Identifying and managing risks in public health grant management

Prepared for the CDC Global Health Security / Ebola Grantee Meeting
February 2016

10 February 2016

pwc

Fraud, waste, and abuse (FWA) in public health grant management can take many forms

False invoicing

Ghost patients or services

Theft of drugs or other public health supplies

Bribery

Gross programmatic inefficiencies

Payments to inappropriate, unauthorized or fictitious vendors

Diversion of accounts receivable

Employee absenteeism, "no-show" jobs or ghost workers

Funds used for unintended purposes

Procurement corruption

Informal payments

Tax fraud

Incidences of FWA can impact the donor and grantee organizations in myriad of ways

Program Performance

- Delays/interruptions to program activities
- Staff made redundant or furloughed
- Implementation momentum lost
- Reduced program impact/performance
- Increased future operational costs
- Loss of access to most qualified personnel

Financial Performance

- Program funding decreased or lost
- Less funds available for remaining activities
- Fines to donor organization or grantee
- Reduced fundraising ability due to reputational impact

Legal

- Civil and criminal sanctions
- Debarment or inclusion on an excluded parties list
- Increased scrutiny by oversight bodies, including USG or foreign audit authorities

Reputational

- Loss of confidence by funders (taxpayers), local government, and partners
- Damage to relationships with other donors
- Public relations challenges
- Public embarrassment

A range of potential adverse impacts follow revelations of FWA

Serious potential repercussions (U.S. focused) for both grantees and grantor, beyond detriment to program effectiveness…

for Grantee…	and for the grantor…
• Debarment	• Increased scrutiny by key U.S. federal oversight bodies, including investigation and/or audit by U.S. OIG
• Criminal or civil penalty	• Inability to achieve program objectives on schedule
• Reputational damage	• Interruption to delivery of services to target population
• No longer able to provide services to target population in need	• Congressional hearing or investigation
• Resources go unused or staff are made redundant	• Loss of funding Reputational damage and greater public scrutiny
• Scrutiny from corruption investigators (U.S. and local)	• Non-compliance with U.S. federal reporting requirements about how funds spent
• Cost of remediation and enhanced monitoring	• Risk of inadvertent violation of Federal appropriations laws
• Difficulty partnering in future	• Significant cost of forensic investigation… (which may reduce funds or resources available to all grantees)
	• Exposure to corruption investigation

Donor organizations and grantees must be vigilant to prevent and respond to FWA

A proper grants risk management program should consider the following tools and activities:

Due diligence
Evaluate grantee, vendor and other third party risk levels and conduct corresponding levels of due diligence. Do not rely on word-of-mouth recommendations or past performance in an unrelated location.

Documentation and reporting
Ensure appropriate documentation and reporting mechanisms to substantiate transactions are in place and utilized as intended. Documentation may include contracts, receipts, and change orders.

Monitoring and oversight
Establish a consistent monitoring process to regularly evaluate a vendor's progress and completion of activities. This process will aid in the identification of adverse activities as early as possible.

Policies and procedures
Establish policies and procedures, including clear procurement and contracting rules, financial management policies, and disciplinary procedures. These should consider leading practices and guidelines to prevent and respond to FWA.

HR and personnel management
Establish policies for recruiting, hiring, training, and retaining personnel. Make sure all employees and partners are trained on policies, including periodic training refreshers.

Risk assessments
Conduct risk assessments to identify, prioritize, and mitigate FWA and other grants management risks. Risk assessments typically include Compliance, Financial, Operational, and Strategic risks.

Thank you

George Prokop, Managing Director

george.w.prokop@us.pwc.com

www.pwc.com

CDC Global Health Security Agenda/Ebola Grantee Meeting

Accountability. Results. Sustainability.

Centers for Disease Control and Prevention (CDC) Global Health Security Agenda (GHSA)/ Ebola Grantee Meeting

Risk Management, Oversight, Fraud Prevention and Detection
A Panel Discussion

February 10, 2016

The Office of Management and Budget (OMB)

- Re-examined existing **internal control guidance** to ensure the government met the purposes of the *Federal Managers Financial Integrity Act* (FMFIA).

- One purpose of FMFIA was to **prevent management and operational challenges before they happen** - Risk Management

- The importance of having appropriate risk management processes and systems is to:
  - **identify challenges early,**
  - **to bring them to the attention of the right folks; and**
  - **to develop solutions**.

Evolution of Risk Management

Risk management has expanded to encompass multiple risk categories over the last 20 years.
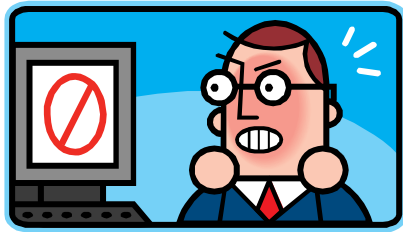
Systems Risk	**Compliance Risk**	**Financial and Reporting Risk**	**Operating, Reputational, & Strategic Risk**
Cyber attacks, Phishing	*AAALAC Requirements, Select Agent Regulations*	*A-123, FMFIA*	*P3I, GPRAMA*
Reliance on computer controls becomes mainstream	Proliferation of laws and regulations over a 10 year period	The era of corporate scandals, Sarbanes-Oxley, and A-123	Bigger problems hit… operating issues, intense fiscal scrutiny

HHS Strategy

- Establish an open, transparent culture

- Encourages people to communicate information about potential risks and other concerns with their superiors without fear of retaliation or blame.

- Earlier identification of risk, allowing the opportunity to develop a collaborate response

- Create an effective risk management framework to be in a stronger position to manage risks.

CDC

Centers for Disease Control and Prevention
CDC 24/7: Saving Lives, Protecting People™

CDC Risk Management Guiding Principles

In line with the HHS strategy, CDC seeks to establish a risk-aware culture where considerations of both opportunities and risk are integrated into decision-making at all levels of the organization.

- Risk management has been, and will continue to be, a key part of CDC's culture and strategic decision-making.

- Both CDC and our partners, regardless of their role, are empowered and expected to report early any perceived risks, near misses, or failures of existing controls to senior management without fear of retribution.

- These guiding principles serve as the foundation to establish our respective roles and responsibilities in the execution of grant awards.

Centers for Disease Control and Prevention
CDC 24/7: Saving Lives, Protecting People™

Defining Risk

Risk is the possibility for a condition or event to have a positive or negative effect on the achievement of CDC's mission and objectives.

- Risk is an event that _may occur_ and affect the achievement of a business objective.
- Risk is an inherent part of doing business.
- A risk is _neither_ good nor bad.
- Risk is evaluated in terms of both _likelihood_ and _impact_.
- A risk that materializes is no longer a risk – it then is considered an _issue_.

- **Some risks are acceptable or even necessary** _(e.g., response to emerging public health threats)_

- **Some risks are not acceptable** _(e.g., handling deadly pathogens without protective gear)_

CDC
Centers for Disease Control and Prevention
CDC 24/7: Saving Lives, Protecting People™

Managing Grant Risks

- **In December 2014, OMB also released new guidance:**
  - Requires agencies to review the risk posed by applicants (**looking at our risks**),
  - Conduct a risk evaluation whenever making new awards (**enhancing pre-award and continuation award assessments**) , and
  - Authorizes agencies to use a risk-based approach (Uniform Administrative Requirements- 2 CFR 200.205) (**developing a grant risk response to reduce the risks**).
- **The requirements seeks to:**
  - Improve federal grant award performance, and
  - Create a government-wide framework for ensuring effective fiscal management of federal grants; and,
  - Implementation of requirements to reduce the administrative burden on grantees
- **It also requires each Federal agency integrate this approach into the discussion of internal controls.**

Centers for Disease Control and Prevention
CDC 24/7: Saving Lives, Protecting People™

Panel Discussion

The panel will provide participants with information on:

- *What is fraud and how to detect/prevent it.*

- *Risks inherent in grants management and how CDC and recipients can manage those risks.*

- *Real life examples of fraud found in Federal Assistance Awards.*

- *Speaker experiences and examples inherent risks*

- *Why this is relevant to grantees*

Panel Participants

- **George Prokop – PricewaterhouseCoopers**

- **Michelle L. Rose, Office of Grant Services**

- **Kathy (Kitty) Middleton, Experiences from Haiti, risky grantees**
- **Michelle Rose - eHealth, Sierra Leone**

Centers for Disease Control and Prevention
CDC 24/7: Saving Lives, Protecting People™

Michelle L. Rose, Office of Grant Services

Risk Assessments/Pre-Decisional Site Visits

- **What is being assessed?**
  - A review of applicants policies, procedures, systems, structure and other pertinent organizational information
    - Requested *written* documentation may include, but may not be limited to:
      - Policies and procedures around:
        » Financial management
        » Petty cash
        » Procurement
        » Asset management (equipment, etc.)
        » Human resources
        » Grants management

Risk Assessments/Pre-Decisional Site Visits

- **Where do assessment take place?**
  - Although most visits are conducted at the applicants site, in certain situations, a desk review may be conducted in lieu of an on-site visit
- **When do assessments take place?**
  - Site visits and desk assessments are generally conducted prior to the awarding of funds to an applicant; however, emergency funding and other conditions may affect the timing of the visit
- **Who conducts assessments?**
  - Site visits and desk assessments are conducted by staff members within the Office of Grants Services (OGS)
    - This may include an Auditor and/or Cost Analyst on OGS' Financial Assessment and Audit Resolution Unit (FAAR) and/or an OGS Grants Management Specialist/Officer

Typical findings in the field

- Theft of petty cash
  - Petty cash withdrawn but not utilized
- Theft of other assets
  - Missing vehicles
- Personal use of motor vehicles
  - Driving vehicles to and from work and for personal errands
- Inadequate/False documentation of motor vehicle records
  - Falsifying records to cover up personal use
- Utilization of entity funds to purchase fuel for personal vehicle
  - Utilizing entity credit/fuel cards or cash to put fuel in personal vehicle
- Ghost employees
  - Employees on the payroll are nonexistent
- Inadequate accounting and financial management
  - Inability to account for Federal funds

Centers for Disease Control and Prevention
CDC 24/7: Saving Lives, Protecting People™

Policies

- **Policies**
  - *Documented*, broad-ranging guidelines of a company
  - The who, what, and why of your organization that reflects the entities values, plans, and operational guidelines
- **Risks around policies**
  - When policies are not put in place or are not adequately documented:
    - The likelihood of certain events negatively impacting organizational operations increases
    - The entities internal controls will be considered weak or nonexistent
      - » This may cause the entity to receive a high-risk grantee designation

Procedures

- **Procedures**
  - Fixed steps or sequences of activities that are:
    - The start and end point for a course of action
    - The order of, or steps, to correctly perform a task
- **Risks around procedures**

  When procedures are not put in place:
    - Staff will not have clear guidance on how to conduct business
    - Staff may adopt various means of carrying out duties which may not support the entities management plans
    - The entities internal controls will be considered weak or nonexistent
      - » This may cause the entity to receive a high-risk grantee designation

Centers for Disease Control and Prevention
CDC 24/7: Saving Lives, Protecting People™

Policies and Procedures Summary

- Direction and criteria are set with policies
- Policies are implemented in precise measurable ways with procedures
- Effective policies and procedures integrate organizational strategy, and demonstrate tactics in your business processes
- Policies and procedures provide decision-making strategies
- Policies and procedures define roles and responsibilities
- Policies and procedures promotes understanding and reduces ones ability to manipulate processes

Official Policy

1st 2nd 3rd

Centers for Disease Control and Prevention
CDC 24/7: Saving Lives, Protecting People™

Financial Management and Standards for Financial Management Systems and Records

- Must be sufficient to permit the preparation of reports as required by the Terms and Conditions of the Notice of Award
- Must identify all Federal awards received and expended and the Federal programs under which they were received
- Must be accurate, current, and provide complete disclosure of the financial results of each Federal award or program
- Must have effective control over, and account for, all funds, property, and other assets
- Must allow for the comparison of expenditures with budget amounts for each Federal award
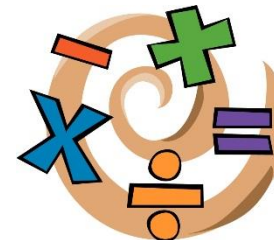
Risk around Financial Management

- Records do not permit preparation of reports

- Records do not provide for accurate, current, and complete disclosure of the financial results of individual Federal awards

- Entity does not have effective control over, nor account for, all funds, property, and other assets

- Entities financial management system and its processes do not include proper controls, segregation of duties, IT safety measures, etc.

- *All of these risks have the potential of causing an entity to receive a high-risk designation*

Petty Cash

- Policies should describe:
  - Requirements for training
  - Methods for requesting, approving, disbursing, returning, and replenishing
  - Amount authorized to be held
  - Who shall have access
  - Methods for protecting
  - What is allowed and unallowed

Petty cash comes with inherent risks ranging from operational to fraud risks

- These risks may include:
  - Theft or misappropriation
  - Custodial or employee error
  - Use for unauthorized expenses
- Petty cash:
  - May be easy to access
  - Is harder to trace than other assets
  - Provides a perceived easy opportunity

Centers for Disease Control and Prevention
CDC 24/7: Saving Lives, Protecting People™

Procurement Standards

- **Entity must:**
  - Use its own documented procurement procedures
  - Provide oversight over contractors
  - Procurement transactions in a manner that provides for full and open competition
  - Avoid acquisition of unnecessary or duplicative items
  - Maintain records sufficient to detail the history of each procurement

- **Risks may include**:
  - Not matching invoices to original orders
  - Lack of segregation of duties
  - Bypassing normal tendering procedures
  - Bogus invoices
  - Collusion

Equipment

- **Entity must:**
  - Use equipment for only for authorized purposes
  - Not encumber property without CDC approval
  - Include a description of the property purchased
  - Take an inventory at least once every two years
  - Develop a system to ensure equipment is protected
  - Develop and implement maintenance procedures to keep the property in good condition

- **Risks may include:**
  - Use of entity assets for personal gain
  - Misappropriation of assets
  - Theft of assets (or their unauthorized use)
  - Unauthorized purchase of assets

Human Resources/Payroll

- Entity should have written policies and procedures around:
  - Hiring
  - Pay structures
  - Employment contracts
  - Fringe benefits
  - Severance packages

- Risk may include:
  - Ghost (non-existent) employees
  - Incorrect pay rate
  - False claims for overtime
  - Unauthorized amendments made to payment data
  - Making false claims for allowances

What to expect during our visit

- We may:
  - Conduct interviews to gain an understanding of entity operations
  - Request to view systems currently being utilized
  - Request to view sample transactions
  - Request a tour of your facility

- Meeting requests may include:
  - Entrance conference
  - Interviews with pertinent officials to gain an understanding of the entity
  - Request to view automated systems
  - Exit conference

Centers for Disease Control and Prevention
CDC 24/7: Saving Lives, Protecting People™

What to expect during our visit

- Ways you can help include:
  - Provide electronic copies of policies and procedures prior to site visit
  - Ensure that you are aware of and ensure that pertinent officials are available during the visit
  - Provide a comfortable space for auditors/analyst to conduct review
  - Understand we are there to help

What to expect during our visit

- Ways we can help you include:
  – Provide technical assistance around financial management activities
  – Provide technical assistance around grants management activities
  – Identification of risks
  – Assist with mitigating risk around:
    - Compliance
    - External factors
    - Organization
      – Financial management
      – Asset management
      – Human resources management
      – Procurement
      – Internal auditing
    - Reputation

we can help

CDC
Centers for Disease Control and Prevention
CDC 24/7: Saving Lives, Protecting People™

Reporting

- FAAR will provide a report directly to the OGS Grants Management Officer and Chief of the Global Health Services Branch (GHSB)
  - GHSB will review and disseminate the report to program officials and applicants
- Information contained with the report
  - An opinion on the level of risks incurred by CDC
  - A recommendation as to any measures, mitigations, or means by which the applicant can address vulnerabilities or weaknesses, if any, are found during the assessment

Contact Information

Financial Assessment and Audit Resolution Unit

FAAR email: OGS.Audit.Resolution@cdc.gov

Content presented by

Michelle L. Rose

Senior Auditor

Team Lead: mrose@cdc.gov

FAAR Branch Chief:

Sylvia Dawson: snd8@cdc.gov

Centers for Disease Control and Prevention
CDC 24/7: Saving Lives, Protecting People™

Table Discussions

Table Discussion Topics

- Supporting public health initiatives in the global arena poses unique management and operational risks.
    - Conducting project activities in cash-based economies
    - Limited infrastructure and/or connectivity
    - Geographic inaccessibiity

CDC Global Health Security Agenda/Ebola Grantee Meeting

Accountability. Results. Sustainability.

Partner Challenges in Haiti:
Lessons Learned

Kitty Middleton, MPH
Deputy Director M&O, CDC-Guinea

GHSA Meeting

February 10, 2016

Background

- ❑ 3 Agencies were cited in **audit reports** as having significant findings

- ❑ **Immediate follow up:**
  - ▪ Intensive **site visits** to provide closer examination of status of program and fiscal management
  - ▪ Placed 3 agencies on **High Risk** status including Manual Drawdown

Background (Cont'd)

❑ <u>Results</u>:

- 2 CoAgs **terminated** early
  - ○ Split one agency's financial portfolio between two other agencies deemed capable of assisting the agency strengthen administrative and financial capacity
  - ○ Split one agency's health centers between 5 agencies and provided supplemental funding to those agencies to manage sites. Recommended to PGO no future funding be awarded to agency.
- 1 Agency placed on **High Risk Status** and Manual Drawdown and provided six months to rectify issues cited in the audits

EFFECTIVE COAG MANAGEMENT
and AVOIDING RISK

1: Comply with Terms & Conditions of the Award

❑ **Review of NOA with CDC**
- Ensure clear understanding of expectations
- Discuss Terms & Conditions and due dates
- Understand and comply with Cost Principles

❑ **Aids to ensure compliance**
- Official NOA Action tracking file
- Calendar of due dates
- Audit Findings tracking file
- Table of objectives and target outcomes
- Procurement Planning and monitoring of expenditures

Tools to Comply with Terms & Conditions

Official NOA Action tracking file

NOA TRACKING LIST (as of 07/10/2015)

FOA NO:	GH11-####	
GRANT NO:	5U51GH00####	
ORGANIZATION:	XXXXX	
PROJECT TITLE:	XXXXX	
PROJECT PERIOD:	09/30/2011-09/29/2014	

YEAR	NOA ISSUE DATE	#	PURPOSE	OUTSTANDING ACTIONS	RESOLVED
01	09/12/2011	576-01	Approve Funding in the amount of $1,083,878	No further action required	X
01	09/12/2011	576-01	Partially fund $542,310 (CAN XXXX)	No further action required	X
01	09/12/2011	576-01	Advise grantee that TR response due by 10/30/2011	Submit TR response no later than 10/30/2011	12/07/2011
01	09/12/2011	576-01	Advise grantee that revised budget is due by 10/30/2011	Submit revised budget no later than 10/30/2011	12/07/2011

Tools to Comply with Terms & Conditions (Cont'd)

Calendar of due dates

QUARTER 1		
September	*see below (September) for Procurement request dates	
October **25th** **30th**	☐ Prepare Q1 budget and submit November PMS Draw Down Request ☐ Submit response to Technical Review and Budget Revisions to PGO	☐ APR
November **7th** **25th**	☐ Expenditure Analysis (EA) Report ☐ Submit December PMS Draw Down Request	☐ Submit Annual VAT & Customs report before Nov 16, based on budget period.
December **1st** **15th**	☐ Prepare Q2 budget and submit for approval ☐ Submit January PMS Draw Down Request	
QUARTER 2		
January **25th**	☐ Submit February PMS Draw Down Request	☐ Implementing Mechanism Template
February **25th**	☐ Submit March PMS Draw Down Request	☐ Begin formulating objectives, and activities for continuation application in anticipation of solicitation letter from PGO, later in the month
March **15th** **25th**	☐ Prepare Q3 budget and submit for approval	☐ Propose objectives, activities to CDC-Haiti Technical Team

2: Avoid Negative Audit Findings

❑ **Follow <u>Cost Principles</u> for:**

 ▪ Allowability

 ▪ Allocability

 ▪ Reasonableness

Cost Principle: Allowable

- ❑ Allocable to the award under the provisions of the applicable cost principles
- ❑ Necessary and reasonable for administration of the award
- ❑ Determined in accordance with generally accepted accounting principles (GAAP)
- ❑ Adequately **documented**
- ❑ Authorized or not prohibited under laws and regulations
- ❑ Consistent with the recipient's policies, regulations, and procedures which apply to both federal awards and other activities of the recipient

Cost Principle: Allocable

❑ Treated consistently with other costs incurred for the for the same purpose in like circumstances and if it meets one of the following criteria:

- incurred specifically for the award

- benefits both the award and other work and can be distributed in reasonable proportion to the benefits received

- is necessary to the overall operation of the organization

Cost Principle: Reasonable

- Does not exceed that which would be incurred by a **prudent person** under the circumstances prevailing at the time the decision was made to incur the cost.
    - Is the cost of a type generally recognized as ordinary and necessary for the organizations' operation or performance of the award?
- What restraints or requirements are imposed by factors such as generally accepted sound business practices, arms-length bargaining, federal laws and regulations, and the award terms and conditions?
- How does the cost compare to the market prices for similar goods and services?

Ensuring Compliance

☐ **DOCUMENT. DOCUMENT. DOCUMENT.**

☐ **Remember, activities& expenditures are <u>not allowable</u> if:**

- Not specifically stated in the FOA

- Not in the approved Scope of Work

- Not in the approved Budget unless Prior Approval is granted

- There are restrictions placed on activities or funds

Ensuring Compliance (cont'd)

- ❑ **Know and Comply with the Terms and Conditions of the Award**

- ❑ **Monitor Spending: by Object Class based on the approved budget**

- ❑ **Know what requires prior approval and obtain it**

*NB: All audits are a matter of public record and are published on the **Audit Clearinghouse**

Finalization of the Audit and Immediately Thereafter

❑ **If there are findings, address immediately in Management Comments** (to be included in the audit report)

❑ **Ensure an exit conference is held with audit firm, agency PI and BO and Chief Accountant, and CDC**

❑ **Even before the audit is submitted, start taking steps with regard to recommendations and findings.**

     - Document all actions, dates, meetings, internal processes, etc.

     - Have documents ready to submit to OFR and OIG

        -OIG will later send report of findings:

           - Non-Monetary Findings

           - Monetary Findings

        -Agencies have 30 days to appeal the findings (this is where your follow up actions above will be helpful)

What happens if an agency is designated High Risk?

- **Monitor Audit Findings**
  - Follow up with Site Visits – especially with regard to fiscal management
- **Place Agency on Manual drawdowns**
  - SF270s (Request for Advance or Reimbursement)
  - Partner submits all invoices for review
    before SF270 was approved
  - Proof of payment should be required within
    2-4 weeks of draw down

WHAT IS INVOLVED IN SITE VISITS TO MONITOR FISCAL MANAGEMENT?

* Beneficial to obtain and review a copy of the Manual of Procedures prior to conducting visits

During the Site Visit

- ❑ **Interviews** are conducted with different employees based on their responsibilities in dealing with patients or conducting activities: social workers, nurses, other employees involved with providing support to patients.

- ❑ **Examination of documents** to support processes

The CDC Team:

- **Generally consists of:**
  - Project Officer
  - Technical Advisor(s)
  - Financial Analyst and/or Audit Specialist
  - Various members of the CoAg team staff

Review of Various Aspects of the Budget and Fiscal Management

- Financial Reporting including Petty Cash
- Personnel Management
- Benefits
- Travel
- Consultants / Contractual
- Equipment
  - Inventory
- Supplies
- Other Direct Costs

Fiscal Management Site Visit –
Financial Reporting

Potential discussion topics

- Frequency of financial reporting
- Review and approval process for financial reporting
- Accounting software used. Is it mulit-user?
- Frequency of preparation of bank reconciliations
- Review and approval process for bank reconciliations

Potential documents to review on site

- Review sample of financial report
- While reviewing, ensure that all supporting documentation are systematically cancelled (stamped void).
- Review bank reconciliations

Fiscal Management Site Visit –
Petty Cash

Potential Discussion Topics:

- Is petty cash used by the organization
- Who holds petty cash
- Petty Cash ceiling
- Expense limit of expenses in petty cash (Review procedures)
- Processes of handing out cash to employees
- Process for replenishment
- Try to conduct a cash count

Potential documents to review:

- Petty cash invoices (verify numerical sequence of the petty cash receipts)

Fiscal Management Site Visit – Personnel Management

Potential discussion topics:

- Is level of staffing adequate to complete the CDC supported programs?
- Who is responsible in your organization to draft, sign, file contracts?
- Individual employee contracts (also, do employees receive a copy)
- Performance ratings (also, how often)
- Date of last version of personnel policies

Fiscal Management Site Visit – Psnnl Mgmt (Cont'd)

Potential documents to review on site:

- Organizational chart
- Random selection of employees in the budget to review their files (Personnel Contracts, Insurance premiums)
- Attendance sheets (also, are they signed by the supervisor)
- Payroll sheets

Fiscal Management Site Visit –
Employee Benefits

Potential discussion topics:

- Fringe benefits
- Type of benefits paid by the organization
- Taxes paid to the government entities (also, are they regular/timely

Documents to review on site:

- Payment receipts for insurance, benefits
- Payment receipts of taxes

Fiscal Management Site Visit – Travel

Potential Discussion Topics:

- Process for travel authorization and reimbursement
- Per diem paid for local trips
- Per diem paid for international trips
- Basis for per diem calculations
- Receipts requirement and if so, which ones

Documents to review on site:

- Sample travel voucher – local travel
- Sample travel voucher – international travel
- Travel policies/ per diem grids

Fiscal Management Site Visit –
Consultant / Contractual

Potential Discussion Topics:
- Type of services purchased through contracts
- Bidding process
- Supervision of contractors/consultants
- How cost of the contract is determined
- How period of performance is determined
- Rental of space

Potential documents to review on site:
- Bidding process package
- Contracts
- Invoices
- Lease Agreement

Fiscal Management Site Visit – Equipment

Potential Discussion Topics:

- Acquisition process for equipment
- Organization's threshold for equipment
- Threshold reported in the organization's operations manual
- Roles and responsibilities in the acquisition process
- Disposal of equipment?

Potential documents to review on site:

- Vouchers
- Proformas/quotes
- Invoices
- Sole source justification template
- For vehicles: VIN numbers, mileage reports, trip tickets

Fiscal Management Site Visit – <u>Inventory</u>

Potential Discussion Topics:

- Roles & responsibilities of personnel assigned to inventory
- Inventory software used by the organization
- Access to stock
- Distribute of materials -- what is the process?
- Frequency of inventory
- Inventory spot checks -- how often and by whom?

Potential documents/equipment to review/view on site:

- Inventory report
- Receipt log
- Distribution log
- Physical verification of pieces of equipment

Fiscal Management Site Visit – <u>Supplies</u>

Potential Discussion Topics:

- Acquisition process for supplies
- Process of supplies inventory
- Process for replenishment of stock

Potential documents to review on site:

- Vouchers
- Invoices
- Distribution plans (if organization has more than one site /subawardees)

Fiscal Management Site Visit – Other Direct Costs

Potential Discussion Topics:

- Calling card distribution log and does report include the beneficiary's signature
- Does agency provide phones and phone plans to patients. On what basis are they selected?
- Internet provider and is the service working well
- Are transportation fees provided to patients?
- On what basis is the amount given to patients determined
- Can other people claim transportation fees for a patient and if so, how is this documented?

Fiscal Management Site Visit – Other Direct Costs (Cont'd)

Potential Discussion Topics:

❑ On what basis are individuals in the organization paid: salaried employees or contractual. Do you pay Health Agents or Employees travel allowances to do home or site visits and if so, how and how is this documented?

Potential documents to review:

- Support group/Meeting logs
- Receipts for transportation fees
- Calling card distribution log

Site Visit Follow Up

❑ **CDC should provide agency and OFR with a copy of the Visit report**

❑ **Follow up with agency to ensure progress is being made to address any findings**

❑ **Follow up visit to ensure and document actions have been taken**

Challenges During the Coag Termination and Placing Partners on High Risk in Haiti

- ❑ **Maintaining relationships while ensuring compliance**

- ❑ **Overabundance of time dedicated to high risk agencies – taking time away from other activities**

- ❑ **Shortage of staff required to conduct all aspects of reviews, site visits, and reporting to OFR (formerly PGO)**

Moving forward…

- ❑ **Continue efforts to improve quality of partner agency performance**

- ❑ **Promote sound fiscal management**

Acknowledgements

CDC-Haiti team at the time, especially:

- DDMO: Brian Wheeler
- Project Officers: Cristen Suhr, Jennifer Mika, Brian Wheeler
- Senior Audit Specialist: Don Marcelin
- Junior Audit Specialists: Vanessa Myrthil, Jerry Dorlette
- CoAg Assistant: Stephanie Bonbon
- Program Assistant: Josephine Girolean
- Special Projects Coordinator: Manette Carisma
- Subject Matter Experts and Technical Advisors

CDC Global Health Security Agenda/Ebola Grantee Meeting

Accountability. Results. Sustainability.