

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**THE CENTERS FOR DISEASE CONTROL
AND PREVENTION'S SOUTH AFRICA
OFFICE GENERALLY IMPLEMENTED OUR
PRIOR AUDIT RECOMMENDATION**

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A-04-18-01009

Office of Inspector General

<https://oig.hhs.gov>

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OFFICE OF AUDIT SERVICES FINDINGS AND OPINIONS

The designation of financial or management practices as questionable, a recommendation for the disallowance of costs incurred or claimed, and any other conclusions and recommendations in this report represent the findings and opinions of OAS. Authorized officials of the HHS operating divisions will make final determination on these matters.

Report in Brief

Date: April 2019

Report No. A-04-18-01009



Why OIG Did This Review

The President's Emergency Plan for AIDS Relief (PEPFAR) was authorized to receive \$48 billion in funding for the 5-year period beginning October 1, 2008, to assist foreign countries in combating HIV/AIDS, tuberculosis, and malaria. Additional funds were authorized to be appropriated through 2023.

The act that implemented PEPFAR requires the Department of Health and Human Services (HHS), Office of Inspector General, to provide oversight of PEPFAR. To meet this requirement, we have conducted a series of audits of organizations receiving PEPFAR funds from HHS, Centers for Disease Control and Prevention (CDC).

Our objective was to determine whether CDC-South Africa (CDC-SA) implemented our prior audit recommendation.

How OIG Did This Review

Our audit covered the budget periods from October 1, 2014, through September 30, 2017 (audit period). We reviewed the six cooperative agreements (CoAgs) for the four recipients located in Pretoria and Johannesburg, South Africa, during the audit period. During the audit period, CDC awarded six CoAgs totaling \$32 million to the four recipients. Our focus was on the implementation of our prior recommendation during fiscal years 2015, 2016, and 2017.

The Centers for Disease Control and Prevention's South Africa Office Generally Implemented Our Prior Audit Recommendation

What OIG Found

CDC-SA generally implemented corrective actions for the recommendation from our prior audit report. CDC-SA provided documentation supporting that it had monitored most of its recipient CoAgs. However, CDC-SA was still missing some documentation supporting its remaining monitoring activities. In our current audit, three of the six CoAgs that CDC-SA monitors contained five monitoring activities that were not supported by documentation.

The documentation deficiencies we identified occurred primarily because CDC-SA did not always use a CoAg tracking process, such as a grant file checklist, that staff members could fill out at the end of a CoAg budget period to ensure that CDC-SA had completed and filed in a timely manner all required documentation of reviews. Additionally, CDC-SA did not periodically review and update its standard operating procedures to include changes and specific procedures for monitoring the recipient CoAgs.

What OIG Recommends and CDC-SA's Comments

We recommend that CDC-SA (1) continue to strengthen its CoAg tracking process by consistently completing a grant file checklist at the end of the CoAg's budget period and (2) update and review its SOPs annually to include specific and clear procedures when changes in control activities occur for monitoring recipient CoAgs.

In written comments on our draft report, CDC-SA concurred with our recommendations and provided information on actions that it would take to address our recommendations, such as:

- strengthening the CoAg tracking process to ensure that the appropriate staff completes CoAg reviews in a timely manner and maintains documentation of the reviews in the recipient CoAg file in the official system of record and
- reviewing the CoAg Management procedures annually and updating as appropriate to include specific and clear procedures when changes in control activities occur.

TABLE OF CONTENTS

INTRODUCTION1

 Why We Did This Review1

 Objective1

 Background1

 Centers for Disease Control and Prevention1

 Cooperative Agreements2

 Application of Federal Requirements2

 Centers for Disease Control and Prevention-South Africa2

 How We Conducted This Review3

FINDINGS3

 Implementation of Prior Recommendation4

 CDC-South Africa Generally Provided

 Documentation for Monitoring Recipient Cooperative Agreements5

 Reviewing Annual Progress Reports6

 Reviewing Expenditures and Federal Financial Reports6

 Reviewing Audit Reports7

 CDC-South Africa’s Corrective Actions Were Not Always Effective8

RECOMMENDATIONS9

CDC-SOUTH AFRICA COMMENTS9

APPENDICES

 A: Audit Scope and Methodology11

 B: Related Office of Inspector General Reports13

 C: Federal Requirements16

 D: CDC-South Africa Comments18

INTRODUCTION

WHY WE DID THIS REVIEW

The U.S. Congress authorized the President's Emergency Plan for AIDS Relief (PEPFAR) to receive \$48 billion in funding for the 5-year period beginning October 1, 2008, to assist foreign countries in combating HIV/AIDS, tuberculosis, and malaria.¹ Congress authorized additional funds to be appropriated through 2018.²

The Act requires the Department of Health and Human Services (HHS), Office of Inspector General (OIG), among others, to provide oversight of the programs implemented under the Act, including PEPFAR. To meet this requirement, we have conducted a series of audits of organizations receiving PEPFAR funds from HHS, Centers for Disease Control and Prevention (CDC).³ We selected CDC's South Africa office (CDC-SA) for review because our prior audit⁴ determined that CDC-SA did not always properly monitor recipients' use of PEPFAR funds.

OBJECTIVE

Our objective was to determine whether CDC-SA implemented our prior audit recommendation.

BACKGROUND

Centers for Disease Control and Prevention

As the U.S. science-based public health and disease prevention agency, CDC plays an essential role in implementing PEPFAR. CDC uses its technical expertise in public health science and longstanding relationships with ministries of health across the globe to work side by side with countries to build strong national programs and sustainable public health systems that can respond effectively to the global HIV/AIDS epidemic and to other diseases that threaten the health and prosperity of the global community.

¹ The Tom Lantos and Henry J. Hyde United States Global Leadership Against HIV/AIDS, Tuberculosis, and Malaria Reauthorization Act of 2008 (P.L. No. 110-293) (the Act).

² The PEPFAR Stewardship and Oversight Act of 2013 (P.L. No. 113-56). Funding has subsequently been authorized for 5 additional years.

³ Appendix B contains a list of related OIG reports.

⁴ Our prior audit report (A-04-12-04022) covered the budget period from April 1, 2009, through September 29, 2010.

Funded through PEPFAR, CDC's highly trained scientists work together with ministries of health and other partners in 60 countries to combat HIV/AIDS globally. Furthermore, CDC provides critical technical assistance to 18 additional countries.

Cooperative Agreements

For fiscal year (FY) 2017, CDC obligated PEPFAR funds totaling \$1.5 billion. CDC awarded these PEPFAR funds through cooperative agreements (CoAgs), which CDC uses in lieu of grants when it anticipates the Federal Government's substantial involvement with recipients in accomplishing the objectives of the agreements.⁵ As indicated in the Funding Opportunity Announcement (FOA), substantial involvement means that the recipient can expect substantial CDC programmatic collaboration or participation, beyond normal grant monitoring activities, in managing the award throughout the performance period.

Application of Federal Requirements

OMB Circular No. A-123 established an assessment framework based on the Government Accountability Office's (GAO) *Standards for Internal Control in the Federal Government* (Green Book) that managers must integrate into risk management and internal control functions. The Green Book includes 17 principles that represent requirements necessary to establish an effective internal control system.

For awards made prior to January 1, 2016, the HHS *Awarding Agency Grants Administration Manual* (the Manual) provided requirements for HHS staff members who managed grants and CoAgs. The Manual implemented the policies and procedures required by HHS's Grants Policy Directive. On January 1, 2016, HHS issued a new manual—the *Grants Policy Administration Manual* (GPAM)—which superseded the Manual for awards made on or after that date. Our audit period spanned the period in which the transition occurred. FY 2015 was subject to the Manual while FY 2017 was subject to the GPAM. FY 2016 was subject to the Manual from October 1, 2015, through December 31, 2015, until the GPAM took effect.⁶

Centers for Disease Control and Prevention-South Africa

Through the use of PEPFAR funds, the CDC-SA office supports the South African National Department of Health (the Ministry) with funding for HIV treatment services. The CDC-SA office also provides a comprehensive combination prevention strategy. Using a data-driven approach, this strategy is tailored to the unique characteristics of the local epidemic to boost health impact. Activities include the expansion of prevention services, including the prevention of mother-to-child transmission of HIV, antiretroviral therapy, and voluntary medical male

⁵ The regulations that apply to Federal grants also apply to CoAgs.

⁶ We used the Manual and the GPAM to determine CDC's responsibilities regarding proper monitoring of recipients' use of PEPFAR funds.

circumcision. Other key activities include improving and expanding HIV counseling and testing services, tuberculosis/HIV integrated service delivery, early infant diagnosis, laboratory infrastructure development, and strengthening healthcare systems.

For the budget periods included in FY 2015 through 2017, CDC obligated \$480.4 million to 31 recipients in South Africa. These recipients consisted of government agencies and both for-profit and nonprofit entities.

HOW WE CONDUCTED THIS REVIEW

Our audit covered the budget periods from October 1, 2014, through September 30, 2017 (audit period).⁷ We reviewed the six CoAgs for the four recipients located in Pretoria and Johannesburg, South Africa, during the audit period. For three CoAgs, the budget periods were for year 1 of a 5-year CoAg. For two CoAgs, these budget periods were for years 1 and 2 of a 5-year CoAg. For the remaining CoAg, these budget periods were for years 4 and 5 of a 5-year CoAg. During the audit period, CDC awarded six CoAgs totaling \$32 million to the four recipients. Our focus was on the implementation of our prior audit recommendation during the audit period.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix A contains the details of our scope and methodology, and Appendix C contains Federal requirements.

FINDINGS

CDC-SA generally implemented corrective actions for the recommendation from our prior audit report. CDC-SA provided documentation supporting that it had monitored most of its recipient CoAgs. However, CDC-SA was still missing some documentation supporting its remaining monitoring activities. (See Table 2.)

The documentation deficiencies we identified occurred primarily because CDC-SA did not always use a CoAg tracking process,⁸ such as a grant file checklist, that staff members could fill out at the end of a CoAg budget period to ensure that CDC-SA had completed and filed in a

⁷ For two of the recipients, our audit period spanned two different CoAgs. The remaining two recipients included one CoAg. There were a total of nine budget periods.

⁸ The corrective actions that CDC-SA said it would take in response to findings in our prior report stated that CDC-SA would develop a CoAg tracking system that would trigger automatic alerts to staff when financial status reports (FSRs), annual progress reports (APRs), and audit reports were due.

timely manner all required documentation of reviews. Additionally, CDC-SA did not periodically review and update its standard operating procedures (SOPs) to include changes and specific procedures for monitoring the recipient CoAgs.

IMPLEMENTATION OF PRIOR RECOMMENDATION

In comments on our prior audit report, CDC-SA concurred with our recommendation and described the corrective actions that it had taken to develop and implement “policies, procedures, and systems to improve and standardize cooperative agreement management practices,” including thoroughly documenting grantee oversight activities. (See Table 1.)

Table 1: OIG Prior Recommendation and CDC-South Africa Corrective Actions

OIG Prior Recommendation	CDC-South Africa Corrective Actions
Implement SOPs for monitoring recipient use of PEPFAR funds. These include, but are not limited to, documenting CDC-SA’s:	Established an Extramural Team in the CDC-SA office and added five staff positions dedicated to overseeing the planning and administration of CoAgs. ⁹ Developed a manual of SOPs that it reviews and updates annually for continued quality improvement. Established a rigorous training program to ensure staff has attended a full complement of classroom instruction, including periodic refreshers on grants management and administration, partner monitoring, and technical oversight. Also conducted monthly in-house sponsored trainings to review key aspects of CoAg management and proper use of SOP tools and automated systems.
<ul style="list-style-type: none"> • review of APRs; • review of expenditures and FSRs; • receipt and review of audit reports; and 	Developed a CoAg tracking system that triggers automated alerts to staff when FSRs, APRs, and audit reports are due.
<ul style="list-style-type: none"> • site visits, discussions, and meetings with recipients. 	Created a site-visit strategy and SOPs to ensure uniformity in site monitoring, including comprehensive documentation of site visits.

⁹ CDC established the Extramural Team in 2012 to assist both South Africa- and Atlanta-based staff in administrative oversight of all PEPFAR-funded CoAgs.

CDC-SOUTH AFRICA GENERALLY PROVIDED DOCUMENTATION FOR MONITORING RECIPIENT COOPERATIVE AGREEMENTS

CDC-SA provided documentation supporting that it had monitored most of its recipient CoAgS. However, despite the corrective actions that it had taken, such as developing a CoAg tracking system and annual SOPs, CDC-SA was still missing some documentation to support its remaining monitoring activities.

In our current audit, our sample included four recipients with six CoAg files¹⁰ covering nine budget periods. The 9 budget periods consisted of 5 areas of monitoring activity totaling 45 potential activities of monitoring. Of the 6 CoAgS, 3 CoAgS covering 5 budget periods contained 40 monitoring activities that were fully supported by documentation; however, the remaining 3 CoAgS covering 4 budget periods contained 5 monitoring activities that were not supported by documentation. (Table 2 provides a graphic representation of the unsupported CoAg monitoring activities. An “X” indicates an activity that CDC-SA did not support as monitored.)

Table 2: Unsupported Monitoring

			Monitoring Activity				
Recipients	CoAg Sample	Budget Periods	Annual Progress Reports	Federal Financial Reports	Expenditures	Audit Reports	Site Visits, Discussions, Meetings With Recipients
1	1	Year 1				X	
		Year 2					
2	2	Year 1					
		Year 2					
3	3	Year 1					
		Year 2					
4	4	Year 1				X	
		Year 2					
4	5	Year 4	X		X		
		Year 5			X		
	6	Year 1					
Total		9	1	0	2	2	0

¹⁰ A CoAg file includes the reporting and monitoring documentation such as the notice of award, Federal Financial Report (FFR), APR, audit reports, and correspondence.

Reviewing Annual Progress Reports

Prior Audit

In our prior audit, CDC-SA's files did not contain evidence that it had reviewed the APRs for 9 of its 10 PEPFAR recipients. We noted that the APRs for 2 of the 10 recipients were submitted more than 90 days after the budget period. Both were about 3 months late. In addition, CDC-SA had not obtained, nor was there evidence that it had attempted to obtain, the APR from the 10th recipient.

In response to our prior audit recommendation (Table 1), CDC-SA implemented SOPs¹¹ specifying that the project officer or activity manager is responsible for reviewing each APR received. Additionally, CDC-SA implemented an "APR template" to facilitate review of the recipient's APR. When targets are not met, the project officer or activity manager must note it on the prescribed APR template and follow up with the recipient until all identified weaknesses are satisfied. Furthermore, CDC-SA's Extramural Team created an internal CoAg SharePoint system for storing award documentation and managing individual CoAgs.

Current Audit

In our current audit, for four recipients with six CoAgs covering nine budget periods, CDC-SA's files did not contain evidence that it had reviewed the APR for one of the nine budget periods. CDC-SA was unable to locate its review of the APR.¹² CDC-SA stated that it was either misplaced during staff transition or not conducted at all.

Reviewing Expenditures and Federal Financial Reports

Prior Audit

In our prior audit, CDC-SA's files did not contain evidence that it had reviewed the annual FSRs for all 10 recipients. We noted that CDC-SA submitted the FSR for three of the recipients either before its budget period ended or more than 90 days after the budget period. For seven of the FSRs, there was no evidence that CDC-SA met with recipients either monthly or quarterly to assess expenditures or financial progress.

¹¹ The SOPs were titled *CDC-South Africa Standard Operating Procedures for Cooperative Agreement Management of PEPFAR Projects*. During our audit period, CDC-SA updated and finalized SOPs in October 2013 and July 2017.

¹² GPAM part H, chapter 2, § b.12 states the program office's annual assessment should consist of a review of the APR.

In response to our prior audit recommendation (Table 1), CDC-SA implemented SOPs specifying that it would:

- submit FFRs¹³ to the Procurement Grants Office (PGO)¹⁴ within 90 days after the end of the annual budget period,
- review the FFR before sending it to PGO, and
- review the recipient's expenditures.

Current Audit

In our current audit, CDC-SA provided evidence that it had reviewed FFRs for all four recipients with six CoAgs covering nine budget periods.

Although it had reviewed the FFRs for nine budget periods, CDC-SA's files did not contain evidence that it had reviewed the recipient expenditures for two of the nine budget periods.¹⁵ In response to our prior review, CDC-SA implemented a *Budget vs. Actual Expenditures* template in September 2015 designed to promote the process of reviewing expenditures. However, CDC-SA did not update SOPs to include an expenditure review process until July 2017.

Reviewing Audit Reports

Prior Audit

In our prior audit, CDC-SA's files did not contain evidence that it had reviewed the annual audit reports for 7 of the 10 recipients. CDC-SA did not receive two of these seven audit reports until 15 to 18 months after the end of the recipients' FY. In addition, CDC-SA did not obtain the annual audit reports from three recipients.

In response to our prior audit recommendation (Table 1), CDC-SA implemented SOPs that required the recipients to complete and submit for review their annual audit reports to CDC PGO and the CDC-SA Extramural Team. The recipients had to submit these audit reports within the earlier of 30 days after receipt of the auditors' reports or 9 months after the end of the audit period.

¹³ The FSR was changed to the Federal Financial Report (FFR) on February 1, 2011.

¹⁴ CDC changed the name of this office to CDC Office of Grants Services (OGS) in 2015; OGS is located at CDC headquarters in Atlanta.

¹⁵ The FOA states that program officials are responsible for monthly monitoring of grantee expenditures.

In further response to our prior audit recommendation, CDC-SA implemented an *Annual Audit Report Review* (AAR) template, intended to facilitate review of the recipient’s annual audit report. The AAR template required the CDC-SA Extramural Team and the project officer to review each audit report received and to provide any necessary feedback or guidance to the recipient to address any weaknesses identified in the report.¹⁶

Current Audit

In our current audit, for the four recipients with six CoAgs covering nine budget periods, CDC-SA’s files did not contain sufficient evidence that it had reviewed audit reports for two CoAgs covering two budget periods.¹⁷

For one budget period, CDC-SA was unable to locate the signed AAR template that confirmed that it had reviewed the audit report. CDC-SA stated that the missing AAR template was due to constant staff transition. Although the SOPs did not indicate the required time limit in which to review a recipient’s audit report, CDC-SA stated that it typically reviews audit reports within 30 days of receipt.

For another budget period, CDC-SA did not review the audit report that a recipient submitted late to OGS and CDC-SA. CDC-SA is currently investigating why it did not complete the audit review.

CDC-South Africa’s Corrective Actions Were Not Always Effective

The documentation deficiencies occurred primarily because CDC-SA’s CoAg tracking process was not always effective. For example, CDC-SA could have completed a grant-file checklist at the end of the CoAg’s budget period to ensure that all required review documents were completed in a timely manner and maintained in the recipient’s CoAg file.¹⁸ The corrective actions from the prior report stated that CDC-SA would develop a CoAg tracking system that would trigger automatic alerts to staff when FSRs, APRs, and audit reports were due. However, the contract for the system that CDC-SA developed expired in 2014, and CDC-SA replaced it with the current SharePoint system that does not include the automated alert features.

¹⁶ In CDC-SA (and other in-country offices), each CoAg is assigned a project officer who is responsible for the overall programmatic aspects of assigned CoAgs.

¹⁷ GPAM Part I, chapter 1, §§ b.3 and b.17 state that the OPDIV must determine the availability of the most recently required audit report and review it at least annually as a regular part of monitoring.

¹⁸ Green Book, *Control Activities*, “Principle 12 Implement Control Activities,” 12.02 & 12.04, “Documentation of Responsibilities Through Policies” emphasizes the internal control responsibilities, timing of control activities, and followup corrective actions to be performed when deficiencies are identified.

Additionally, CDC-SA did not periodically review and update its SOPs to include changes and specific procedures on control activities for monitoring recipient CoAgs, such as the expenditure template review and time limits for reviewing the AAR template.¹⁹ The corrective actions from the prior report stated that CDC-SA would review and update the SOPs annually. However, CDC-SA did not update and finalize the SOPs dated October 2013 until July 2017, almost 4 years after the previously updated SOPs.

If CDC-SA does not thoroughly review the recipient CoAgs, it will not know whether the recipients achieved the goals and objectives of the program, whether PEPFAR expenditures are used as CDC intended, or the financial condition of the recipient.

RECOMMENDATIONS

We recommend that CDC-SA continue to:

- strengthen its CoAg tracking process, by consistently completing a grant file checklist at the end of the CoAg's budget period, to ensure that reviews of the CoAgs are:
 - completed by the appropriate staff,
 - completed in a timely manner, and
 - maintained in the recipient CoAg file and
- update and review its SOPs annually to include specific and clear procedures when changes in control activities occur for monitoring recipient CoAgs, such as, but not limited to, review of the expenditures and the time limit of the audit report review.

CDC-SOUTH AFRICA COMMENTS

In written comments on our draft report, CDC-SA concurred with our recommendations.

CDC-SA provided information on actions that it would take to address our recommendations, such as:

- strengthening the CoAg tracking process to ensure that the appropriate staff completes CoAg reviews in a timely manner and maintains documentation of the reviews in the recipient CoAg file in the official CDC system of record and

¹⁹ In addition to Green Book, *Control Activities*, "Principle 12 Implement Control Activities," 12.02 & 12.04, section 12.05, "Periodic Review of Control Activities" emphasizes for management the requirement to periodically review policies, procedures, and related control activities.

- reviewing the CoAg Management procedures annually and updating as appropriate to include specific and clear procedures when changes in control activities occur.

CDC-SA's comments are included in their entirety as Appendix D.

APPENDIX A: AUDIT SCOPE AND METHODOLOGY

SCOPE

Our audit focused on CDC-SA's implementation of our prior audit recommendation by reviewing CoAgs for certain recipients in South Africa for the budget period from October 1, 2014, through September 30, 2017 (audit period). We selected for review a judgmental sample of four²⁰ recipients, with six CoAgs, that CDC-SA monitored during our audit period.

We limited our review of internal controls to those related to our objective. We conducted fieldwork at the CDC-SA office in Pretoria, South Africa, in May 2018.

METHODOLOGY

To accomplish our objective, we:

- reviewed relevant Departmental regulations, HHS guidance, FOAs, notices of award, CDC-SA policies and procedures, our prior OIG audit report, and the Official Clearance Document;
- created questionnaires, reviewed responses, and interviewed CDC-SA officials regarding:
 - internal controls over recipient management of PEPFAR funds;
 - the extent of technical assistance provided to recipients;
 - whether CDC-SA officials provided guidance to recipients about the Protecting Life in Global Health Assistance²¹ policy; and
 - whether CDC-SA officials implemented the recommendation from our prior audit report and, if so, the corrective actions taken;
- selected a judgmental sample of four recipients totaling about \$32 million, which CDC awarded through six CoAgs, and reviewed the contents of CDC-SA's CoAg files related to those awards;
- interviewed CDC-SA officials concerning award files for the CoAgs reviewed to determine whether SOPs had been implemented and documentation was complete;

²⁰ Although there were 31 recipients of PEPFAR funds in South Africa, we reviewed 4 recipients located in Pretoria and Johannesburg, South Africa. For our audit period, CDC awarded the four recipients \$32,060,805 of the \$480 million obligated to recipients in South Africa.

²¹ The policy prohibits foreign non-governmental organization recipients from using PEPFAR funds to perform abortions as a method of family planning.

- reviewed the official award file at CDC-SA for reporting and monitoring documentation (e.g., the Notice of Award, the FFR, APRs, correspondence, and audit reports);
- reviewed CDC-SA's process for obtaining and reviewing recipient FFRs, APRs, and audit reports;
- reviewed CDC-SA's process for conducting and documenting site visits, meetings, and discussions with award recipients;
- visited four recipients of PEPFAR CoAgs that provided education, counseling, or treatment on HIV/AIDS prevention to determine the oversight provided by CDC-SA; and
- discussed our audit results with CDC-SA officials.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

APPENDIX B: RELATED OFFICE OF INSPECTOR GENERAL REPORTS

AUDITS OF THE PRESIDENT’S EMERGENCY PLAN FOR AIDS RELIEF FUNDS

Report Title	Report Number	Date Issued
<i>The Centers for Disease Control and Prevention’s Namibia Office Implemented Our Prior Audit Recommendations</i>	<u>A-04-18-01008</u>	10/2018
<i>The South African National Department of Health Did Not Always Manage and Expend the President’s Emergency Plan for AIDS Relief Funds in Accordance With Award Requirements</i>	<u>A-04-17-01002</u>	5/2018
<i>The National Institute of Health in Mozambique Did Not Always Manage and Expend the President’s Emergency Plan for AIDS Relief Funds in Accordance With Award Requirements</i>	<u>A-04-16-04051</u>	4/2018
<i>Aurum Institute Generally Managed and Expended the President’s Emergency Plan for AIDS Relief Funds in Accordance With Award Requirements</i>	<u>A-04-17-01003</u>	3/2018
<i>The Ministry of Health and Social Welfare National AIDS Control Program Did Not Always Manage and Expend the President’s Emergency Plan for AIDS Relief Funds in Accordance With Award Requirements</i>	<u>A-04-16-04044</u>	8/2017
<i>Ariel Foundation Against Pediatric AIDS Managed and Expended the President’s Emergency Plan for AIDS Relief Funds in Accordance With Award Requirements</i>	<u>A-04-16-04052</u>	6/2017
<i>Management and Development for Health Did Not Always Manage the President’s Emergency Plan for AIDS Relief Funds in Accordance With Award Requirements</i>	<u>A-04-16-04045</u>	6/2017
<i>Mildmay Uganda Did Not Always Manage the President’s Emergency Plan for AIDS Relief Funds in Accordance With Award Requirements</i>	<u>A-04-15-04039</u>	3/2017
<i>Medical Access Uganda Limited Generally Managed the President’s Emergency Plan for AIDS Relief Funds in Accordance With Award Requirements</i>	<u>A-04-15-04040</u>	6/2016
<i>The Centers for Disease Control and Prevention Did Not Award President’s Emergency Plan for AIDS Relief Funds for 2013 in Compliance With Applicable HHS Policies</i>	<u>A-04-14-04021</u>	5/2016

Report Title	Report Number	Date Issued
<i>The Ethiopian Public Health Institute Did Not Always Manage the President's Emergency Plan for AIDS Relief Funds or Meet Program Goals in Accordance With Award Requirements</i>	A-04-13-04017	1/2015
<i>The Ethiopian Public Health Association Generally Managed the President's Emergency Plan for AIDS Relief Funds but Did Not Always Meet Program Goals in Accordance With Award Requirements</i>	A-04-13-04016	10/2014
<i>The Centers for Disease Control and Prevention Generally Achieved Its Main Goals Related to Certain HIV/AIDS Prevention, Treatment, and Care Activities Under the Partnership Framework in Ethiopia</i>	A-04-13-04011	10/2014
<i>The Federal Democratic Republic of Ethiopia, Ministry of Health, Did Not Always Manage President's Emergency Plan for AIDS Relief Funds or Meet Program Goals in Accordance With Award Requirements</i>	A-04-13-04015	9/2014
<i>The Republic of Zambia, Ministry of Health, Did Not Always Manage the President's Emergency Plan for AIDS Relief Funds or Meet Program Goals in Accordance With Award Requirements</i>	A-04-13-04004	6/2014
<i>The University of Zambia School of Medicine Did Not Always Manage President's Emergency Plan for AIDS Relief Funds or Meet Program Goals in Accordance With Award Requirements</i>	A-04-13-04010	4/2014
<i>The University Teaching Hospital (in Zambia) Generally Managed the President's Emergency Plan for AIDS Relief Funds and Met Program Goals in Accordance With Award Requirements</i>	A-04-13-04005	3/2014
<i>National Health Laboratory Service Did Not Always Manage President's Emergency Plan for AIDS Relief Funds or Meet Program Goals in Accordance With Award Requirements</i>	A-05-12-00024	8/2013
<i>Aurum Institute for Health Research Did Not Always Manage President's Emergency Plan For AIDS Relief Funds or Meet Program Goals in Accordance With Award Requirements</i>	A-05-12-00021	8/2013
<i>The South African National Department of Health Did Not Always Manage President's Emergency Plan for AIDS Relief Funds or Meet Program Goals in Accordance With Award Requirements</i>	A-05-12-00022	8/2013

Report Title	Report Number	Date Issued
<i>The Southern African Catholic Bishops' Conference AIDS Office Generally Managed President's Emergency Plan for AIDS Relief Funds and Met Program Goals in Accordance With Award Requirements</i>	A-05-12-00023	7/2013
<i>The Vietnam Administration for HIV/AIDS Control Did Not Always Manage the President's Emergency Plan for AIDS Relief Funds or Meet Program Goals in Accordance With Award Requirements</i>	A-06-11-00057	6/2013
<i>The Centers for Disease Control and Prevention's Vietnam Office Generally Monitored Recipients' Use of the President's Emergency Plan for AIDS Relief Funds</i>	A-04-12-04023	4/2013
<i>Potentia Namibia Recruitment Consultancy Generally Managed the President's Emergency Plan for AIDS Relief Funds and Met Program Goals in Accordance with Award Requirements</i>	A-06-11-00056	4/2013
<i>The Centers for Disease Control and Prevention's South Africa Office Did Not Always Properly Monitor Recipients' Use of the President's Emergency Plan for AIDS Relief Funds</i>	A-04-12-04022	2/2013
<i>The Republic of Namibia Ministry of Health and Social Services Did Not Always Manage the President's Emergency Plan for AIDS Relief Funds or Meet Program Goals in Accordance With Award Requirements</i>	A-04-12-04019	1/2013
<i>The Centers for Disease Control and Prevention's Namibia Office Did Not Always Properly Monitor Recipients' Use of the President's Emergency Plan for AIDS Relief Funds</i>	A-04-12-04020	11/2012
<i>Review of the Centers for Disease Control and Prevention's Oversight of the President's Emergency Plan for AIDS Relief Funds for Fiscal Years 2007 Through 2009</i>	A-04-10-04006	6/2011

APPENDIX C: FEDERAL REQUIREMENTS

Grants Policy Administration Manual, Part H, Chapter 2, § b.12

The Program Office's annual assessment should consist of a review, statement, and signed acknowledgement of the APR. The statement should indicate the recipient's overall progress (acceptable or otherwise) and whether there are known issues.

Grants Policy Administration Manual, Part I, Chapter 1, §§ b.3 and b.17

The OPDIV must determine the availability of the most recent required audit report and review it, as appropriate, for possible effect on the pending and current awards. OPDIVs must review current and previous audit reports prior to awarding a new, continuation, or supplemental award; at least annually as a regular part of monitoring; and at closeout.

Funding Opportunity Announcement

CDC staff are responsible for monthly monitoring of grantees' expenditures to determine whether expenditures relate to the cooperative agreement.

Office of Management and Budget Circular No. A-123, Attachment: Management's Responsibility for Enterprise Risk Management and Internal Control

The Circular also establishes an assessment process based on GAO's *Standards for Internal Control in the Federal Government* (known as the Green Book) that management must implement in order to properly assess and improve internal controls over operations, reporting, and compliance.

GAO-14-704G, Control Activities, Principle 12 Implement Control Activities, 12.02 & 12.04, Documentation of Responsibilities through Policies

Management documents in policies the internal control responsibilities of the organization.

Procedures may include the timing of when a control activity occurs and any follow-up corrective actions to be performed by competent personnel if deficiencies are identified.

GAO-14-704G, Control Activities, Principle 12 Implement Control Activities, 12.05, Periodic Review of Control Activities

Management periodically reviews policies, procedures, and related control activities for continued relevance and effectiveness in achieving the entity's objectives or addressing related risks.

APPENDIX D: CDC-SOUTH AFRICA COMMENTS



DEPARTMENT OF HEALTH AND HUMAN SERVICES

Public Health Service

Centers for Disease Control
and Prevention (CDC)
Atlanta GA 30333

TO: Inspector General, U.S. Department of Health and Human Services

FROM: Director, Centers for Disease Control and Prevention

DATE: March 7, 2019

SUBJECT: Office of the Inspector General Draft Report "The Centers for Disease Control and Prevention's South Africa Office Generally Implemented Our Prior Audit Recommendation" (A-04-18-01009)

The Centers for Disease Control and Prevention (CDC) submits the following response detailing planned actions regarding the Office of Inspector General (OIG) recommendations. As stated in the draft report, the objective of this review was to determine whether CDC-South Africa (CDC-SA) implemented prior audit recommendations for fiscal years 2015-2017. OIG found CDC-SA generally implemented corrective actions from the prior audit and made two new recommendations.

OIG Recommendation 1: CDC-SA continue to strengthen its Cooperative Agreement (CoAg) tracking process, by consistently completing a grant file checklist at the end of the CoAg's budget period, to ensure that reviews of the CoAg's are completed by the appropriate staff, completed in a timely manner, and maintained in the recipient CoAg file.

CDC Response 1: CDC concurs with the recommendation. CDC will strengthen the CoAg tracking process to ensure the CoAg reviews are completed by the appropriate staff, in a timely manner and maintained in the recipient CoAg file in the official CDC system of record, which is the Grants Management Module (GMM).

OIG Recommendation 2: CDC-SA update and review its SOPs annually to include specific and clear procedures when changes in control activities occur for monitoring recipient CoAg's, such as, but not limited to, review of the expenditures and the time limit of the audit report review.

CDC Response 2: CDC concurs with this recommendation. CDC-SA will review the CoAg Management procedures annually, and update as appropriate to include specific and clear procedures when changes in control activities occur.

CDC appreciates the opportunity to respond to the recommendations put forth by the OIG report and remains committed to continuing its proactive efforts to achieve and sustain the highest levels of fiscal and CoAg/grants management accountability. If you have any questions, please contact CDC's audit liaison, Dr. Janean Lomax, at jggao@cdc.gov

A handwritten signature in black ink that reads "Robert R. Redfield MD".

Robert R. Redfield, MD
Director, CDC