CDC's Country Monitoring and Accountability System II

Country Monitoring and Accountability System Visit to Zambia – December 10-14, 2012
Summary of Key Findings and Recommendations

Introduction

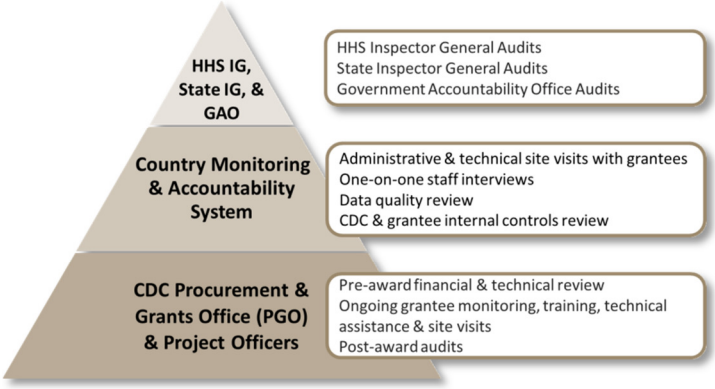
As the U.S. science-based public health and disease prevention agency, the Centers for Disease Control and Prevention (CDC) plays an important role in implementing the U.S. President's Emergency Plan for AIDS Relief (PEPFAR) under the direction of the Department of State's (DOS) Office of the U.S. Global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

CDC's Country Monitoring and Accountability System

CDC/DGHA launched the Country Monitoring and Accountability System (CMAS) in 2011 to identify challenges resulting from the rapid scale-up of complex CDC/PEPFAR programming as a part of CDC's commitment to transparency and accountability. This initiative serves as a basis for ongoing, monitored quality improvement of DGHA's programs and operations through internal programmatic and financial oversight. CMAS is a proactive response on the part of CDC to: 1) ensure accountability for global programs and proper stewardship of U.S. government resources by promoting explicit performance standards and defining expectations for bringing all components of program accountability up to the highest standards; 2) ensure DGHA is supporting DOS, OGAC, and the Presidential Initiatives; 3) serve as a basis for ongoing, monitored quality improvement; and 4) effectively prepare CDC for future oversight audits, congressional inquiries, and special data calls.

CDC Commitment to Accountability

Ensures optimal public health impact and fiscal responsibility



CDC also maintains a Global Management Council chaired by CDC's Chief of Staff which meets regularly to address cross-cutting issues related to the management and oversight of CDC's global programs.

The CMAS strategy was designed to systematically assess CDC's accountability and proper stewardship of U.S. government resources and provide feedback on key business and program operations 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

The first round of CMAS visits (formally known as Country Management and Support visits - CMS I) took place between February 2011 and March 2012 and assessed 35 country offices. A second round of CMAS visits (CMAS II) evaluated 30 country offices and one pilot. A few CMAS II visits were cancelled due to political unrest. CMAS II assessments occurred between June 2012 and June 2014 and increasingly emphasized supportive technical assistance to ensure continual quality improvement. In addition to the focus on CDC's PEPFAR program activities, CDC's Office of the Chief Financial Officer reviewed financial transactions for CDC's other global health programs.

Scope

CMAS II visits were designed to provide an overview of CDC country programs and identify good practices and areas for improvement. While the scope of these visits was primarily focused on CDC/DGHA's activities implemented through PEPFAR, other CDC global health programs were assessed in countries where they have a significant presence. Financial management activities were assessed for all CDC programs in-country. CMAS II visits were not considered comprehensive, nor were they intended to replace Inspector General audits.

Objectives

DGHA conducted a CMAS II visit to Zambia from December 10-14, 2012. The principal objectives of this CMAS visit were to:

- Perform a CDC headquarters assessment of internal controls in the field to ensure the highest level of accountability;
- Review intramural and extramural resource management to ensure financial stewardship of U.S. government funds;
- Generate a multidisciplinary snapshot of how CDC country offices are performing regarding programmatic effectiveness in the areas of AIDS-Free Generation Strategy, site visits, and data driven programs to ensure DGHA is achieving the greatest public health impact; and
- Provide clear feedback and technical assistance to the country office to improve current internal controls.

Methodology

CDC headquarters in Atlanta assembled a multidisciplinary team of 12 CDC subject matter experts in the following areas to perform the CMAS II assessment: financial management, program budget and extramural

resources, grants management, country management and operations, and strategic information.

The CMAS team conducted a five-day visit to the CDC/DGHA office in Zambia (CDC/Zambia). Following the core CMAS visit, CDC's Procurement and Grants Office provided additional technical assistance in grants management. CMAS team members reviewed financial and administrative documents at CDC and grantee offices and conducted administrative and technical grantee site visits, one-on-one meetings with staff, and data quality spot checks. Subject matter experts developed assessment tools and checklists at CDC headquarters in consultation with CDC field staff representatives. A standardized assessment instrument gauged performance using a four-level capability maturation scoring scale. Team members provided additional recommendations for quality improvement and noted good practices observed during the visit that will be shared across DGHA country programs. This methodology provides a "point-in-time" synopsis of CDC/Zambia's operations.

Background on Country Program

Zambia has a generalized and severe HIV/AIDS epidemic with an adult HIV prevalence estimated at 14.3% in the 2007 Demographic Health survey. For a decade, CDC has been working in Zambia to support the provision of antiretroviral therapy, prevention of mother-to-child transmission of HIV, HIV testing and counseling, voluntary medical male circumcision, and other health system strengthening activities. CDC/Zambia is also engaged in PEPFAR central initiatives, such as the Saving Mothers Giving Life and Pink Ribbon Red Ribbon campaigns. Beyond HIV programs, CDC/Zambia includes representation from the President's Malaria Initiative and is initiating a Field Epidemiology Training Program and new cooperative agreements with regional support from South Africa for Influenza Surveillance and might serve as one of the early National Public Health Institutes to be supported through designated PEPFAR funding.

Summary of Key Findings and Recommendations

Accountability for Intramural Resources

Country Operations and Human Resource Management

Major Achievements

Out of a total of 54 employees, 34 CDC/Zambia staff completed an online employee viewpoint survey prior to the visit. These findings were complemented with individual interviews from 32 employees throughout the week. Based on the survey, the team found that CDC/Zambia staff have a strong understanding of CDC's mission, goals, and objectives, and that staff generally feel that CDC/Zambia is a good place to work. In addition, these assessments identified mutual respect between CDC/Zambia staff and senior leadership.

In terms of management and leadership functions, the CMAS II team found that CDC/Zambia is in compliance with policies and procedures for time and attendance, appropriately performs inherently governmental functions, and follows regulations related to human resources. In addition, based on interviews with external stakeholders, the CMAS II team found that CDC/Zambia maintains exceptional relations with the U.S. Embassy

and other U.S. government agencies in Zambia. Previous issues with motor pool service delivery through the U.S. Embassy were resolved through the addition of four self-drive vehicles.

Major Challenges

The CMAS II team found that CDC/Zambia continues to have some organizational challenges related to training. Only 58% of survey respondents felt that there is sufficient training to stay up-to-date on CDC policies, and only 38% felt that there is sufficient training available to improve performance in their current position. In addition, some staff reported that they do not have a Work Development Plan in place, while others with a Work Development Plan were not able to take trainings during the past year. Some improvements in the area of training and career development were made; for example, supervisors were trained to utilize the annual employee performance review process to discuss training and professional development opportunities, and staff had been encouraged to express training needs to their supervisors at any time. However, training options and development opportunities (such as conference attendance) were still reported as limited due to the availability of funds, and lack of time due to many competing work priorities.

In terms of management and leadership functions, the CMAS II team found that not all employees are aware of the CDC policy for use of encrypted thumb drives on U.S. government computers. Some CDC/Zambia staff found it difficult to share electronic documents with grantees and vice versa, as they were under the assumption that thumb drives can only be used on CDC equipment.

Recommendations

- Ensure that each staff member has a work development plan in place and understands where to look for training opportunities. Staff should also have opportunities to collaborate with their supervisor regarding opportunities for adequate training for improved job performance.
- Ensure that all staff are able to access the Health and Human Services' learning portal.
- Ensure that staff are up-to-date on current policies for use of encrypted thumb drives.

Financial Resource Management

Major Achievements

The scope of the CDC Office of the Chief Financial Officer (OCFO) review primarily focused on post held funds and internal controls of financial activities occurring within the CDC field office. This involved document sampling and transaction level detail analysis of all funds cabled to Post, as well as interviewing key personnel who have responsibility and oversight over field office financial management activities, both in the CDC Office and at the Embassy.

Through interviews and document review, the CMAS II team found that locally employed budget and financial staff members are very knowledgeable of both DOS and CDC/Zambia procedures. They demonstrated commitment to ensuring adequate procedures are in place and followed. CDC/Zambia exhibited good internal

controls and a good separation of duties in place. U.S. Embassy staff expressed a strong administrative relationship with CDC/Zambia staff.

The CMAS II team reviewed 100% of the petty cash transactions as well as 51 transactions processed by post during the 12-month review period. These transactions were selected through a review of transactions processed by DOS' financial management system during the review period. For reference purposes, CDC/Zambia incurred a number of post held obligations (excluding personnel costs) for the 12-month period examined. The petty cash advance amount had been reduced to a more reasonable level since the CMAS I visit.

The Chief of Mission policy on U.S. government cell phones requires that phone bills be reviewed on a monthly basis to identify personal use. During the prior year, CDC/Zambia implemented a phone billing system that records excess cell phone charges and is instrumental in the collections of the amounts owed from employees for personal use.

At the time of the CMAS II assessment, CDC/Zambia maintained large PEPFAR budget (approximately $76 million annually) and had adequate systems in place for budget management. A series of spreadsheets was used to track the management and operations budget at CDC headquarters and post per CDC standards as well as funding for cooperative agreements. The financial specialist had direct access to CDC headquarters and U.S. Embassy financial reports (IRIS and COAST) and was able to reconcile the budgets with obligations. A high level, monthly summary report was prepared for the Deputy Director, comparing the overall budget to the obligations.

Major Challenges

While some weaknesses in the financial systems exist, CMAS II team members found that most issues are related to policies and procedures that CDC headquarters must address. The CDC/Zambia office had established routine procedures to review unliquidated obligations. However, additional follow-up with U.S. Embassy financial management staff will ensure appropriate actions are taken to clear these transactions. At the time of our review, the CDC/Zambia office had a large number of open unliquidated obligations from fiscal years 2008 to 2012. Based on conversations with the Financial Management Officer, while de-obligations of unliquidated obligations had taken on increased importance at the U.S. Embassy in the months prior to the CMAS II visit, the overall amount of unliquidated obligations had increased over the prior year, and no improvement had been made in clearing unliquidated obligations for fiscal year 2011.

Internal controls around the three motor vehicles located in provincial sites were unclear. Salary for the drivers, maintenance, and fuel charges were all charged directly to CDC funds. It was unclear whether DOS or CDC was responsible for oversight of the vehicle logs, as well as review of fuel usage and other internal controls around operation of these motor vehicles. Based on feedback from this review, the Deputy Director instituted the necessary controls. Further, CMAS II team members found that the property Assets Report for CDC/Zambia listed 870 items, some of which the CDC/Zambia office stated were sold, incorporated into the U.S. Embassy motor pool, or sent to the Embassy to be excessed.

Recommendations

- A plan should be developed to aggressively address unliquidated obligations including follow-up with U.S. Embassy financial management staff to ensure appropriate action to clear transactions in a timely manner.
- Recommend a high priority be placed on financial staff completing required trainings when financial trainings are offered.
- A complete reconciliation of the office inventory needs to be done. Proper documentation for items excessed through the Embassy should be provided to CDC headquarters Center for Global Health and Procurement and Grants Office so they may be removed from the assets report.

Accountability for Extramural Resources

Grantee Management

Major Achievements

At the time of the CMAS II visit, CDC/Zambia had seven project officers and a program management team of five staff who supported the management of 42 cooperative agreements. The CDC/Zambia staff, especially the program management staff, demonstrated exceptional awareness of CDC policies and procedures. Hard copy documentation of cooperative agreement files was noteworthy. Similar to CMAS I, grantees continued to provide positive reviews of CDC/Zambia staff noting that CDC/Zambia communicates frequently and offers useful feedback. The CMAS II review noted that CDC/Zambia management letters, which are sent to each grantee upon the issuance of their Notice of Award, are a best practice.

Major Challenges

CDC/Zambia's large portfolio of 42 cooperative agreements was primarily managed by two project officers and the program management team. Members of this team often worked as de facto project officers. The lack of defined roles and responsibilities regarding cooperative agreement management creates confusion over who should perform and resolve cooperative agreement related actions. Confusion often led to delays in reviewing actions and applications, and could result in incomplete feedback, frustrating the grantees. This also led some technical representatives to misinform grantees as to cooperative agreement requirements, such as budget items and expectations of future funding. CMAS II team members also found that there is also confusion as to who is responsible for tracking and addressing human subjects restrictions with grantees. The lack of consensus led to longer than necessary restrictions on awards.

While CDC/Zambia had standard operating procedures for site visits to service delivery sites, they continued to lack a standard operating procedure for visits to grantee administrative offices. This finding was also noted during CMAS I and continued to be a challenge resulting in grantee visits not being routinely or systematically conducted.

Finally, CDC/Zambia did not have standard operating procedures or a tracking system for contract management, which created a significant liability for CDC/Zambia since these duties were not defined, assigned, and clearly

outlined to the office.

Recommendations

- Define staff roles and responsibilities for cooperative agreement management, which clearly delineate roles for specific team members and their roles in post-award actions and financial management.
- Assign responsibilities for tracking and resolving human subjects restrictions. It is recommended that this responsibility be housed within the CDC/Zambia Science Office, as they will be actively involved in the initial restriction resolution phase, prior to submission to CDC headquarters.
- CDC/Zambia should create a tracking system for monitoring human subjects restrictions and restriction releases.
- Finalize a standard operating procedure for grantee visits that defines realistic expectations and takes into consideration other CDC site visit requirements. The standard operating procedure should define the difference between a partner visit and a technical site visit and should specify the appropriate procedures relevant to each type of visit.
- Develop a standard operating procedure for contracts management. A tracking system capturing basic contract information should be created to aide with contracts management.
- Obtain access to the acquisition management system in-country so that the Contracting Officer's Representative may perform invoice receiving functions.

Grantee Compliance

Major Achievements

CDC's Procurement and Grants Office participants visited seven grantees and discussed key topics related to the following financial areas: audits, cash advances, facilities, direct costs, procurement practices, property, and timekeeping. All grantees visited had written corrective action plans in place, and one of the grantees visited demonstrated significant progress towards implementing their corrective action plan. All personnel interviewed appeared to have adequate knowledge of proper accounting procedures and internal control requirements.

Major Challenges

However, the CMAS II assessment indicated that not all grantees visited had adequate policies and procedures in place to demonstrate their understanding of compliance with U.S. government requirements. Although all of the grantees provided some form of written policies and operating procedures, in two cases they were too broad to provide adequate guidance. One grantee did not have an adequate accounting system in place for CDC grant funds and was maintaining manual records. That same grantee did not have an adequate procurement process in place, resulting in unliquidated obligations in excess of 12 months. Although some of the grantees had increased controls in place, audits of prior periods will most likely produce unsatisfactory audit results.

All grantees interviewed communicated challenges harmonizing government regulations with CDC required

policies and procedures. Funding delays and restrictions further impacted program performance and delayed proper implementation of corrective action plans for all grantees visited. All grantees cited authorizations for requested drawdowns as an impediment. One grantee ceased operations for a daycare and hospice program, leaving facilities completely unutilized. All grantees required additional training on federal financial report preparation.

Recommendations

- Ensure all grantees have adequate written policies and procedures. CDC headquarters and CDC/Zambia should work in partnership with the grantee to develop of these policies and procedures.
- All grantees, CDC/Zambia, and the Procurement and Grants Office at CDC headquarters should work together to ensure that grantees have adequate access to needed technical assistance in order to address challenges, help resolve audit findings, and implement corrective actions. Roles and responsibilities for CDC/Zambia staff with regard to audit resolution should be clarified.
- Conduct periodic grantee visits to review grantee financial management. These visits should be conducted within the first year of funding for new grantees, and thereafter no less frequently than every 24 months.
- Address identified weaknesses and resolve funding restrictions and delays in a timely manner for future funding periods.
- Provide comprehensive grants management training for all grantees, which should include proper Federal Financial Report preparation and more timely and relevant communication between CDC and the grantees.

Accountability for Public Health Impact

Major Achievements

CMAS II team members found that CDC/Zambia is engaged from the highest levels of health sector planning in Zambia through nearly all HIV technical working groups at national and provincial levels. It was clear that CDC/Zambia's commitment to support country ownership is strong. Frequent and substantive interactions with the MOH and other relevant stakeholders occurred on multiple levels, allowing CDC/Zambia to interface effectively with other PEPFAR agencies, international grantees, national partners, and stakeholders.

The majority of PEPFAR results were collected through the national monitoring and evaluation systems. CDC/Zambia actively participated with other U.S. government agencies, the MOH, and key stakeholders in the review of results reported by PEPFAR-supported grantees. In addition, CDC/Zambia and grantees had regular dialogue to jointly address technical and administrative issues.

The CMAS II review also found that CDC/Zambia collaborates effectively with other U.S. government agencies, grantees, the MOH, and other stakeholders to set targets for all Next Generation PEPFAR Indicators, including the World AIDS Day Indicators (prevention of mother to child transmission of HIV, voluntary male medical circumcision, and antiretroviral therapy). In addition to these targets, CDC/Zambia also supported critical

elements of a monitoring system to review grantees' performance and to ensure targets are achieved. CDC/Zambia exceeded its fiscal year 2012 targets for prevention of mother to child transmission of HIV and antiretroviral therapy.

CDC/Zambia successfully implemented the first round of site visits as a part of DGHA's site monitoring. The office had well-defined staff roles and responsibilities for site visits and provided immediate feedback to the sites. CDC/Zambia also reported implementing mechanism level results to CDC headquarters in a timely manner.

CDC/Zambia successfully developed standard operating procedures, databases, and associated tools and processes to allow for proper management of its Science Office functions. This was an important area with substantial improvement since CMAS I.

Major Challenges

CDC/Zambia needs more time to ensure accurate results are reported from grantees to CDC and the Office of the U.S. Global AIDS Coordinator. Changes made to targets and results during the review and cleaning of the Country Operation Plan, semi-annual progress report, and annual progress report by the Office of the U.S. Global AIDS Coordinator were documented but not always communicated back to the grantees.

Site visit results reported to CDC headquarters were incomplete. For example, some sites visited did not have results and some data elements were missing. The system in place for timely follow-up on issues identified was unclear, and there was no standard operating procedure to document actions taken to remediate findings.

In addition, CDC/Zambia did not have a comprehensive evaluation strategy. This was a new expectation introduced with CMAS II and will be a useful exercise for CDC/Zambia in the coming year.

Recommendations

- Create a tracking system to monitor changes in targets and results, and ensure activity managers inform grantees about any changes.
- Review site monitoring data in-country and resubmit missing data to CDC headquarters.
- Develop a standard operating procedure to track remediation scores.
- Develop an evaluation plan to routinely monitor progress on planning, implementation, analysis, and use of evaluation of CDC-funded activities.
- Ensure findings are used to inform the fiscal year 2013 Country Operation Plan planning once expenditure analysis reports are received from the Office of the Global AIDS Coordinator.

Next Steps

The CMAS II team shared their key findings and recommendations with CDC/Zambia and CDC headquarters. The team also developed a scorecard for internal management use. The scorecard lists all of the issues identified during the visit, recommendations and due dates for their implementation, and primary point of contact for each issue. CDC headquarters will work with the CDC/Zambia to create a plan and timeline to address and correct issues.