

Report in Brief

Date: September 2022

Report No. A-04-20-01019

U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES
OFFICE OF INSPECTOR GENERAL



Why OIG Did This Audit

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. Congress authorized additional funds to be appropriated through 2023.

Federal law requires HHS-OIG, among others, to provide oversight of the programs implemented under the law, including PEPFAR. To meet this requirement, we have conducted PEPFAR audits of Centers for Disease Control and Prevention (CDC) and its recipients.

Our objectives were to (1) assess any corrective actions CDC has taken to improve program operations at the National Institute of Health in Mozambique (the Institute) and (2) determine whether the Institute implemented recommendations from our previous audit.

How OIG Did This Audit

For our first objective, we reviewed supporting documents and conducted interviews to determine whether and how CDC completed the corrective actions it described in response to our November 2016 memorandum. For our second objective, we reviewed a judgmental sample of 30 transactions totaling \$828,685.

CDC's Corrective Actions Improved Program Operations at the National Institute of Health in Mozambique and Facilitated the Institute's Implementation of Prior OIG Audit Recommendations

What OIG Found

CDC's corrective actions, in response to our November 2016 memorandum, improved program operations at the Institute. Specifically, CDC took the following eight corrective actions, which we confirmed through our current audit: (1) designated the Institute a high-risk organization, (2) added special award conditions, (3) conducted a site visit in December 2016, (4) delayed new funding to the Institute, (5) conducted a risk and business system assessment in March 2018, (6) hired a project officer to manage the Government-to-Government portfolio in Mozambique, (7) worked with the Institute to ensure proper systems and practices are in place, and (8) employed a fiscal agent.

Of our 10 prior audit recommendations, 2 remained unimplemented when the current audit began: (1) refund to CDC \$431,458 of unallowable expenditures and (2) work with CDC to obtain value-added tax (VAT) reimbursement from the Government of Mozambique.

The Institute implemented the first recommendation by refunding \$5,287 per CDC's instruction. To implement the second, the Institute is seeking a refund from the Government of Mozambique of \$546,543 for the VAT it paid with PEPFAR funds from September 2012 through December 2015, when a new agreement was reached providing a framework for VAT reimbursement. During our audit period, the Institute tracked VAT payments and reported them to CDC quarterly for reimbursement requests.

What OIG Recommends and CDC Comments

This report includes no recommendations.

CDC appreciates the acknowledgement that the agency has successfully implemented all corrective actions in the current report.