



# CDC's Country Management and Support Initiative

## Report Summary for October 2011 Country Management and Support Visit to Mozambique

### Background

As the U.S. science-based public health and disease prevention agency, the Centers for Disease Control and Prevention (CDC) plays an important role in implementing the U.S. President's Emergency Plan for AIDS Relief (PEPFAR) under the direction of the Department of State Office of the U.S. Global AIDS Coordinator. CDC uses its technical expertise in public health science and long-standing 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. All CDC global HIV/AIDS PEPFAR-related activities are implemented by the Division of Global HIV/AIDS (DGHA) in CDC's Center for Global Health.

### CDC's Commitment to Accountability

CDC/DGHA launched the Country Management and Support (CMS) initiative in 2011 to identify any challenges resulting from the rapid scale-up of complex PEPFAR/CDC programming as part of CDC's commitment to transparency and accountability. This initiative serves as a basis for ongoing, monitored quality improvement of CDC/DGHA's programs and operations through internal programmatic and financial oversight. CMS is a proactive response on the part of CDC to ensure that CDC/DGHA is supporting the Presidential Initiatives, Department of State, and Office of the U.S. Global AIDS Coordinator. The CMS strategy is designed to assess CDC/DGHA's accountability in the following key areas:

- **Intramural Resources:** Ensuring proper management and stewardship of financial resources, property, and human resources within CDC's overseas offices
- **Extramural Funding:** Ensuring responsible and accurate management of financial and other resources external to CDC's overseas offices
- **Public Health Impact:** Ensuring the delivery of consistently high quality interventions and technical assistance that positively impact the populations the program serves

### Mozambique Country Management and Support Visit

CDC/DGHA conducted a CMS visit to the CDC country office in Mozambique from October 24-28, 2011. The principal objectives of this CMS visit were to:

- Perform a CDC/DGHA headquarters assessment of internal controls in the field to ensure the highest level of accountability
- Provide clear feedback and support to the country office to improve current internal controls
- Refine, systematize, and modify CMS methodologies, processes, and associated tools for full implementation of the CMS across all CDC/DGHA-supported programs in the field

CDC/DGHA Headquarters (CDC/HQ) in Atlanta, Georgia assembled an intra-agency multidisciplinary team of eleven subject matter experts in the following areas to perform the CMS assessment: country management and operations, program budget and extramural management, grants management, financial management, and key technical program areas (e.g., treatment, prevention, research, science office).

## CMS Methodology

Following a thorough desk review of financial and technical documents, the CMS team conducted a five-day visit to the CDC/DGHA office in Mozambique (CDC/Mozambique), which included on-site reviews of financial documents, administrative and technical site visits with grantees, one-on-one meetings with staff, data quality spot checks, and reviews of internal financial controls at CDC and grantee offices. Assessment tools and checklists were developed by CMS leadership in consultation with subject matter experts at CDC/HQ. This methodology was designed to provide a “point in time” synopsis of CDC/Mozambique’s operations.

## Scope

CMS visits are designed to provide an overview of CDC/DGHA country programs and identify best practices and areas for improvement. These visits should not be considered comprehensive and are not intended to replace Inspector General audits. The scope of this CMS visit focused only on the CDC/DGHA portfolio of global HIV/AIDS activities implemented through PEPFAR.

## Program Background

With a population approaching 24 million and an adult HIV prevalence rate of 11.5%, Mozambique is one of PEPFAR’s fifteen original focus countries. CDC/DGHA opened an office and began supporting Mozambique in late 2000. PEPFAR is committed to supporting Mozambique’s public and private institutions to scale up treatment, prevention, and male circumcision programs, as well as mitigate the impact of HIV on children. With 60% of its population earning less than \$1.25 per day, public health achievements in Mozambique are often hampered by socio-economic limitations. Only two decades have passed since Mozambique emerged from a 16-year post-independence civil war, leaving profound poverty, underdevelopment, and lack of infrastructure. Despite these and other challenges to PEPFAR’s implementation, CDC/Mozambique has made major headway and currently supports approximately 46% of all Mozambicans in need to receive anti-retroviral therapy.

## Summary of Key Findings and Recommendations

### Program Administration and Technical Oversight

**Country Operations.** CDC/Mozambique demonstrates generally outstanding performance in the management and operations for the country office. Its motor pool, time and attendance, and personnel records and management policies are exemplary. Procedures for inventory and oversight of CDC intramural property appear generally good, although some computer equipment from the inventory could not be readily identified, and robust procedures were not demonstrated for disposing of and removing equipment from the inventory that are no longer in use. Financial management within the office, including use of petty cash funds, local procurement procedures, financial controls and oversight, and other financial controls, were within specifications. An earlier problem with the Deputy Director approving travel requests for the Country Director was corrected several months earlier.

Concerns from this CMS visit regarding intramural resources arose mainly in the area of human resources, including filling the current vacancies for both direct hire and locally employed staff, salary concerns for locally employed staff, and opportunities for training and career development. Long delays in filling key direct hire positions have left several staff covering more than one full time job, and have resulted in important delays in strategic objectives for the country office. A recurring grievance among locally employed staff was the impact of exchange rate fluctuations on cost of living. The loss in value of US dollars (since staff are paid in dollars) combined with the pay freeze is having negative consequences on salary satisfaction.

#### Recommendations:

- Senior management at CDC/Mozambique should prioritize working with the Embassy human resources team to brainstorm creative mechanisms for attracting local technical talent, with an eye to filling approximately ten vacancies on CDC/Mozambique's current organogram
- CDC/Mozambique should continue keeping the Embassy apprised of economic hardships that locally employed staff are experiencing. CDC/Mozambique senior management should explore with the Embassy human resources team options to best support employee wellbeing, such as periodic reviews of market pay, purchasing power surveys, or other economic analyses
- CDC/Mozambique should continue to more effectively identify and articulate the relevant training, mentoring, and career growth opportunities for locally employed staff and for CDC direct hire staff. CDC/Mozambique should establish policy and criteria for staff to take advantage of these opportunities.
- The slow process of hiring CDC direct hire staff via CDC/HQ should be addressed effectively by DGHA, CDC's Center for Global Health, and Atlanta Human Resource Center staff. The current delays in filling vacancies is weakening CDC's work in Mozambique

**Country Management.** CDC/Mozambique's HIV/AIDS program represents a generally well-balanced portfolio comprising substantial care and treatment activities, biomedical prevention efforts (especially prevention of mother-to-child transmission [PMTCT] of HIV and male circumcision), and health systems strengthening efforts. CDC/Mozambique has very strong technical staff, with in-depth technical and clinical knowledge and expertise in HIV/AIDS prevention, care and treatment. There is substantial involvement of the CDC/Mozambique technical staff with the grantees, and the collaboration and discussions between the CDC/Mozambique team and the grantees are uniformly described by the grantees as extremely valuable.

Key stakeholders for CDC's mission in Mozambique, including the Ministry of Health, US Embassy, and other USG Agencies, generally reported very favorably on the quality of CDC staff and the role of CDC in PEPFAR and in health more generally in Mozambique. There are complicated and sometimes conflictual negotiations regarding the PEPFAR plan, but less so than in many of the large-budget PEPFAR countries. The US Ambassador was highly supportive of CDC's role in PEPFAR and in Mozambique as generally representing a transparent and evidence-based approach. CDC/Mozambique has been a model in providing a supportive platform for other CDC initiatives, such as in planning for non-communicable diseases and for National Public Health Institutes.

**Technical Program Areas.** CDC/Mozambique initiated monthly meetings involving all USG clinical grantees, Ministry of Health, CDC/Mozambique, and USAID/Mozambique. These meetings are broadly valued in Mozambique as a venue for a standardizing performance assessment of USG grantees through routine data analysis of program indicators, and it is recommended that this experience be shared with PEPFAR teams in other countries as a potential best-practice model. The transition of the Track 1.0 ART program from international grantees to nationally-based grantees is underway. As a result, a complex matrix of agreements and funding mechanisms exists between US-based grantees, new local grantees, and direct funding and sub-awards to the Provincial Health Directorates, with sub-awards to district health authority. In that context, continuous capacity building will be needed at the provincial and district level for implementation of HIV care and treatment services and management, accounting, and reporting on both resources provided and results delivered.

#### Recommendation:

- CDC/Mozambique should develop a plan for strong coordination of CDC-supported activities on the provincial and district level, including the capacity building activities

PMTCT is a high priority for the Government of Mozambique and for PEPFAR, with substantial visibility and supplementary funding. Only one CDC staff person at CDC/Mozambique is designated to support the national PMTCT program, which does not appear sufficient. The Government of Mozambique has chosen to go forward with PMTCT efforts fully integrated into maternal and child health programs. That is its prerogative and a preferred approach, so long as that program truly delivers the PMTCT outputs and impacts as part of overall health impact of the integrated MCH program.

Recommendations:

- CDC/Mozambique should hire additional personnel to focus on PMTCT
- CDC/Mozambique should strategically increase PEPFAR efforts in the area of PMTCT, focusing on public health impacts rather than on programmatic inputs

A Field Epidemiology and Laboratory Training Program was successfully initiated in the past two years in Mozambique. Protocols and procedures are still needed for the type of ethical and scientific review required for programs funded by CDC resources.

Recommendation:

- The Field Epidemiology and Laboratory Training Program and the Associate Director for Science at CDC/Mozambique should develop clearance standard operating procedures for publications, protocols and thesis requirements

**Science Office.** Science regulatory protocols, procedures, and staffing are in place for most key functions of an Associate Director for Science Office, including review of research protocols, clearance of information products, lifting of grant restrictions put in place for science-related reasons, and publications of findings. All scientists meet science training requirements. A local (national) Ethical Review Board with a Federal Wide Assurance oversees all internationally-funded research. Science promotion and productivity at CDC/Mozambique is less successful. CDC/Mozambique has a large number of Public Health Evaluations funded by PEPFAR, but a relatively low production of peer-reviewed manuscripts. CDC/Mozambique has already planned for additional training in operational research and in writing of manuscripts, both of which training efforts appear excellent ideas..

Recommendation:

- The Associate Director for Science, in collaboration with the CDC/Mozambique Country Director and the Country Manager at CDC/HQ, should develop a strengthening plan for identifying priority scientific manuscripts and moving these manuscripts systematically into production, clearance, and submission

## Program Management

**Procurement and Grants.** The financial and management performance of nine grantees visited by CDC's Procurement and Grants Office (PGO) staff meets and often exceeds basic requirements. The grantees demonstrate adequate accounting systems, can produce requested financial reports, and back up accounting data regularly. The reports reflect appropriate accounting principles and practices. All grantees visited have timekeeping and personnel policies that meet USG and CDC requirements. All required audit records can be produced on request with the exception of one grantee, for which an audit is currently underway.

CDC grantees visited in Mozambique have appropriate budgetary control procedures in place, with adequate systems of checks and balances with regard to financial record keeping and procurement. There were instances in which resources in the grantee's budget had been redirected but for which there was not available

documentation of prior approval for the redirection by CDC/Mozambique and PGO. Property inventory is generally satisfactory at the grantees visited, although systems could be strengthened. Systems for approval and reimbursement of travel to grantee employees are in place and adequate.

Recommendations:

- CDC/Mozambique should ensure that all grantees maintain grantee policy and procedural manuals, financial records, etc. locally (in duplicate if needed) in both Portuguese and English to ensure compliance with National policy and further guard against violation of USG policies
- CDC/Mozambique should ensure that grantees seek and maintain documentation of prior approval for all redirections in excess of \$250,000 or 25% of the total budget. Grantees should inform CDC/Mozambique and PGO of all redirections

**Program Budget and Extramural Management.** CDC/Mozambique personnel demonstrate high proficiency in all critical aspects of managing cooperative agreements. Financial planning and reporting tools are used extensively and correctly to manage budgets and outlays according to CDC requirements. Both the CDC and Department of State budgeting and reporting tools are used and are integrated effectively within the CDC financial management team. The status of funds is reconciled on a monthly basis and CDC's budget is reconciled with the Department of State's COAST even more frequently. Senior financial staff and the Deputy Director meet monthly to review financial reports and the status of funds in various accounts, a practice that appears to be very effective, although a single, aggregate report would be a useful extension. CDC/Mozambique has an adequate system in place for requesting cabled funds to post and for systematically maintaining records of financial cables and post held funds. A plan for filling in when the Senior Financial Specialist is out of the office exists, but the designee does not participate in meetings sufficiently to allow for seamless operation in that specialist's absence.

Recommendations:

- CDC/Mozambique should establish and implement a process for reviewing and clearing prior year unliquidated obligations
- CDC/Mozambique should ensure that at least one of the grants management staff meets regularly with the Senior Financial Specialist and stays up-to-date on the program budget. This individual should be thoroughly cross-trained and able to provide full and seamless coverage for the Senior Financial Specialist in the event of an absence

CDC/Mozambique maintains on its shared drive an excellent and fairly complete electronic library of policies, standard operating procedures, report templates, and other documents and tools to support the high quality management of its extramural programs. Grant restrictions related to human subject considerations are tracked and Project Officers work proactively with grantees to lift restrictions. Additional training leading to Contracting Officer's Representative certification is recommended for Project Officers. Although the practice of meeting with the grantees' leadership at least monthly is excellent, greater systematization of the process of conducting visits to actual service delivery sites is advised.

Recommendation:

- CDC/Mozambique should standardize its protocol for visits to service delivery sites for each program area and revise their current site visit report template. CDC/Mozambique might consider adapting or drawing from HQ templates for site visits tools

### Financial Management

Interim findings by the CDC Financial Management Office (FMO) showed generally good performance in key areas such as: clear assignment of roles and responsibilities for managing and reconciling financial transactions, separation of duties for those managing financial transactions, adequate procedures for management of petty cash at the office, availability of appropriate supporting documentation for a sample of transactions that were reviewed during the visit, appropriate authorization and monitoring of any advances, and travel procedures for CDC staff.

### Next Steps

The CMS team shared their key findings and recommendations with the CDC/Mozambique office and CDC/HQ. The team also developed a scorecard for internal management use, which is populated with all of the issues identified during the visit, recommendations, due dates, and primary point of contact for each issue.