplies, because of several unforeseen changes in the inventory management system design envisioned by the Government of Côte d'Ivoire. Also, the Partnership did not have the in-country management capacity to administer its agreement efficiently. There was no permanent U.S. staff to provide the necessary oversight and guidance; until recently, Partnership activities were managed by five local staff and the Partnership consultants. Although the project staff was technically competent—several were pharmacists and medical doctors—they lacked the inventory management experience and training needed to manage such a huge inventory operation. Inadequate staffing in the health facilities was also a contributing factor, as most health facility pharmacies visited were staffed with only one person to fill prescriptions for many patients.

Another factor was the lack of funding. Funding had been planned for an upgrade of the warehouses' physical infrastructure, including the infrastructure upgrade of the annex warehouse in Abidjan, and the upgrade would have improved the ability to manage the inventory. However, after a revised quantification exercise in July 2007 the funds were shifted to purchase additional antiretroviral drugs. The Global Fund, another contributor to Côte d'Ivoire's national HIV/AIDS program, experienced recurring difficulties and was unable to deliver commodities to the national program, leaving PEPFAR as the primary funding source for antiretroviral procurement.

The inventory management system's inability to track antiretroviral consumption closely and adjust projections according to consumption patterns led to the ordering of more than \$1.5 million of excess antiretroviral drugs, which will expire soon. The amount of antiretroviral drugs that should have been ordered could not be determined accurately, resulting in shortages of some drugs that are critical to patients' drug regimens. Also,

improper storage conditions and prolonged exposure to heat reduced the effectiveness and shortened the shelf life of commodities, making them unusable. These factors caused interruptions in the drug supply chain and, without effective drugs, patients' lives were endangered.

To strengthen the inventory management system, minimize commodity wastage, and prevent further stockouts, this audit makes the following recommendations.

**Recommendation 1:** *We recommend that USAID/West Africa require the Partnership for Supply Chain Management, in conjunction with the Public Health Pharmacy, to develop an action plan to implement an adequate inventory management system.*

**Recommendation 2:** *We recommend that USAID/West Africa require the Partnership for Supply Chain Management to develop an action plan with a timetable to train the local staff of the Partnership for Supply Chain Management and the staffs of the Public Health Pharmacy and the district pharmacies in managing inventory and developing systems to track and report usage of commodities.*

**Recommendation 3:** *We recommend that USAID/West Africa require the Partnership for Supply Chain Management, in conjunction with the Public Health Pharmacy, to resume work on the annex warehouse and set an operational timeframe and completion date for the new warehouse.*

**Recommendation 4:** *We recommend that USAID/West Africa, in conjunction with the Partnership for Supply Chain Management and the Public Health Pharmacy, develop an action plan to implement measures to improve storage conditions for the President's Emergency Plan for AIDS Relief commodities.*

## **Program Reporting Needs Improvement**

Summary: USAID and PEPFAR place a great deal of importance on the completeness, accuracy, and consistency of reported information, not least because the quantities of supplies and drugs ordered and stocked are determined by this data. However, the reporting on PEPFAR's HIV/AIDS treatment component was inaccurate and unsupported. Several results reported by the program's two implementers, including the number of individuals under antiretroviral treatment, were overstated so that more drugs were ordered than were needed. Moreover, the implementers did not have common criteria to define an "active patient." Information on the number of antiretroviral service outlets was inconsistent and overreported. The problems came about because the implementers and the health facilities could not measure or report accurately the number of active patients, and the implementers failed to consistently apply the Office of the U.S. Global AIDS Coordinator's (OGAC) definition of an active patient. Consequently, program managers could not reliably ascertain the number of individuals under treatment.

USAID provides its operating units with extensive guidance to help them manage for improved results. This guidance includes Automated Directives System (ADS)

203.3.5.2, which states that the operating unit and strategic objective teams should be aware of the strengths and weaknesses of their data and the extent to which the data's integrity can be trusted to influence management decisions. According to ADS 203.3.5.1 and USAID TIPS 12 (supplemental guidance referenced by the ADS), Analyzing Performance Data, performance data should be accurate and reliable, and missions should take steps to provide adequate documentation to support submitted data. Furthermore, TIPS 12 states that even valid indicators have little value if the collected data do not correctly measure the variables or characteristics encompassed by the indicators.

According to guidance from the Office of the U.S. Global AIDS Coordinator (OGAC), an active patient is one who had a supply of antiretroviral drugs at the end of the reporting period. The guidance recognizes that patients collect antiretroviral drugs on varying schedules and that monitoring systems are not always adequate to generate an exact count of active patients on the last day of the reporting period. Accordingly, the guidance puts forward a proxy method for calculating the number of active patients: the number of individuals who were seen for antiretroviral therapy during the last 3 months of the reporting period, minus those who were known to have died, stopped treatment, or transferred out or who were otherwise lost since the last time they were seen for a treatment appointment. The guidance also states that an antiretroviral service outlet providing antiretroviral therapy is a site that provides antiretroviral drugs and clinical monitoring. This could be the lowest level for which data exists, such as a hospital, clinic, or mobile unit.

Information reported to the Centers for Disease Control (CDC) by the program's two implementers, Alliance Nationale Contre le SIDA en Côte d'Ivoire (ACONDA) and the Elizabeth Glaser Pediatric AIDS Foundation (EGPAF), on the number of active patients using antiretroviral drugs was inconsistent and inaccurate. Also, reported information on the number of antiretroviral service outlets was inconsistent and did not conform to PEPFAR's definition.

The audit team found significant discrepancies between the reported data and the supporting documentation with regard to the number of individuals receiving antiretroviral drugs at the end of the reporting period. The number of individuals receiving antiretroviral therapy was significantly overstated, as shown in table 1 below (see appendix III for detailed site information).

**Table 1. Results Reported by Implementers to PEPFAR in Côte d'Ivoire Versus Documented Results (see detail in appendix III)**

<b>Sites Visited in Quarter Ending September 30, 2007</b>	<b>Results Reported</b>	<b>Results Documented</b>	<b>Number Overreported</b>	<b>Percentage Overreported</b>
ACONDA	5,497	3,570	1,927	54%
EGPAF	9,979	6,632	3,347	50%
Total	15,476	10,202	5,274	52%

Several examples of inaccurate or unsupported results follow.

- At one visited site, the number of individuals on antiretroviral therapy was

overreported by 44 percent. The number reported was 3,044 patients, but onsite documentation found that only 2,114 patients were receiving antiretroviral therapy at the end of September 2007.

- In the region of Abengourou, where health facilities did not have antiretroviral medication, prescribing physicians' records did not support the reported information. As mentioned on page 11, health facilities in Abengourou did not dispense antiretroviral drugs. Several health facility prescribing physicians stated that patients prefer not to visit the health facilities and instead choose to go directly to the district pharmacy to get their supplies, thereby avoiding two separate visits and the cost of a medical consultation. These prescribing physicians said that they did not have accurate information on the number of patients on medication at the end of the reporting period because the health facility lacked information or followup. The audit team was unable to determine how the reported information had been derived because the district pharmacy that dispensed the antiretroviral medication did not record on their logs the patient's prescribing health facility. The Partnership information analyst who installed the computer software at the district pharmacy said that the software could not generate data on a patient's prescribing health facility.
- The health facility Ste-Thérèse de l'Enfant Jésus did not have its own supply of antiretroviral drugs. Instead, the facility obtained antiretroviral drugs from le Centre Intégré de Recherches Biocliniques d'Abidjan (CIRBA), which included Ste-Thérèse de l'Enfant Jésus activities in its reported statistics. EGPAF, which supported both CIRBA and Ste-Thérèse de l'Enfant Jésus, reported that 66 patients were on antiretroviral medication at Ste-Thérèse de l'Enfant Jésus, thus double-counting the patients who had already been reported by CIRBA. The audit team's review of documentation found that roughly 30 patients were undergoing antiretroviral treatment at the end of September 2007 at Ste-Thérèse de l'Enfant Jésus. The center did not have an exact count of the patients under treatment in 2007.
- At various EGPAF-supported health facilities, the data management software, SIMPLE I, had not been installed properly and did not generate accurate information on the number of active patients at the end of a reporting period. For example, at Hôpital Général d'Adzopé, the software recorded patients as active as of March 27, 2008, even though the last patient had received antiretroviral therapy in October 2007. At l'Hôpital Général de Port Böuet, 28 of 327 patients were reported under a nonexistent drug regimen. The Partnership's information analyst was aware of these shortcomings of the SIMPLE I software.
- Even though ACONDA reported 1,154 new patients during the period October–December 2007, the total number of patients decreased from 12,795 on October 1, 2007, to 9,726 on December 31, 2007. During that period, ACONDA transferred a site to EGPAF, but the transfer explains a variance of only 600 patients.
- The audit team received various lists of antiretroviral service outlets from the implementers and PEPFAR members, but the number of antiretroviral service outlets was inconsistent, inaccurate, and at variance with PEPFAR's definition. Some sites were reported as antiretroviral service outlets but did not have antiretroviral commodities available onsite. As of March 2007, according to the Partnership's quantification report, 101 facilities had prescribing physicians but only 70 facilities

dispensed antiretroviral medications.

- The number of antiretroviral therapy sites reported was inaccurate (see table 2, below). Some large hospitals and health facilities were reporting multiple antiretroviral service outlets even though they had only one pharmacy or several pharmacies dispensing medication within one compound where no clinical monitoring was conducted. For example, le Centre Hospitalier Universitaire de Cocody in Abidjan reported four antiretroviral service outlets, even though the facility has only one small pharmacy that dispenses medication on a part-time basis.

**Table 2. Number of Antiretroviral Service Outlets Reported**

Implementer	As of September 30, 2007		As of December 31, 2007	
	Reported by PEPFAR Côte d'Ivoire to OGAC	Documentation Provided by PEPFAR Côte d'Ivoire Supports the Following	Reported by Implementers to PEPFAR in Côte d'Ivoire	Documentation Provided by PEPFAR Côte d'Ivoire Supports the Following
EGPAF	64	52	71	52
ACONDA	35	35	40	40
<b>TOTAL</b>	99	87	111	92

The problems described above were caused by the implementers' and health facilities' inability to measure and report accurately the number of active patients and the implementers' inconsistent application of OGAC's definition of an active patient.

According to the Partnership's analyst, the definition of active patients was not consistent among ACONDA, EGPAF, and PEPFAR. EGPAF active patients were defined as patients who received medications during the last reporting month. ACONDA considered a patient active as of September 2007 if he or she had received treatment in any 1 of the preceding 3 months. Furthermore, in Côte d'Ivoire, the program's implementers have incorrectly defined a "service outlet providing antiretroviral drugs" (commonly referred to as a treatment site) as a unit of service where a doctor has been trained to prescribe medication and provide clinical monitoring.

Another factor in the overreporting was the lack of staff at CDC and USAID/West Africa to adequately monitor and validate the data provided by the implementers. Côte d'Ivoire's political instability, insecurity, and civil unrest exacerbated the difficulties in conducting periodic testing, verifying the reported data, and recruiting more personnel. Specifically, in November 2004, the U.S. Embassy evacuated all nonessential U.S. personnel, including the new PEPFAR strategic unit adviser, who had been in Côte d'Ivoire less than 1 month. The position remained vacant for approximately 3 years until it was filled in April 2007.

As a consequence of the staff shortage, the health facilities lacked effective guidance on how to gather and report information. Program managers did not know whether PEPFAR was meeting its targets and could not ensure that fact-based funding and programmatic decisions had been taken. At least five antiretroviral drugs worth \$1.5 million will expire unless USAID/West Africa and the Partnership find a way to use the drugs. In February 2008, PEPFAR started an in-depth evaluation of ACONDA's reporting on the number of active patients and other information. The evaluation has

been constructive but not sufficient to ensure that the results reported by the implementers are of acceptable quality. We are therefore making the following recommendations.

**Recommendation 5:** *We recommend that USAID/West Africa (a) appoint a monitoring officer to implement a system that regularly validates the quality of reported data on the number of active patients, (b) perform validation and verification of the implementers' reported results, and (c) provide effective guidance to health facilities on why and how to collect accurate information.*

**Recommendation 6:** *We recommend that USAID/West Africa develop procedures to verify that implementers consistently apply Office of the U.S. Global AIDS Coordinator's definitions of "antiretroviral therapy service outlets" and "active patients."*

**Recommendation 7:** *We recommend that USAID/West Africa develop a procedure for implementers to establish and maintain a comprehensive list of antiretroviral therapy service outlets that dispense antiretroviral drugs, including the names of the implementer and the donor providing financial support and the source of the data concerning the number of patients undergoing treatment.*

**Recommendation 8:** *We recommend that USAID/West Africa develop a plan of action with the Partnership for Supply Chain Management to quantify the surplus of antiretroviral commodities and identify a mechanism to use the commodities before they expire.*

## **Other Issue Noted During the Audit**

One other matter—accounting for proceeds from the sale of PEPFAR commodities—came to the auditors' attention during the audit and is discussed in more detail below.

## **Cost Recovery System Needs to Be Abolished or Improved**

Summary: In 1998, the Government of Côte d'Ivoire established a cost-recovery system requiring patients to pay some of the cost of their antiretroviral treatment. The system was designed, in part, to generate resources for community-based HIV/AIDS interventions. The money collected from patients has not been disbursed as required, and the health facilities providing antiretroviral treatment have not managed the funds consistently. Also, there have been no controls to prevent fraud, waste, and abuse associated with the collected funds. Repeated efforts by the PEPFAR in-country team and the Global Fund have failed to obtain information about the amount collected or disbursed because of a lack of political will by the Ivorian Government. This lack of transparency conflicts with U.S. Government rules and represents a missed opportunity to strengthen sustainable HIV/AIDS treatment systems. However, on August 20, 2008, after the audit fieldwork had been completed, the cost-recovery system was abolished.

According to PEPFAR's general policy guidance for all bilateral programs, OGAC will ensure program accountability within PEPFAR and take corrective action when required. In line with the guidance, PEPFAR focuses on support for the national strategies of the host countries but also stresses the importance of promoting accountability and good governance in these countries to meet the obligation of accountability to Congress and American taxpayers.

Public Law 108–25, the United States Leadership Against HIV/AIDS, Tuberculosis, and Malaria Act of 2003, signed into law on May 27, 2003, express congressional intent that an urgent priority of U.S. assistance programs to fight HIV/AIDS should be the rapid increase in distribution of antiretroviral therapy drugs so that individuals with HIV/AIDS receiving the treatment they need.

Since 1998, Côte d'Ivoire had been operating under a government-mandated cost-recovery system for antiretroviral drugs with no clear public policy regarding the use of recovered funds. In 2007, the Ministry of Health issued a decision letter stating that proceeds from the recovery would be held in a publicly managed account to pay for a portion of service costs. In June 2006, as a result of pressure from the PEPFAR implementers and donors, a Ministry of Health decree reduced the individual's contribution from \$10 to \$6 per 3-month treatment of antiretroviral medication. Children (up to age 18) and women who are enrolled in programs to prevent mother-to-child transmission receive their antiretroviral medication free of charge. In December 2004, CDC made clear that this system did not comply with Federal regulations. In July 2007, a Côte d'Ivoire ministerial decree charged the Public Health Pharmacy with stewardship of the money collected by the health facilities from patient contributions and established a formula for redistributing the collected funds among antiretroviral service outlets. The funds were to be provided in the following percentages: to community counselors of NGOs working on the prevention and treatment of people living with HIV/AIDS—50 percent; for the purchase of consumable supplies and small materials—25 percent; and for strengthening operational capabilities of antiretroviral service outlets—25 percent. However, because the Finance Ministry has not approved this decree, the Public Health Pharmacy cannot distribute the funds. In addition, 3 of 15 health facilities had not deposited the amounts collected. Only a small portion of the estimated proceeds recovered has ever been accounted for, and patients have complained of being required to pay too much at peripheral sites. Numerous individuals are assumed to be profiting from this ambiguous situation. On the basis of an average number of patients under treatment since September 2004, the audit estimates that contributions from patients should have generated revenues for the Government of Côte d'Ivoire of roughly \$1.5 million.

Despite repeated efforts, PEPFAR and the Global Fund failed to obtain information on the amount of funds collected, their disposition, or their use. In addition, the audit team's site visits have shown that the funds collected from patients were not being used in a consistent and transparent manner. There have been rumors of patients having to pay up to \$50 for antiretroviral drugs. Several examples of inconsistent procedures follow:

- In one health facility, the money collected since June 2007 (\$12,000) was not deposited with the Public Health Pharmacy but was kept in pharmacy drawers in a room where patients came to collect their antiretroviral drugs. This health facility

required patients to pay \$6 for a 3-month supply but provided the patients with only a 1-month supply of medicine.

- Another health facility was keeping a portion of the collected funds to pay part of its electricity bill and stipends to its employees, including the facility's director, without a clear protocol on how the money should be distributed among the employees.
- According to management at the district pharmacy in Abengourou, \$1,000 was stolen because the pharmacy had not deposited the money and had no controls to safeguard the funds. None of the pharmacies visited had a safe for storing the funds or a security system, and the funds were not properly safeguarded.
- Some institutions have not remitted the funds to the Public Health Pharmacy because they do not know how the funds will be accounted for or spent.
- Five of fifteen health facilities and the two district pharmacies visited could not account for the money collected from patients.

Donors made repeated efforts to persuade the Government of Côte d'Ivoire to either remove the cost-recovery system or make it more accountable. In July 2007, senior officials from PEPFAR and the Global Fund met with the Ivorian Minister of Health as well as with the Prime Minister and the President of Côte d'Ivoire and raised the issue of cost recovery. The donor officials stated that this issue needed to be resolved by either abolishing the cost-recovery system or making it more transparent and accountable. The donor and implementing entities stressed that the lack of transparency and accountability conflicts with U.S. Government and Global Fund policies, which do not allow countries that benefit from financial donations to establish a cost-recovery system without a clear plan for the use of collected funds. Finally, on August 20, 2008, a ministerial decree abolished the cost-recovery system, after the audit's fieldwork had been completed. Since that date, all antiretroviral medications have been provided free of cost to all patients.

The main causes of the lack of accountability, transparency, and efficient use of funds were the lack of political will or a clear mandate from the Government of Côte d'Ivoire authorizing the Public Health Pharmacy to use patient contributions for their intended purposes. Also, the Ministry of Health and the Public Health Pharmacy have not provided controls or guidance to ensure that funds collected were safeguarded and remitted in a timely manner. The situation represents a missed opportunity to strengthen the sustainability of a national HIV/AIDS program and improve the availability and quality of services. Since the cost-recovery system has been abolished, subsequent to the audit, we are making the following recommendation to address the estimated \$1.5 million already collected but not disbursed.

***Recommendation 9:*** *We recommend that USAID/West Africa, in conjunction with the U.S. Ambassador to Côte d'Ivoire, petition for the Government of Côte d'Ivoire to make a determination regarding the use and disposition of the funds already collected and deposited in the Public Health Pharmacy account or maintained by the health facilities.*

# EVALUATION OF MANAGEMENT COMMENTS

USAID/West Africa (mission) provided detailed comments in response to our draft audit report, which are included in their entirety (without attachments) in appendix II. The mission's comments were considered in finalizing this report.

USAID/West Africa concurred with all of the recommendations in the draft audit report and took actions to address them. On the basis of actions taken by the mission, recommendations 1, 2, 3, 5, 6, 7, and 8 are closed upon issuance of this report. However, we consider that recommendations 4 and 9 have management decisions and remain open. Final action to close those recommendations should be coordinated with the Audit, Performance, and Compliance Division (M/CFO/APC) in the Office of the Chief Financial Officer. Comments on the recommendations follow.

Recommendation 1, that USAID/West Africa require the Partnership for Supply Chain Management, in conjunction with the Public Health Pharmacy, to develop an action plan to implement an adequate inventory management system:

USAID/West Africa concurred with this recommendation and took action as recommended. While analyzing the supporting documentation USAID/West Africa had sent with its response, we found that USAID/West Africa through the Partnership developed a detailed plan of action to improve the Public Health Pharmacy's inventory management system. The plan included actions such as installing an inventory management system and drafting written procedures for cold storage, shipping, and receiving of drugs commodities. On the basis of appropriate actions taken by USAID/West Africa and the Partnership, we consider the recommendation closed upon issuance of this report.

Recommendation 2, that USAID/West Africa require the Partnership to develop an action plan with a timetable to train the Partnership's local staff and the staffs of the Public Health Pharmacy and the district pharmacies in managing inventory and developing systems to track and report usage of commodities:

USAID/West Africa concurred and has taken measures to address this recommendation. USAID/West Africa developed a training plan and timetable with the Partnership to train its local staff and the staffs of the Public Health Pharmacy and district pharmacies in managing inventory and developing systems to track and report usage of commodities. The mission provided a copy of the training plan, which contains a training schedule from March 2009 to March 2010. Examples of the training include warehouse system management and supply chain management. On the basis of the information provided and the action taken, we consider the recommendation closed upon issuance of this report.

Recommendation 3, that USAID/West Africa require the Partnership to resume work on the annex warehouse and set an operational timeframe and completion date for

the new warehouse:

The USAID/West Africa concurred with the recommendation and resumed work on the annex warehouse. The mission installed an adjustable pallet-racking storage system and provided pictures illustrating the installation. The annex warehouse is expected to be completed by December 2009. On the basis of the action taken, we consider the recommendation closed upon issuance of this report.

Recommendation 4, that USAID/West Africa, in conjunction with the Partnership and the Public Health Pharmacy, develop an action plan to implement measures to improve storage conditions for the President's Emergency Plan for AIDS Relief (PEPFAR) commodities:

USAID/West Africa concurred with the recommendation and indicated that the Partnership has hired a consultant to assess the warehouse's conditions, including climate control, fire and safety, and energy use. The consultant's report is expected by the end of April 2009 and will form the basis for an action plan to improve storage conditions at the Public Health Pharmacy. The mission provided a copy of a concurrence letter for short-term technical assistance with the consultant. On the basis of the information provided, we consider that management decision has been reached for this recommendation.

Recommendation 5, that USAID/West Africa (a) appoint a monitoring officer to implement a system that regularly validates the quality of reported data on the number of active patients; (b) perform validation and verification of the implementers' reported results; and (c) provide effective guidance to health facilities on why and how to collect accurate information:

USAID/West Africa concurred with the recommendation and hired a regional monitoring and evaluation adviser, who is working with the PEPFAR Côte d'Ivoire Strategic Information Branch to develop standard operating procedures and conduct data quality verification. In addition, USAID/West Africa is recruiting, via IAP Worldwide Services, Inc., a commodities logistics technical adviser to regularly validate the quality of reported data and work with the implementing partners to improve their capacity to collect accurate information. USAID/West Africa provided a copy of a contract between the commodities logistics technical adviser and IAP Worldwide Services, Inc. USAID/West Africa also provided a copy of the contract with the monitoring and evaluation adviser. The commodities logistics technical adviser will start working in May 2009. On the basis of the information provided and the action taken, we consider the recommendation closed upon issuance of this report.

Recommendation 6, that USAID/West Africa develop procedures to verify that implementers consistently apply Office of the U.S. Global AIDS Coordinator's definitions of "antiretroviral therapy service outlets" and "active patients":

USAID/West Africa concurred with the recommendation and indicated that the PEPFAR in-country team has developed standard operating procedures for site visits. The procedures instruct staff to perform rapid data quality verification during site visits and contain a separate data quality checklist to document the routine cross-checking of partners' information. We acknowledge that the procedures and

the checklist are appropriate and useful; however, we noted that they do not include steps for verifying the indicator definition used. We encourage the mission and the PEPFAR in-country team to incorporate this information in its next revision of the procedures and checklist. On the basis of appropriate actions taken by USAID/West Africa in conjunction with the PEPFAR in-country team, we consider the recommendation closed upon issuance of this report.

Recommendation 7, that USAID/West Africa develop a procedure for implementers to establish and maintain a comprehensive list of antiretroviral therapy (ART) service outlets that dispense antiretroviral drugs, including the names of the implementer and the donor providing financial support and the source of the data concerning the number of patients undergoing treatment:

USAID/West Africa concurred with the recommendation and indicated that the PEPFAR in-country team has developed a comprehensive table that includes the name of the ART service outlets, the name of the implementer, and the number of patients undergoing treatment. By the end of April 2009, the PEPFAR in-country team plans to update the table, incorporate the name of the donor providing financial support and the source of the data concerning the number of patients undergoing treatment, and provide implementers with a copy of the updated table. On the basis of the information provided and the action taken, we consider the recommendation closed upon issuance of this report.

Recommendation 8, that USAID/West Africa develop a plan of action with the Partnership to quantify the surplus of antiretroviral commodities and identify a mechanism to use the commodities before they expire:

USAID/West Africa concurred with the recommendation and indicated that the PEPFAR in-country team, the Partnership, and the Government of Cote d'Ivoire have quantified the surplus of antiretroviral commodities to be \$2.4 million—\$1,516,606 ordered in surplus and \$904,584 excess stock on hand. The Partnership has taken measures to utilize, cancel, or divert to other countries most of the surplus commodities. However, a remaining surplus of \$331,098 could not be utilized, canceled, or diverted and will expire without being used. USAID/West Africa noted further that, by the end of April 2009, the Partnership will submit to the mission and the PEPFAR in-country team a detailed plan for how to destroy remaining commodities once they expire. On the basis of the information provided and the actions taken, we consider the recommendation closed upon issuance of this report.

Recommendation 9, that USAID/West Africa, in conjunction with the Government of Côte d'Ivoire, make a determination regarding the use and disposition of the funds already collected and deposited in the Public Health Pharmacy account or maintained by the health facilities:

USAID/West Africa concurred with the recommendation and noted that the U.S. Ambassador to Côte d'Ivoire, the PEPFAR coordinator, and the head of the Global Fund's country coordinating mechanism are planning to send a letter to the Minister of Finance and meet with that minister and the Minister of Health to petition the approval and implementation of the Government of Côte d'Ivoire's July 2007 ministerial decree, which established a formula for redistributing the funds collected from patients receiving PEPFAR-supported antiretroviral medicines. The collected funds are to be redistributed

among antiretroviral service outlets. This planned action is expected to be taken by the end of May 2009. On the basis of the information provided and the measures taken, we consider that management decision has been reached.

USAID/West Africa also provided comments related to specific issues in the draft audit report. USAID/West Africa stated that while it agrees that actions should be taken on the recommendations made by the Office of the Inspector General, it would like to clarify what it believes to be inaccurate information in the audit report. The mission also asked that some language be added to the audit report.

USAID/West Africa states that it would like to clarify that the USAID/West Africa Mission Director is based in Accra and is therefore not part of the PEPFAR in-country team. And while the mission served as a budget pass-through for funds allocated to other PEPFAR implementing mechanisms, the mission did not serve as a budget pass-through for funds allocated to the Partnership for the procurement and distribution of commodities in Côte d'Ivoire. According to the mission, it never received or allocated funding for the Partnership. After further communication with the mission, we clarified in the report that although the mission served as a budget pass-through for funds allocated to PEPFAR implementing mechanisms in Côte d'Ivoire; it did not receive funding for commodity acquisition for Côte d'Ivoire. In our communication we also agreed to remove references to the USAID/West Africa Mission Director's being part of the PEPFAR in-country team.

In its comments on the draft audit report, the mission also states: "The mission and the U.S. Ambassador to Côte d'Ivoire would strongly recommend the Office of the Inspector General reword Recommendation No. 9 to read "USAID/West Africa, in conjunction with the U.S. Ambassador to Côte d'Ivoire, petition for the Government of Côte d'Ivoire to make a determination regarding the use and disposition of the funds already collected and deposited in the Public Health Pharmacy account or maintained by the health facilities." We discussed the rewording with mission officials, who provided a copy of communication with the Ambassador's office on the matter. On the basis of our discussion and the information provided by the mission, RIG/Dakar agreed and changed the recommendation accordingly.

In addition, USAID/West Africa requested that we add language to the background section of the report, replace the wording "regional pharmacies" with "district pharmacies," and clarify that the Partnership for Supply Chain Management did not build the new annex warehouse. As requested, RIG/Dakar added the supplemental language to the background section of the report, replaced references to "regional pharmacies" with "district pharmacies," and rephrased the wording that the Partnership "did not complete the new warehouse" as "did not complete the infrastructure upgrade."

Finally, USAID/West Africa, in its response to the draft audit report and during our discussion, raised concerns regarding the delineation of responsibilities between the mission and USAID/Washington regarding the USAID/Washington-managed contract to which the mission allocated field support. The mission conveyed to RIG/Dakar that its involvement in the procurement and distribution of the PEPFAR commodities in Côte d'Ivoire was limited to providing technical support. The mission requested that RIG/Dakar consider the applicability in this report of a paragraph taken from the audit report of USAID/Zambia's Procurement and Distribution of Commodities for the President's Emergency Plan for AIDS Relief, published May 30, 2008. The paragraph in effect highlights the need for a USAID policy clearly delineating the scope and the

limitations of the activity manager's role when involved in a USAID/Washington-managed contract to which the mission allocates field support. RIG/Dakar agreed with the mission's concerns and highlights the issue here as well.

# SCOPE AND METHODOLOGY

## Scope

The Office of the Regional Inspector General/Dakar (RIG/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. We believe that the evidence obtained provides this reasonable basis. This audit is part of a worldwide audit of the President's Emergency Plan for AIDS Relief (PEPFAR). The audit was designed to determine whether USAID/West Africa has procured, deployed, and warehoused PEPFAR commodities in Côte d'Ivoire to help ensure that intended results were achieved. It also sought to determine the impact of PEPFAR activities.

In planning and performing the audit, RIG/Dakar reviewed and assessed the effectiveness of management controls related to PEPFAR. The management controls assessed included the country operational plan and monitoring activities, inventory management controls, and cost-recovery controls.

During the audit, we interviewed USAID/West Africa's officials in Accra, Ghana, members of the PEPFAR in-country team in Côte d'Ivoire, the Global Fund's officials, and representatives of organizations implementing the program in Côte d'Ivoire. We visited 23 of 92 health facilities<sup>10</sup> and 2 district warehouses receiving assistance in 4 of the 18 administrative regions of Côte d'Ivoire covered by PEPFAR as of December 2007.

We also visited 11 clinics offering services for prevention of mother-to-child transmission (PMTCT) and voluntary counseling and testing (VCT). The audit team judgmentally selected sites to visit, giving preference to communities that had activities falling under all three program components—treatment, PMTCT, and VCT.

We made our selections to constitute a representative mix of urban and rural facilities of both implementers conducting activities. The number of locations visited and the number of health facilities receiving assistance are detailed in table 3 below.

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<sup>10</sup> There were inconsistencies among the different reports received regarding the number of antiretroviral treatment sites in Côte d'Ivoire. We reconciled those differences and found that there were 92 sites as of December 2007. Of the 92 sites, we visited 23 sites and 2 district pharmacies. Of the 23 health facilities, 15 were supported by EGPAF and 8 by Alliance Nationale Contre le SIDA en Côte d'Ivoire (ACONDA). In addition to the 2 district pharmacies that stored antiretroviral drugs (ARVs), the audit found ARVs at 15 of the 23 health facilities—8 for ACONDA and 7 for Elizabeth Glaser Pediatric AIDS Foundation (EGPAF). Although ARVs were stored and dispensed at the district pharmacies, we did not consider the pharmacies to be treatment centers like the health facilities, because they did not have doctors or patient files, and they did not conduct testing.

**Table 3. Analysis of Implementer Sites Visited**

<b>Implementer</b>	<b>Total Antiretroviral Therapy Sites Receiving Assistance</b>	<b>Sites Visited by AuditTeam</b>	<b>Percentage Visited</b>
EGPAF	52	15	29%
ACONDA	40	8	20%
<b>Total</b>	<b>92</b>	<b>23</b>	<b>25%</b>

We also visited the regional distribution center<sup>11</sup> of the Partnership for Supply Chain Management (the Partnership) in Accra, Ghana. During the period covered by the audit, October 2006 to December 2007, USAID/West Africa obligated \$3.7 million and spent \$1.6 million in support of PEPFAR in Côte d'Ivoire.

Fieldwork was performed in Accra, Ghana, from March 5 to 7, 2008. While in Ghana we visited the Partnership's regional warehouse, and we met with officials from USAID/West Africa. Fieldwork continued in Côte d'Ivoire from March 10 to April 3, 2008.

## **Methodology**

In performing the audit work, RIG/Dakar interviewed officials from USAID/West Africa, the Centers for Disease Control and Prevention (CDC), the Partnership, and the PEPFAR in-country coordinator in Côte d'Ivoire. We also reviewed progress reports to confirm progress reported toward achieving planned results. We visited health facilities and warehouses. At the health facilities, we interviewed pharmacists, laboratory technicians, PMTCT and VCT service providers, data managers, and administrators. We collected and analyzed data on patients receiving antiretroviral therapy provided by the health facility pharmacies, counted inventory, and reviewed reconciliations. We also reviewed the VCT and PMTCT registers and laboratory registers. We visited officials from the two implementers—Alliance Nationale Contre le SIDA en Côte d'Ivoire and the Elizabeth Glaser Pediatric AIDS Foundation—and examined agreements and progress reports. We also interviewed the Global Fund representative and representatives of other nongovernmental organizations implementing care and treatment activities.

To validate performance results, we collected and analyzed data on the number of individuals on antiretroviral therapy and examined pharmacy prescription records and dispensation registers. The audit team also visited the distribution centers in Accra, Ghana, and in Abidjan, Côte d'Ivoire, where commodities were stored. We tested data for PMTCT and VCT at 11 clinics. We judgmentally selected these facilities to maximize our geographic coverage of the number of individuals on antiretroviral therapy with the two implementers of the program.

To ascertain the impact of the results achieved, we relied on the testimony of the Partnership and USAID/West Africa officials. We also reviewed PEPFAR reports and tested reported results for accuracy.

<sup>11</sup> The Partnership stores commodities procured for PEPFAR at the regional warehouse in Ghana and distributes them to several countries, including Côte d'Ivoire.

Additionally, for selected months, we reviewed the number of individuals reported as being tested for HIV/AIDS and the number reported as testing positive. This review compared the monthly data reports submitted by the implementers with laboratory registers and the VCT and PMTCT registers with respect to the number of individuals tested and the number of individuals testing positive for HIV.

In addition, we completed the following steps:

- Completed physical inventories at 15 of the 23 health facilities, 2 district warehouses, and the Public Health Pharmacy. We counted and tested 10 antiretroviral products and 2 test kits, comparing actual stock on hand with stock cards or inventory listings. We assessed storage conditions.
- Counted and compared reported information to supporting documentation, such as antiretroviral dispensation registers; pharmacy prescription records; money contributed by the patients for antiretroviral drugs; laboratory registers; VCT and PMTCT registers; and computerized information system reports for patients on antiretroviral therapy.
- Compared commodities ordered and received for selected months to determine whether the quantities ordered had been received.

To judge the significance of variances found during the audit between reported accomplishments and supporting documentation, we considered a variance of 10 percent or more to be significant and reportable.

# MANAGEMENT COMMENTS



**USAID** | **WEST AFRICA**  
FROM THE AMERICAN PEOPLE

March 27, 2009

## MEMORANDUM

**To:** RIG/Dakar Regional Inspector General, Dennis Bryant

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

**Subject:** **Management comments on 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. 7-624-09-00X-P)**

USAID/West Africa appreciates the Inspector General conducting the audit on President's Emergency Plan for AIDS Relief (PEPFAR) procurement and distribution of commodities in Côte d'Ivoire. The subject Audit Report and recommendations will improve the quality of the program and will help ensure that the people of Cote d'Ivoire receive the services and products needed to curb the expansion and impact of HIV/AIDS.

The Mission, in collaboration with other members of the United States Government (USG) PEPFAR country team<sup>12</sup>, has reviewed and is in agreement with all nine recommendations. The following represents the Mission Management's comments and decisions on actions already taken, and actions planned, in order to properly address the recommendations contained in the report. Based on these actions, Mission Management requests closure on Recommendations 1 through 8. For Recommendation 9, action is expected to be completed by the end of May 2009.

***Recommendation No. 1: We recommend that USAID/West Africa require the Partnership for Supply Chain Management, in conjunction with the Public Health Pharmacy, to develop an action plan to implement an adequate inventory management system.***

### **Actions taken:**

1. The Partnership for Supply Chain Management (the Partnership) developed a detailed plan (Attachment 1.1) to improve the Public Health Pharmacy's inventory management system. The main objective of this plan is to install, test and activate the warehouse Management and Control System (MACS), which incorporates hand-held and radio

<sup>12</sup> In Cote d'Ivoire, the USG county team includes representatives from the Department of State, the Centers for Disease Control and Prevention, and USAID.

frequency technology to facilitate inventory management enabling more accurate supply plans and forecasts. Since the audit, the Partnership has developed the MACS and successfully interfaced it with the Public Health Pharmacy's SAGE L1000 financial management software.

2. Prior to developing the MACS software for Cote d'Ivoire, the Partnership worked with the Public Health Pharmacy to establish a paper-based logistics management information system called SIGL (*Systèmes d'Information de Gestion Logistique*), to strengthen the Government of Cote d'Ivoire's existing inventory management system (Attachment 1.2). SIGL serves as the repository for current information on needs estimates, product registration, funds availability, production capacity, procurement status, shipment and receipt status, regional distribution center inventory management, and product returns. Public Health Pharmacy staff members were trained in the implementation of SIGL and enabled the deployment of the paper based data collection and reporting system to 66% of the nation's antiretroviral (ART) sites.

The above constitutes measures taken to ensure Recommendation 1 is addressed. Therefore, Mission Management recommends that Recommendation 1 be closed.

***Recommendation No. 2: We recommend that USAID/West Africa require the Partnership for Supply Chain Management to develop an action plan with a timetable to train a) the Partnership for Supply Chain Management's local staff; and b) the Public Health Pharmacy and the regional pharmacies' staffs in managing inventory and developing systems to track and report usage of commodities.***

**Actions taken:**

1. The Partnership developed a plan with a timetable to train its local staff, the Public Health Pharmacy and district pharmacies' staffs in managing inventory and developing systems to track and report usage of commodities (Attachment 2.1). The following trainings in inventory management and developing systems to track and report usage of commodities have been implemented:
  - In July 2007, two of the Partnership local staff and four key Public Health Pharmacy managers completed warehouse management training in South Africa (Attachment 2.2). This training resulted in the development of the SIGL mentioned above.
  - In September 2007, a total of 28 participants were trained as trainers in the implementation of the logistics management information system—SIGL. Training participants included mostly district pharmacists, but also staff from the National Care and Support Program (*PNPEC*), the Department of Information, Planning and Evaluation (*DIPE*), and local staff from the Partnership (Attachment 2.3). Of the 28 trainers trained, 22 are currently serving as trainers of Public Health Pharmacy managers and pharmacists.
  - Since November 2008, the Partnership has facilitated the training of 446 public health pharmacists and pharmacy managers in the implementation of the SIGL, using the 22 trainers mentioned above (Attachment 2.4). This training is ongoing as the Partnership and the Public Health Pharmacy have the shared goal of training and retraining all Public Health Pharmacy staff involved in the management of ART drugs nationwide.

The above constitutes measures taken to ensure Recommendation 2 is addressed. Therefore, Mission Management recommends that Recommendation 2 be closed.

***Recommendation No. 3: We recommend that USAID/West Africa require the Partnership for Supply Chain Management, in conjunction with the Public Health Pharmacy, to resume work on the annex warehouse and set an operational time frame and completion date for the new warehouse.***

**Actions taken:**

1. The annex warehouse is approximately 85 percent completed (Attachment 3.3, Photo). The adjustable pallet and gravity flow racking storage systems are installed and operational.
2. The ABC Analysis, which assessed and established proper categorizing of stock according to cost and quantity, was completed in March 2009 (Attachment 3.2). The ABC Analysis report is expected to be available by the end of April 2009. This report will provide a roadmap for completing the new warehouse and will include an action plan. The report will serve as the basis for a product migration exercise between the Public Health Pharmacy's four main warehouses. At the end of this exercise, Public Health Pharmacy management will be empowered to undertake subsequent ABC analyses using data derived from the MACS warehouse management system.

**Actions planned:**

1. The new warehouse is expected to be completed by the end of December 2009. The timeline is contingent upon procurement moving forward smoothly without unanticipated delays, especially as it relates to equipping the new warehouse with an air conditioning system, a security system, and a complete racking system.

The above constitutes measures taken and planned to ensure Recommendation 3 is addressed. Therefore, Mission Management recommends that Recommendation 3 be closed.

***Recommendation No. 4: We recommend that USAID/West Africa, in conjunction with the Partnership for Supply Chain Management and the Public Health Pharmacy, develop an action plan to implement measures to improve storage conditions for the President's Emergency Plan for AIDS Relief commodities.***

**Actions taken:**

1. A consultant hired by the Partnership performed a detailed analysis of warehouse conditions, including climate control, fire and safety, and energy use. The report from this analysis is anticipated by the end of April 2009 and will include an action plan.

The above constitutes measures taken to ensure Recommendation 4 is addressed. Therefore, Mission Management recommends that Recommendation 4 be closed.

***Recommendation No. 5: We recommend that USAID/West Africa (a) appoint a monitoring officer to implement a system that regularly validates the quality of reported data on the number of active patients, (b) perform validation and verification of the implementers' reported results, and (c) provide effective guidance to health facilities on why and how to collect accurate information.***

**Actions taken:**

1. USAID/West Africa is contracting the services of an Abidjan-based Commodities Logistics Technical Advisor (Attachment 5.1), who will work together with a

Biostatistician currently being recruited by the CDC. These staff will work with the PEPFAR CI Strategic Information branch to regularly validate the quality of reported data on the number of active patients, and work with implementing partners (EGPAF and ACONDA) to improve their capacity to collect accurate information. The Commodities Logistics Technical Advisor is expected to begin her contract by the end of May 2009.

2. USAID/West Africa also hired a regional Monitoring and Evaluation (M&E) Advisor in July 2008 (Attachment 5.2). Based in Accra, the M&E Advisor has been working in collaboration with PEPFAR Cote d'Ivoire's Strategic Information branch to develop sets of standard operating procedures and tools aimed at improving performance management, as well as to conduct data quality audit.

**Actions planned:**

1. The Mission, in collaboration with other members of the USG's PEPFAR country team, is planning to conduct an assessment of USAID human resources in Cote d'Ivoire. Hiring an additional officer to focus on monitoring data related to the number of ART service outlets and of active patients will be considered during this exercise. It is expected that results from this human resources assessment will be completed by August 2009 and that the results will inform the PEPFAR planning for COP 2010.

The above constitutes measures taken and planned to ensure Recommendation 5 is addressed. Therefore, Mission Management recommends that Recommendation 5 be closed.

***Recommendation No. 6: We recommend that USAID/West Africa develop procedures to verify that implementers consistently apply Office of the U.S. Global AIDS Coordinator's definitions of antiretroviral therapy service outlets and active patients.***

**Actions taken:**

1. The USG PEPFAR country team developed standard operating procedures for site visits (Attachment 6.1). The procedures instruct USG staff to perform rapid data quality verification during every site visits, and contains a data quality checklist designed to document the routine cross-checking of partners' information—including indicator definitions used—reported to PEPFAR (Attachment 6.2). The procedures and its data quality checklist are expected to be formally adopted by the PEPFAR country team by the end of April 2009.
2. In March 2009, the USG PEPFAR country team sought further guidance from the Office of the U.S. Global AIDS Coordinator (OGAC) on how to count ART service outlets<sup>13</sup> when a pharmacy providing antiretroviral drugs receives HIV-positive patients from multiple health clinics and hospitals, where drugs are prescribed and clinical monitoring is performed<sup>14</sup>. OGAC advised the country team to continue using its current operational definition—which counts clinics and hospitals as ART service outlets and does not count

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<sup>13</sup> As stated in the audit report, OGAC defines ART service outlets as the lowest level of unit, such as a hospital, clinic, or mobile unit, where therapeutic activities including the provision of antiretroviral drugs and clinical monitoring are provided to those with the HIV infection.

<sup>14</sup> In Cote d'Ivoire, the USG PEPFAR country team has operationalized the definition as a site where antiretroviral drugs are prescribed as part of patients' clinical monitoring. This therapy may occur at reference hospitals, district hospitals, health centers, or health posts. Upon receiving medical services, clients may proceed to pharmacies to obtain drugs as necessary; however, a "service outlet" is not the same thing as a "pharmacy dispensing ARV drugs." Depending on the size of the service outlet, a pharmacy may be co-located onsite, or patients may access drugs from a nearby hospital or district pharmacy.

pharmacies—based on the this indicator definition and Cote d'Ivoire's specific situation (Attachment 6.3).

**Actions planned:**

1. The USG PEPFAR country team plans to provide written directives requiring that partners periodically test their own and their sub-recipients' data to help ensure that good quality data is reported to PEPFAR. These directives are expected to be completed and sent to partners by the end of May 2009.

The above constitutes measures taken and planned to ensure Recommendation 6 is addressed. Therefore, Mission Management recommends that Recommendation 6 be closed.

***Recommendation No .7: We recommend that USAID/West Africa develop a procedure for implementers to establish and maintain a comprehensive list of antiretroviral therapy service outlets that dispense antiretroviral drugs, including the name of the implementer, the name of the donor providing financial support, and the source of the data concerning the number of patients undergoing treatment.***

**Actions taken:**

1. The USG PEPFAR country team developed a comprehensive table that includes the name of the ART service outlets, the name of the implementer, and the number of patients undergoing treatment. This list is updated quarterly by implementing partners ACONDA and EGPAF.

**Actions planned:**

2. The USG PEPFAR country team will revise the monitoring table to incorporate the name of the donor providing financial support and the source of the data concerning the number of patients undergoing treatment. This revised version will be sent to implementing partners (EGPAF and ACONDA) with directives on how to modify their reporting accordingly, by the end of April 2009.

The above constitutes measures taken and planned to ensure Recommendation 7 is addressed. Therefore, Mission Management recommends that Recommendation 7 be closed.

***Recommendation No. 8: We recommend that USAID/West Africa develop a plan of action with the Partnership for Supply Chain Management to quantify the surplus of antiretroviral commodities and identify a mechanism to use the commodities before they expire.***

**Actions taken:**

1. The Partnership worked with the in-country PEPFAR staff and the Government of Cote d'Ivoire to perform a detailed analysis of stock on hand, including surplus. Of the \$1,516,606 surplus of antiretroviral commodities ordered (in excess) for delivery to Cote d'Ivoire in fiscal year 2007, stock valued at \$845,413 was either canceled or diverted to other countries, leaving a balance of \$671,194 (Attachment 8.1).
2. Of the \$904,854 in ARVS purchased (in excess) and actually delivered to the Public Health Pharmacy by the Partnership, a total of \$36,036 was delivered to Harvard University in Nigeria (Attachment 8.2). Additional surplus of products valued at

\$331,098 could not be transferred owing to expiration dates and stock levels at potential transfer sites.

**Actions planned:**

1. By the end of April 2009, The Partnership will submit to the Mission and the USG country team a detailed plan for how remaining commodities will be destroyed once they expire in May and June 2009.
2. For the future, the schedule of six-month inventory checks and recalibration will serve as a vehicle to prevent overstocks and, in the cases where they occur, to identify the problem with sufficient lead time to liquidate or transfer any excess.

The above constitutes measures taken and planned to ensure Recommendation 8 is addressed. Therefore, Mission Management recommends that Recommendation 8 be closed.

***Recommendation No. 9: We recommend that USAID/West Africa, in conjunction with the Government of Côte d'Ivoire, make a determination regarding the use and disposition of the funds already collected and deposited in the Public Health Pharmacy account or maintained by the health facilities.***

**Actions planned:**

1. The U.S. Ambassador, PEPFAR Coordinator and head of the Global Fund's Country Coordinating Mechanism plan to send a letter to the minister of finance to urge him to approve and implement the Government of Cote d'Ivoire's July 2007 ministerial decree which established a formula for redistributing the collected funds among antiretroviral service outlets. This action is expected to be completed by the end of May 2009.
2. The U.S. Ambassador, PEPFAR Coordinator and head of the Global Fund's Country Coordinating Mechanism plan to meet concurrently with the ministers of health and of finance to petition for the approval and implement the Government of Cote d'Ivoire's July 2007 ministerial decree which established a formula for redistributing the collected funds among antiretroviral service outlets. This action is expected to be completed by the end of May 2009.

The above constitutes measures planned to ensure Recommendation 9 is addressed. Therefore, Mission Management recommends that Recommendation 9 remain open until planned actions are implemented.

**Additional comments:**

While it agrees that actions should be taken on the recommendations made by the Office of the Inspector General, the Mission would like to clarify inaccurate information found in the audit report. The Mission would also like to comment on the language in Recommendation 9.

*Page 3, Paragraph 2:* The Mission would like to add a critical piece of background information regarding the Agency's contractual agreement with the Partnership. Since the audit was part of a global audit of USAID's procurement and distribution of commodities for multi-country for PEPFAR, the Mission suggests the following paragraph—extracted from Inspector General's audit of USAID/Zambia's procurement and distribution of commodities for PEPFAR (Report No. 9-611-08-007-P) – be included in the Background section of the audit report:

In September 2005, USAID contracted with the Partnership for Supply Chain Management (the Partnership) to procure commodities for the care and treatment of HIV/AIDS and related infections, and to provide related technical assistance. This USAID/Washington-managed contract has a ceiling price of \$7 billion. USAID/Washington's contracting officer issues task orders against the contract as needs become defined. The first task orders called for up to \$652 million over 3 years to procure and distribute antiretroviral drugs and other commodities and to provide technical assistance for supply chains. Missions access the task orders by allocating mission funding to the contract. The task orders have estimated completion dates of September 29, 2008.<sup>15</sup>

Furthermore, in light of the above paragraph, the Mission would like to appeal to the Inspector General to consider the applicability of the paragraph below to USAID/West Africa's procurement and distribution of commodities for PEPFAR in Cote d'Ivoire:

We are not making a recommendation regarding the need for a USAID policy clearly delineating the scope and the limitations of the activity manager's role when involved in a USAID/Washington-managed contract to which the mission allocates field support. This issue is beyond the scope of this audit. The Office of Inspector General will explore this issue in the report summarizing the series of similar audits being conducted during fiscal year 2008, should the issue be noted as a concern in the other audits.<sup>16</sup>

*Page 4, First bullet:* The Mission would like to clarify that the USAID/West Africa Mission Director is based in Accra and is therefore not part of the PEPFAR in-country team.

*Page 5, First bullet:* While it has served as a "budget pass-through" for funds allocated to other PEPFAR implementing mechanisms, the Mission did not serve as a "budget pass-through" for funds allocated to the Partnership for the procurement and distribution of commodities in Cote d'Ivoire. The Mission never received or allocated funding for the Partnership.

*Page 12, Recommendation No. 2:* The Mission would like to clarify that the Partnership trains the "district" pharmacies. "Regional" pharmacies, as stated in report, do not exist in Cote d'Ivoire.

*Page 12, Recommendation No. 3:* The Mission would like to clarify that the Partnership never made plans to build a new regional warehouse in Cote d'Ivoire as stated in the report (page 9, second paragraph). The Partnership's contract with USAID expressly forbids any construction. The new warehouse in question has been built by the Public Health Pharmacy using its own resources. The Partnership's plans were limited to upgrading storage equipment, conditions and information technology and stock management systems in the new warehouse.

*Page 18, Recommendation No. 9:* The Mission and the U.S. Ambassador to Cote d'Ivoire would strongly recommend the Office of the Inspector General reword Recommendation No. 9. In our view, the USG PEPFAR country team (including the

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<sup>15</sup> Office of Inspector General, Audit of USAID/Zambia's Procurement and Distribution of Commodities for the President's Emergency Plan for AIDS Relief (Report No. 9-611-08-007-P), May 30, 2008, page 3.

<sup>16</sup> Office of Inspector General, Audit of USAID/Zambia's Procurement and Distribution of Commodities for the President's Emergency Plan for AIDS Relief (Report No. 9-611-08-007-P), May 30, 2008, page 13.

Embassy, USAID/West Africa, and CDC/Cote d'Ivoire) should not, even in conjunction with the Government of Cote d'Ivoire, make a retroactive determination regarding the use and disposition of funds already collected and deposited in the Public Health Pharmacy. The USG PEPFAR country team agrees that it should lobby the Government of Cote d'Ivoire on the use of the funds. However, the USG has no means of ensuring that any determination would be executed. The audit report should avoid committing the USG to do something that it has no means of enforcing. Hence, the USG PEPFAR country team strongly recommends Recommendation No. 9 be reworded as follows:

Recommendation No. 9: We recommend that USAID/West Africa, in conjunction with the U.S. Ambassador to Cote d'Ivoire, petition for the Government of Côte d'Ivoire to make a determination regarding the use and disposition of the funds already collected and deposited in the Public Health Pharmacy account or maintained by the health facilities.

# REPORTED AND DOCUMENTED RESULTS

**Table 4. Number of Individuals Receiving Antiretroviral Treatment as of September 30, 2007, at Alliance Nationale Contre le SIDA en Côte d'Ivoire (See table on page 13)**

<b>ACONDA Sites</b>	<b>Reported Results</b>	<b>Documented Results</b>	<b>Variance</b>	<b>Percentage Over (Under) Reported</b>
Centre de Prise en Charge de Recherche et de Formation	3,044	2,114	930	44.0%
Hôpital Général Abobo Sud	450	302	148	49.0%
Koun-Fao	0	0	0	0.0%
Tankessé	0	0	0	0.0%
Hôpital Méthodiste de Dabou	946	459	487	106.1%
Centre Nazaréen	182	166	16	9.6%
Hôpital Général Anyama	222	127	95	74.8%
Centre Nationale de Transmission Sanguine	653	402	251	62.4%
<b>Total</b>	<b>5,497</b>	<b>3,570</b>	<b>1,927</b>	<b>54.0%</b>

**Table 5. Number of Individuals Receiving Antiretroviral Treatment as of September 30, 2007, at the Elizabeth Glaser Pediatric AIDS Foundation (See table on page 13)**

<b>EGPAF Sites</b>	<b>Reported Results</b>	<b>Documented Results</b>	<b>Variance</b>	<b>Percentage Over (Under) Reported</b>
Hôpital Général Koumassi	165	179	(-14)	(-7.8%)
Centre Hospitalier Universitaire de Treichville	4,757	3,238	1,519	46.9%
Centre Intégré de Recherches Biocliniques d'Abidjan	2,150	1,441	709	49.2%
Ste Thérèse de l'Enfant Jésus	66	0	66	100.0%
Port Böuet	157	273	(-116)	(-42.5%)
District d'Abengourou	987	528	459	86.9%
Hôpital General Adzopé	151	111	40	36.0%
District d'Agnibilekrou	273	252	21	8.3%
Centre Hospitalier Universitaire de Cocody	1,273	610	663	108.7%
<b>Total</b>	<b>9,979</b>	<b>6,632</b>	<b>3,347</b>	<b>50%</b>

**U.S. Agency for International Development**  
**Office of Inspector General**  
1300 Pennsylvania Avenue, NW  
Washington, DC 20523  
Tel: 202-712-1150  
Fax: 202-216-3047  
[www.usaid.gov/oig](http://www.usaid.gov/oig)