

Report in Brief

Date: March 2024

Report No. A-04-21-01021

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



Why OIG Did This Audit

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 for fiscal years (FYs) 2014–2018, and again for FYs 2019–2023.

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

Our objective was to determine whether the Thailand Ministry of Public Health (the Ministry) managed and expended PEPFAR funds in accordance with award requirements.

How OIG Did This Audit

Our audit covered the budget periods from September 1, 2016, through August 31, 2019, which were the first 3 years of a 5-year umbrella cooperative agreement. During these budget periods, CDC awarded \$12,591,799 to the Ministry, of which \$7,824,824 was funded by PEPFAR. The Ministry reported \$5,763,340 of PEPFAR fund expenditures for the audit period. From these PEPFAR expenditures, we selected for review a stratified statistical sample of 60 transactions totaling \$511,850.

The Thailand Ministry of Public Health Managed PEPFAR Funds According to Federal Regulations but Internal Controls Could Be Improved

What OIG Found

The Ministry managed and expended PEPFAR funds in accordance with Federal requirements for all the 60 sample items we reviewed. However, the Ministry did not provide all of its supporting documentation, specifically timesheets, in a timely manner.

In addition, the Ministry did not establish and maintain effective internal controls over the award as required by Federal regulations. Specifically, it did not document in written policies certain reporting requirements for Federal awards.

The deficiencies we identified occurred because the Ministry did not consider timesheets to be financial documents and had no policies in place to address their retention. In addition, the Ministry lacked written policies and procedures regarding the Federal Financial Report (FFR) and audit report requirements for Federal awards.

What OIG Recommends and Ministry Comments

We recommend that the Ministry develop and implement policies and procedures that address retention of employee timesheets and FFR and audit reporting requirements for Federal awards.

In response to our draft report, the Ministry concurred with our recommendations. Regarding our first recommendation, to refund \$5,839 in unallowable PEPFAR expenditures, the Ministry provided documentation to support the PEPFAR expenditures we identified in our draft report as unallowable. As a result, we did not include the finding and related recommendation in this report.

With regard to our second recommendation, we appreciate the actions the Ministry indicated it has taken to address the retention of timesheets and the actions it plans to take concerning FFR and audit reporting requirements.