CDC's Country Monitoring and Accountability System II

Country Monitoring and Accountability System Visit to Ethiopia – December 9-13, 2013
Summary of Key Findings and Recommendations

Introduction

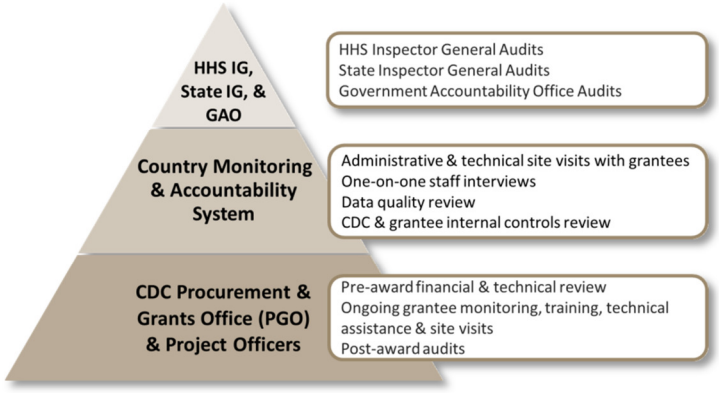
As the U.S. science-based public health and disease prevention agency, the Centers for Disease Control and Prevention (CDC) plays an important role in implementing the U.S. President's Emergency Plan for AIDS Relief (PEPFAR) under the direction of the Department of State's (DOS) Office of the U.S. Global 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. 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 Ethiopia from December 9-13, 2013. The principal objectives of this 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 10 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 several key technical program areas.

The CMAS II team conducted a five-day visit to the CDC/DGHA office in Ethiopia (CDC/Ethiopia). 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/Ethiopia's operations.

Background on Country Program

CDC/DGHA has supported Ethiopia since 2001 with the opening of the CDC/Ethiopia office. CDC/Ethiopia engages with local grantees to provide technical expertise and support the scale-up of country-owned programs in blood safety, male circumcision, behavioral change communications, prevention of mother-to-child transmission, tuberculosis and HIV co-infection, pediatric and adult antiretroviral treatment, laboratory infrastructure, and strategic information.

Summary of Key Findings and Recommendations

Accountability for Intramural Resources

Country Operations and Human Resource Management

Major Achievements

The scope of the CDC headquarters DGHA Country Operations Branch review consisted of: 34 in-person staff interviews, including the Country Director and the Deputy Director; staff surveys that were completed by 45 locally employed staff and eight U.S. direct hire staff; a review of personnel, travel, and time and attendance files; a motor pool checklist; and general information technology assessments. These assessments involved document sampling as well as interviewing key personnel who maintain responsibility and oversight of field office records and administrative processing both at CDC/Ethiopia and the U.S. Embassy.

The CMAS II team documented a number of accomplishments in the area of administrative operations. All inherently governmental functions were carried out by U.S. direct hires or appointed locally employed staff. All time and attendance records for U.S. direct hires and locally employed staff were in compliance with the DOS and the Department of Health and Human Services guidelines. CDC/Ethiopia's records were filed electronically and appropriately maintained. In addition, the U.S. Embassy's Human Resources Office reported a positive relationship with the CDC/Ethiopia, and all personnel files reviewed were accurate and complete.

Staff interviews and surveys indicated that employees feel that CDC/Ethiopia is a favorable place to work with a high level of respect between staff and senior management. Staff clearly understood the mission, goals, and objectives of the organization as well as how daily tasks contributed to the overall function of the organization.

In addition, staff expressed a high level of interest in training and experience sharing opportunities.

Major Challenges

The CMAS II team documented management and leadership challenges related to training and conferences. Staff interviews and survey results indicated that CDC/Ethiopia's policies and processes for requesting work-related training are not clear to all staff. In addition, staff expressed concerns about the lack of time and available funding to participate in technical meetings and conferences for professional development. Additionally, there were demonstrated challenges related to communication. Staff noted that information does not always flow easily across branches and teams.

Recommendations

- Update the training policy to ensure all staff understand the guidance and process to request trainings. Encourage the use of online resources like the Health and Human Services Learning Portal. Supervisors and staff should collaborate to determine possible cross-training opportunities within CDC headquarters and across other field offices to expand skills and provide opportunities for career advancement.
- Disseminate notes from the weekly senior staff meeting to enhance the flow of information across branches and teams.

Financial Resource Management

Major Achievements

CDC/Ethiopia has a relatively large and complex PEPFAR budget that includes multiple programs and funding streams. At the time of the CMAS II visit, the Associate Director for Operations tracked the budget for each program and monitored program expenditures according to CDC standards. CDC/Ethiopia actively monitored unliquidated obligations, which was a recommendation for improvement during CMAS I. The budget team demonstrated a close working relationship with the program management team on cooperative agreement funding. The Deputy Director was involved accordingly and aware of the budget status and any issues.

CDC/Ethiopia exhibited sound internal controls for property management. The Associate Director for Operations worked with the Centers for Global Health property team to add items and obtain barcodes for items previously tracked in the U.S. Embassy property management system. CDC/Ethiopia was aware of the requirements that mandate all sensitive and accountable items procured with CDC funds be barcoded and entered into the Health and Human Services Property Management Information System. While they did not have all of the required items in the Property Management Information System during the CMAS II visit, they were able to produce previous documentation showing they had requested that the equipment be added.

The scope of CDC's Office of the Chief Financial Officer review primarily focused on post held funds and internal controls of financial activities occurring within CDC/Ethiopia. This involved document sampling and transaction-level detail analysis of all funds cabled to post, as well as interviews with key personnel who have responsibility

and oversight over field office financial management activities, both in CDC/Ethiopia and at the U.S. Embassy.

Through interviews and document review, CDC's Office of the Chief Financial Officer found that locally employed budget and financial staff members were very knowledgeable of both DOS and CDC/Ethiopia procedures. They ensured adequate procedures were in place and followed. The U.S. Embassy's Financial Management Officer expressed that CDC/Ethiopia leadership is held responsible for confirming that all transactions are consistent with applicable policies, authorities, and regulations.

Major Challenges

At the time of the assessment, not all members of the budget team were up to date on required trainings, specifically Appropriations Law. The Associate Director for Operations attempted to arrange for the Appropriations Law training on several occasions only to find that the training was not available. Arrangements were being made to bring Appropriations Law training to CDC/Ethiopia.

The U.S. Embassy Financial Management Officer expressed concern about the restrictive CDC conference policy that almost crippled the travel approval process at post, putting an extra burden on the U.S. Embassy. Travel approvals from CDC were late, resulting in difficulty following U.S. Embassy requirements and internal polices, such as the number of required days to request plane tickets, issue travel advances, and acquire internal travel approvals.

Travel costs associated with conferences sponsored or financed by CDC that require participants to travel were paid to the hotel for conference participants. There was a misunderstanding about the way non-U.S. government conference participants should be reimbursed for attending conferences. While the cost probably would be the same, direct payment to the hotel for the participant's room and meals is not allowed. There are legal and internal control issues that require the traveler to be reimbursed based on a travel order. The participants should travel using invitational travel orders, and the hotel should not be paid directly by CDC for these travel costs.

Recommendations

- Bring CDC/Ethiopia into compliance with the training standard for Appropriations Law; applicable staff should take the course online, followed by classroom training.
- Revisit the conference approval process to determine if concessions can be made for international offices to help alleviate the burden of the Health and Human Services/CDC policy on offices and U.S. Embassies.
- Ensure that the conference approval process is initiated in sufficient time to meet U.S. Embassy deadlines for travel and other associated procurements.
- Communicate specific guidance to post to reinforce the use of invitational travel orders, where appropriate. Travel orders ensure travelers are reimbursed properly for travel costs, including rooms and meals. Paying lodging and per diem directly to a facility lacks the required internal controls.

- Any conference attendees that are funded through cooperative agreements or grants should use those funds for travel and conference attendance.

Accountability for Extramural Resources

Grantee Management

Major Achievements

CDC/Ethiopia exhibited positive relationships with its grantees and a strong awareness of the policies and procedures of the Department of Health and Human Services, CDC, Center for Global Health, and DGHA. CDC/Ethiopia's cooperative agreement manual proved to be thorough and used in the office. It included a section on solving grantee performance problems, deemed a best practice.

As a result of CMAS I, CDC/Ethiopia provided grantees with additional technical assistance throughout the past year, resulting in improved budget submissions and fewer administrative restrictions. CDC/Ethiopia also developed a restriction tracking system in response to CMAS I findings. This system tracks all restriction types, including Associate Director for Science restrictions. Also, in response to CMAS I, CDC/Ethiopia developed a site visit super-tool to ensure standardization of site visits. Although this super-tool was not yet been adopted by the office at the time of the visit, the office anticipates that its use will effectively streamline site visits conducted by CDC/Ethiopia staff.

Major Challenges

CDC/Ethiopia exhibited a substantial amount of cooperative agreement file documentation. However, this information was not organized in a systematic manner on CDC/Ethiopia's shared drive, which made it difficult to quickly locate. There were also duplicate files, making it challenging to discern which file was correct and most up-to-date.

Recommendations

- Streamline the cooperative agreement file documentation that currently exists in three folders on the CDC/Ethiopia shared drive. CDC/Ethiopia should designate a point of contact to lead this effort. The point of contact should establish a filing and naming convention for the cooperative agreement files and should review the file folders for adherence to the policy. Duplicate files and folders should be deleted.

Grantee Compliance

Major Achievements

Each grantee organization interviewed was able to describe and document their processes. Grantees demonstrated good business practices with few noted weaknesses. Grantees expressed appreciation with the CDC/Ethiopia collaboration and felt that they had a better understanding of how to manage their CDC

cooperative agreements, compared to one or two years ago. Grantees were comfortable reaching out to CDC's Procurement and Grants Office and demonstrated a good relationship with their Grants Management Officer. They noted an improvement in the scientific restriction process, which decreased the amount of funds tied to restrictions that were not available for use under the cooperative agreement.

Major Challenges

Grantees expressed difficulty tracking individual cooperative agreement funds within the Payment Management System. Other systems also presented a challenge in registration and usage, including the electronic Research Administration Commons, Grants.gov, and the System for Award Management. This was largely due to internet connectivity issues and a need for technical assistance.

Further, one grantee did not have an accounting system that tracked CDC funding and other donor funds separately; they expressed a need for a separate bank account. Standard operating procedures not written in English were a challenge for CDC/Ethiopia, even though they had regulations. There were also standard operating procedures housed in the regional offices instead of on site at the primary office. One grantee's financial systems did not track expenditures at a micro level. This detailed tracking is accomplished outside of the system via spreadsheets.

Recommendations

- Ensure that CDC/Ethiopia and CDC's Procurement and Grants Office work collaboratively with grantees to monitor the Payment Management System and provide technical assistance as needed.
- Provide training by CDC's Procurement and Grants Office to Project Officers, Technical Leads, and grantees on grants management processes, reporting, and CDC applications.
- Continue to review grantee request submissions to ensure they are as complete as possible and follow CDC requirements.
- Continue conducting financial management site visits to grantees, including a review of accounting records. All grantees should be visited during the current budget period.
- Send site visit reports to the Grants Management System for inclusion in the official grant file. Documentation of follow-up on recommendations made during visits should also be included in official files.
- Store all standard operating procedures at the MOH level.
- Recommend that CDC's Procurement and Grants Office be more proactive in their efforts to provide technical assistance and resource materials to grantees and CDC/Ethiopia staff.

Accountability for Public Health Impact

Major Achievements

At the time of the CMAS II visit, CDC/Ethiopia demonstrated consistent representation across program areas in high-level MOH planning as well as at the Technical Working Group level. The office was also engaged in national strategy development with the MOH and other national partners. CDC/Ethiopia exhibited support to federal and

regional health systems in Ethiopia and a strong commitment to country ownership, as demonstrated by an investment strategy that had shifted over time to increase funding from U.S.-based grantees to Ethiopian government entities and local organizations. CDC technical and programmatic staff continued to maintain a long-standing and close working relationship with the grantees and MOH. Staff had substantial technical engagement with most grantees around the development of targets and achieving measurable outcomes. They also worked with grantees through their cooperative agreements to strengthen local capacity (technical and organizational) to implement HIV/AIDS programs.

In terms of public health impact, CDC/Ethiopia's investment strategy was appropriately aligned with public health priorities and evidenced-based programs of public health importance. PEPFAR targets and results were included as outputs in the cooperative agreements and aligned in most instances with PEPFAR reporting. CDC/Ethiopia's outputs in prevention of mother-to-child transmission of HIV and voluntary medical male circumcision improved over the years, helping put CDC/Ethiopia on track to achieve World AIDS Day targets in these areas as well as targets for HIV treatment.

CDC/Ethiopia had established systems to monitor the capacity of all CDC-supported service delivery sites, which provide high-quality clinical services to patients. This included a well-thought-out and detailed site monitoring strategy as well as defined roles and responsibilities for CDC/Ethiopia staff to ensure systematic and direct oversight of clinical services. The office was also on track to monitor all CDC-supported service delivery sites during the allotted project period.

CDC/Ethiopia had dedicated staff to fulfill Science Office functions and standard processes in place for protocol, abstract, and manuscript clearance, and human subjects review. Most staff had completed their scientific ethics verification training and obtained scientific ethics verification numbers.

Major Challenges

CDC/Ethiopia did not currently have a strategy in place to ensure quality of program-level data or to validate key reported indicators. Likewise, not all grantees had data quality strategies in place for assessing quality of program results from the point of data capture to grantee-level aggregation. While CDC/Ethiopia conducted some programmatic evaluations to assess the impact of key CDC programs, a written CDC/Ethiopia evaluation plan was not available.

Not all CDC/Ethiopia staff completed the Dual Use Research training, which is a mandatory training on human subjects protection. There was no current guidance available to CDC/Ethiopia that staff were required to complete this training.

Recommendations

- Continue to engage and provide leadership in the National Transition Technical Working Group.
- Continue to target services in areas with highest need and work on index case finding and linkages to clinical services for greatest public health impact.

- Develop a strategy that ensures data quality of program results, including quantitative and qualitative data.
- Provide technical assistance to grantees to help them develop data quality assessment strategies and standard operating procedures that ensure data quality from point of capture to aggregation points. This requirement should also be included in the cooperative agreements.
- Develop an evaluation plan to assess key outcomes and impact of clinical services, laboratory, strategic information, and health system strengthening investments. Systems strengthening (e.g. lab and surveillance) results should be well-documented, archived, and packaged for dissemination.
- Ensure all appropriate staff have completed Dual Use Research training and consider training CDC and grantee staff on human subjects issues related to protocols, abstracts, and funding restrictions.

Center for Global Health

CDC's Center for Global Health also joined the CMAS II visit. The Center for Global Health provides leadership and implementation guidance for several cross-cutting CDC program and policy initiatives, and it participated in the CMAS II visit to: assess the level to which all CDC programs are integrated in-country; obtain information on Center for Global Health-managed initiatives to contribute to transparency, accountability, and adherence to U.S. Department of Health and Human Services and DOS regulations; acquire information on policy initiatives or best practices affecting the country office; and work with CDC and U.S. Embassy staff to provide technical assistance and guidance on operations and financial management.

Please note the following section pertains to all CDC/Ethiopia in-country programs; however, the previous sections primarily focused on DGHA programming only.

Major Achievements

During the CMAS II visit, the CMAS II team supported CDC/Ethiopia in updating its co-location notification and occupation agreement for staff working outside of the U.S. Embassy. This included productive meetings with the U.S. Embassy's Regional Security Officer, Management Officer, and General Services Officer in order to improve stakeholder communication and collaboration.

Major Challenges

The CMAS II team identified several challenges that relate to CDC's Center for Global Health, particularly concerning value-added tax reimbursement for PEPFAR construction contracts and cooperative agreements. In April 2011, the Ethiopian government stopped exempting U.S. government and its partners from paying value-added tax and instead went to a reimbursement system which affected two areas – PEPFAR construction and cooperative agreements.

Although taxed 15% since April 2011, CDC/Ethiopia successfully managed to secure $1.2 million for reimbursement from the Ethiopian government for PEPFAR construction. However, there was some confusion on the correct mechanism to put the money back into the PEPFAR construction contracts. OGAC told the

Ethiopian PEPFAR team that no new dollars will be coming for construction. Without the $1.2 million and future value-added tax reimbursements, projects will not have enough funding for completion.

The U.S. Embassy negotiated with the Ministry of Foreign Affairs that CDC/Ethiopia staff would be signatories for all partner value-added tax reimbursement through the Ethiopian Revenue and Customs Authority. CDC submitted a signatory specimen letter to the Ethiopian Revenue and Customs Authority and provided training to partners to complete monthly value-added reimbursement reports.

In November 2012, CDC/Ethiopia began submitting the backlog of requests with no effect. In October 2013, the Ethiopian Revenue and Customs Authority said they could not process the requests; they did not have the signatory sample on file. CDC/Ethiopia gave them a copy of the original letter submitted, but they still could not find the original. The Ethiopian Revenue and Customs Authority told CDC to redo the letter. In December 2013, CDC resubmitted the letter to the Ministry of Foreign Affairs and was told that because the U.S. Embassy signed the bilateral, the letter must come from the U.S. Embassy. At the time of the CMAS II visit, CDC/Ethiopia was working with the U.S. Embassy Financial Management Officer to have them submit another letter to the Ministry of Foreign Affairs on CDC/Ethiopia's behalf. The reimbursements for 2011 and 2012 amounted to 13,305,636.39bir ($739,202) and 20,918,798.03bir ($1,162,155), respectively.

Recommendations

- Continue to work with CDC headquarters to resolve value-added tax reimbursement issues related to PEPFAR construction contracts and cooperative agreement grantees.
- Ensure that issues related to value-added tax reimbursement are evaluated and documented so that CDC's Center for Global Health is able to more effectively support CDC/Ethiopia in addressing these challenges in the future.

Next Steps

The CMAS II team shared their key findings and recommendations with the CDC/Ethiopia office 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 country office to create a plan and timeline to address and correct issues.