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OFFICE OF INSPECTOR GENERAL

AUDIT OF USAID/ANGOLA'S IMPLEMENTATION OF THE PRESIDENT'S MALARIA INITIATIVE

AUDIT REPORT NO. 4-654-08-001-P
November 21, 2007

PRETORIA, SOUTH AFRICA

Office of Inspector General

November 21, 2007

MEMORANDUM

TO: USAID/Angola, Mission Director, Susan Brems

FROM: Regional Inspector General/Pretoria, Nathan S. Lokos /s/

SUBJECT: Audit of USAID/Angola's Implementation of the President's Malaria Initiative (Report No. 4-654-08-001-P)

This memorandum transmits our report on the subject audit. In finalizing this report, we considered management comments on the draft report and have included those comments in their entirety, as appendix II.

The report includes four recommendations to strengthen USAID/Angola's implementation of the President's Malaria Initiative. In response to the draft report, the mission agreed with all four recommendations and has established a target date for finalizing the performance management plan and performing a data quality assessment. Based on the mission's response, management decisions have been reached for recommendation nos. 1 and 2.

The mission agreed with recommendation no. 3, but a management decision will not be reached until the mission has established an implementation plan for data verification. The mission has provided documents demonstrating that recommendation no. 4 has been addressed; therefore, we consider this recommendation closed.

Please provide USAID's Office of Audit, Performance, and Compliance Division (M/CFO/APC) with the necessary documentation demonstrating that final action has been taken on all recommendations.

Thank you for the cooperation and courtesy extended to my staff during the audit.

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SUMMARY OF RESULTS

The Regional Inspector General/Pretoria conducted this audit to determine whether selected USAID/Angola activities under the President's Malaria Initiative (PMI) were achieving planned results. PMI was launched by the Administration in June 2005 with a goal of reducing malaria deaths in 15 target countries in Africa. This 5-year, $1.2 billion initiative intends to reach 85 percent of the most vulnerable people (pregnant women and children under age 5) through prevention and treatment activities. USAID leads the initiative with assistance from numerous governmental and nongovernmental organizations. (See page 2.)

For results at the operational level, USAID/Angola met its planned targets for all three selected activities in fiscal year (FY) 2006. These three activities were as follows:

- Indoor spraying of houses with insecticide.
- Procurement and distribution of free, long-lasting, insecticide-treated bednets.
- Procurement of insecticide-treated bednets that were to be made available to antenatal clinics and local markets for sale at a subsidized price. (See page 4.)

The mission demonstrated that progress is being made toward achieving successful results through the contributions of PMI and other partners in several program areas. For instance, the availability and use of insecticide-treated bednets are increasing in locations where they have been distributed under PMI.

The audit found that higher level outcomes from FY 2006 activities could not be determined because baseline data did not exist at the start of PMI in Angola. For example, the reduction, if any, in the number of confirmed malaria cases as a result of year one activity could not be determined. However, baseline data has subsequently been collected and, by 2010, a survey will be completed so that the impact of PMI activities can be assessed.

The mission is responsible for meeting ambitious PMI goals by the end of 2010. However, according to mission officials, these goals cannot be attained with the level of related funding that the mission expects to receive. As a result, to meet the PMI goals, some activities will require funding from other donors. (See page 5.)

The audit identified several areas where USAID/Angola's implementation of PMI activities could be strengthened, which should help the mission implement and expand program activities. Recommended actions include (1) finalizing a performance management plan, (2) performing a data quality assessment, (3) documenting site visits and validating partners' data during the visits, and (4) entering into a formal agreement with the National Malaria Control Program for indoor residual spraying activities. (See pages 6-11.)

For the four recommendations mentioned above, USAID/Angola agreed with the recommended actions and has provided a plan to address these recommendations. For recommendation no. 4, USAID/Angola has provided evidence that final action has been taken. The mission's comments are included in their entirety in appendix II. (See page 12.)

BACKGROUND

On June 30, 2005, President Bush launched the President's Malaria Initiative (PMI) with a goal of reducing malaria deaths by 50 percent in 15 target countries in Africa by the end of 2010. The initiative's goal is to reach 85 percent of the most vulnerable people (pregnant women and children under age 5) through prevention and treatment activities. PMI is a 5-year, $1.2 billion program that began in 2006 in Angola, Tanzania, and Uganda. Four countries were added in 2007, and eight more countries are beginning implementation in 2008. USAID leads PMI with assistance from the U.S. Centers for Disease Control and Prevention, host country governments, international partners, nongovernmental organizations, faith-based and community groups, and the private sector. From the onset of PMI, USAID/Angola has involved various stakeholders in designing the program to address Angola's needs, as well as to complement resources from the host government; from the Global Fund to Fight AIDS, Tuberculosis, and Malaria; and from other donors. The interaction between USAID/Angola, Centers for Disease Control in Angola (CDC/Angola), and the U.S. Embassy in implementing PMI has resulted in a close working relationship among these entities, which has led to effective coordination.

PMI's key program areas for the prevention and treatment of malaria are listed below. These program areas are integral components of USAID/Angola's PMI strategy.

- Indoor residual spraying: Insecticide is sprayed on the interior walls of houses to interrupt malaria transmission by killing mosquitoes.
- Insecticide-treated bednets: Insecticide-treated bednets are made available to targeted populations.
- Artemisinin-based combination therapy drugs: PMI purchases these drugs which are the most effective and fast-acting products available for the treatment of malaria. PMI also establishes support systems for distributing these drugs and training health care workers on their use.
- Intermittent preventive treatment: Pregnant women are treated with at least two doses of sulfadoxine-primethamine, which prevents or attenuates malaria, as well as prevents anemia and low birthweight. Training and supervision of health workers have been provided under PMI.

Malaria is the principal cause of morbidity and mortality in Angola. Most affected are children under age 5 and pregnant women. Malaria is responsible for approximately 35 percent of Angola's mortality rate of 250 per 1,000 children under age 5. It also accounts for approximately 60 percent of hospital admissions for children and 10 percent for pregnant women. Furthermore, malaria is estimated to be responsible for 25 percent of Angola's maternal mortality rate of 1,280 per 100,000 live births. Malaria transmission is highest in the north while the southern provinces bordering Namibia are epidemic-prone.

Complicating efforts to address malaria was Angola's 27-year civil war that ended in 2002.[1] The toll on health care facilities from this conflict was significant: approximately

[1] Angola's civil war resulted in the deaths of up to 1 million Angolans and the internal displacement of 4.5 million people; 450,000 other people fled the country as refugees.

80 percent of the country's health care facilities were looted or destroyed. Only about 30 percent of the population is covered by the health care system with even lower use rates. Health care system challenges include (1) lack of qualified and motivated staff outside of the capital, (2) weak drug and medical supply systems, and (3) a weak primary care network.

In fiscal year (FY) 2006, $7.5 million was obligated for PMI activities in Angola, of which $1.36 million was in the form of bilateral assistance and $6.14 million was from field support.[2] The ExxonMobil Foundation donated $1 million to the mission to further PMI goals in both fiscal years 2006 and 2007. For FY 2007, the mission planned on obligating $18.5 million for PMI activities in Angola of which $4.44 million would be provided through bilateral assistance.

AUDIT OBJECTIVE

The Regional Inspector General/Pretoria conducted this audit at USAID/Angola as part of the Office of Inspector General's annual audit plan to answer the following question:

- Are selected USAID/Angola activities under the President's Malaria Initiative achieving planned results?

Appendix I contains a discussion of the audit's scope and methodology.

[2] Field support refers to the transfer of USAID/Angola funds to USAID/Washington in which a central USAID bureau undertakes the lead (e.g., by designating a cognizant technical officer) in managing a contract or task order but works in close collaboration with the Mission to ensure successful implementation.

AUDIT FINDINGS

For results at the operational level, USAID/Angola met its planned targets for all three selected activities in fiscal year (FY) 2006. At higher levels, the audit found that results from FY 2006 activities could not be determined because baseline data did not exist. The impact of these PMI activities will be assessed upon completion of a second malaria indicator survey, which is expected to be completed in 2010. Nevertheless, progress is being made in achieving successful results through the contributions of the mission and its partners. Ultimately, according to mission officials, the future success of PMI program goals in Angola will rely upon continued funding from the Global Fund to Fight AIDS, Tuberculosis, and Malaria.

Operational-Level Results

All three selected PMI activities implemented by USAID/Angola achieved their planned targets in FY 2006. The first selected activity was for indoor residual spraying of pesticide for houses in the Municipality of Ondjiva in Cunene Province, and the Municipalities of Lubango and Humpata in Huila Province. All of these provinces are located in southern Angola. The PMI-funded spraying campaign included training the sprayers; hiring vehicles; and procuring pesticide, spray equipment, and protective clothing. Spraying began in Huila Province on December 12, 2005, and in Cunene Province on February 15, 2006. Spray activities were concluded by March 31, 2006. In total, 107,373 houses were sprayed—surpassing the target of 100,000 houses.[3] There were logistical and technical obstacles that had to be overcome because this was the first time in more than 10 years that indoor residual spraying activities had been implemented in Angola.

A second selected activity that achieved its target was the procurement and distribution of 420,000 free, long-lasting, insecticide-treated bednets. PMI funds were provided to the United Nations Children's Fund (UNICEF), which procured these bednets and distributed them free of charge. This was part of a larger effort of providing 826,000 bednets in seven provinces as part of the Angola Ministry of Health's measles vaccination campaign in collaboration with UNICEF and other partners. The campaign, which targeted children under age 5, took place in July 2006.

The third selected activity had a target of procuring 34,264 insecticide-treated bednets and, by the end of FY 2006, 37,993 bednets had been procured. The primary target groups were pregnant women and children under age 5. Distribution outlets for these bednets include antenatal clinics (selling highly subsidized nets) and commercial outlets (selling partially subsidized nets). This activity built upon ongoing activities that had been funded by other donors.

[3] An earlier target of 170,000 houses had been established for IRS. Per USAID/Angola, the target was then lowered to 100,000 houses when less funding than anticipated was allocated to this activity. The reduced target was agreed to orally by the major stakeholders but not put into writing. The mission indicated that the figure of 170,000 houses to be sprayed in the south was based on an estimate of the population in those two provinces from figures provided by the provincial government. When the operational plan was written, no up-to-date census or maps of the area were available.

Higher-Level Results

At higher levels, results from FY 2006 activities could not be determined because of a lack of baseline data for malaria prevention data in the country.[4] For example, the reduction, if any, in the number of confirmed malaria cases as a result of year one activity could not be determined. According to the mission, at the start of PMI activities in Angola, no accurate or up-to-date information was available on nationwide coverage of key malaria prevention and control measures such as bednet usage and malaria prevalence rates. Subsequently, PMI partners and other donors conducted a nationwide malaria indicator survey in late calendar year 2006 that provided baseline data on the status of malaria indicators. USAID/Angola officials believe that a malaria indicator survey expected to be completed by early 2010 will provide insight into the impact of the PMI activities.

Progress is being made on several fronts toward achieving results through the contributions of PMI and other partners. For example, preliminary data indicate that the availability and use of insecticide-treated bednets are increasing in locations where they have been distributed.[5]

- A September 2006 study of seven provinces where insecticide-treated bednets were distributed in FY 2006 showed higher percentages of bednet usage. For example, an average of 94 percent of households had treated mosquito nets, and an average of 69 percent of households reported that their child slept under a mosquito net the previous night.

- The malaria indicator survey conducted in late calendar year 2006 found that 51.5 percent of households from hyperendemic regions reported having at least one treated net (four provinces out of six in the survey received insecticide-treated bednets). The other regions (and the municipality of Luanda) reported that 28.2 percent of households had at least one treated net.

The mission is responsible for achieving ambitious PMI goals by the end of 2010. However, officials indicated that these goals cannot be attained with the level of PMI funding that the mission expects to receive. According to officials from the mission and Centers for Disease Control in Angola (CDC/Angola), meeting PMI goals will require some activities to be funded and carried out by other donors, especially the Global Fund to Fight AIDS, Tuberculosis, and Malaria (Global Fund). Recently, USAID/Angola and CDC/Angola staff helped develop a proposal for Global Fund resources amounting to $78.5 million for activities in Angola during the period 2008-2012. USAID/Angola noted that not receiving the requested Global Fund funding will seriously jeopardize the

[4] In its comments, the mission indicated that the results at a higher level were never expected to be present—or measured—based on 1 year of PMI implementation. Nevertheless, it is important to note that the mission has been working to address the challenge of malaria in Angola for a number of years and has provided reporting on at least one malaria-related result (children under 5 sleeping under a bed net) in previous years' congressional budget justifications, as well as in its annual report.

[5] Other examples of progress being made includes PMI assistance in helping strengthen Angola's malarial drug distribution system and assisting in writing of the first malaria strategy for the Angolan Ministry of Health.

mission's ability to meet its PMI goals. Moreover, both USAID/Angola and CDC/Angola officials noted that encouraging the Angolan government to increase resources towards malaria prevention will be important in developing long-term sustainability. They also noted that the Angolan government has the necessary resources to devote to fighting malaria, but that the government must choose to make it a priority.[6]

While USAID/Angola's PMI activities are progressing, the mission needs to take action to strengthen several PMI-related areas. These include (1) finalizing a performance management plan, (2) performing a data quality assessment, (3) validating partners' data during site visits, and (4) entering into a formal agreement with the National Malaria Control Program regarding indoor residual spraying.

Performance Management Plan Addressing PMI Needs to be Finalized

Summary: Contrary to USAID guidance, the performance management plan (PMP) addressing USAID/Angola's health activities does not include the President's Malaria Initiative (PMI). This occurred because the mission believed that malaria information was not going to be included in the Angola Operational Plan. In addition, the mission did not receive any guidance on PMI indicators until early in calendar year 2007. Without a complete PMP that addresses PMI activities, USAID/Angola is without a critical tool for planning, managing, and documenting data collection. The mission also lacks assurance that it is maintaining the elements that are essential to the operation of a credible and useful performance–based management system.

The USAID Automated Directives System (ADS) 203.3.3 states that Operating Units must prepare a complete PMP for each strategic objective within 1 year of approval of the strategic objective. According to ADS 203.3.3, a PMP is a "tool used by an Operating Unit and Strategic Objective Team to plan and manage the process of assessing and reporting progress towards achieving a Strategic Objective." PMPs should provide performance indicators which include baseline levels and targets to be achieved. ADS 203.3.4.6 states that "usually as part of the Operating Unit's Annual Portfolio Review process, Operating Units should update PMPs regularly with new performance information as programs develop and evolve."

During the audit, we noted that the PMP addressing USAID/Angola's health activities was developed in 2004 by a predecessor strategic objective team before the advent of PMI. As a result, this PMP contained outdated intermediate results and did not reflect PMI activities. At the time of the audit, the mission was in the process of developing a new PMP that included the PMI. The mission anticipated finalizing this new PMP in late 2007.

According to a mission official, USAID/Angola recognized the importance of having an updated PMP; however, the mission did not focus initially on including PMI indicators because mission staff thought that malaria information for the Angola operational plan would be provided and entered by USAID/Washington staff. Moreover, the mission also

[6] Per the Central Intelligence Agency The World Factbook, Angola has abundant natural resources including large oil deposits, diamonds, gold, extensive forests, and Atlantic fisheries.

indicated that it had not received notice of the need to include malaria information in the Angola operational plan until shortly before that plan was due.

PMPs contribute to the effectiveness of a mission's performance monitoring system by ensuring that comparable data will be collected on a regular and timely basis. Without a PMP that incorporates PMI activities, the mission does not have sufficient assurance that it is maintaining controls essential to the operation of a credible useful performance-based management system. To strengthen the mission's PMP, we are making the following recommendation:

Recommendation No. 1: We recommend that USAID/Angola complete and finalize its performance management plan to reflect the activities being carried out under the President's Malaria Initiative.

Data Quality Assessment Needed for PMI Data

Summary: A data quality assessment has not been performed for the mission's PMI program as required by Agency guidelines. Data problems, which could have been uncovered if a data quality assessment had been reported, were found with the over-reporting of the total number of subsidized and full-cost insecticide-treated bednets. A data quality assessment had not been performed for PMI indicators because the mission believed that PMI data would be reported by USAID/Washington and not USAID/Angola. When guidance was received from USAID/Washington on including PMI data in the Angola Operational Plan, it was too late to perform a data quality assessment. Unreliable data can impact the appropriateness of management decisions, and the ability of managers to evaluate the effectiveness and efficiency of their programs. Without conducting periodic data quality assessments, USAID/Angola cannot ensure the validity and accuracy of the data reported to USAID/Washington.

ADS 203.3.5.1 recognizes the importance of data quality standards in managing for results and ensuring credible reporting. As part of this effort, ADS 203.3.5.2 states that data reported to USAID/Washington for Government Performance and Results Act (GPRA) reporting purposes or for reporting externally on Agency performance must have had a data quality assessment within the 3 years before submission. It further states that operating units may conduct data quality assessments more frequently.

USAID/Angola had not performed a data quality assessment for the PMI data that was reported to USAID/Washington.[7] The audit determined that the PMI data reported for subsidized and full-cost insecticide-treated bednets had been overstated—a situation which may have been identified had a DQA been performed prior to that data being reported. This data for FY 2006 activities was included in both the PMI "First Annual Report" (March 2007) and the "Malaria Operational Plan – Year Two (FY 07)" for Angola. Mission officials stated that they recognized the importance of having a data quality assessment performed. According to the mission, its PMI senior advisors monitor and analyze the quality of data received from various sources. In addition, the mission indicated that its implementing partners regularly meet with the mission and report on their PMI results.

[7] The last data quality assessment was performed on the health team indictors in 2004.

Nevertheless, the total numbers of subsidized and full-cost, insecticide-treated bednets for FY 2006 were overreported. For example, the number of subsidized and cost-recovery bednets reported as distributed for FY 2006 in the USAID PMI "First Annual Report" was 120,949. In contrast, mission reporting in the "Malaria Operational Plan – Year Two (FY 07)" reflected a total of 106,000 bednets being distributed during FY 2006 in clinics and local markets. Neither the mission nor the implementing partner could support the figure of 120,949 or 106,000 bednets. However, the implementing partner noted that the FY 2006 data that it had reported to the mission had included the activities of other donors. USAID's implementing partner's records showed that 37,993 bednets were procured under PMI in late FY 2006 with no distribution occurring in FY 2006.

A data quality assessment had not been performed for PMI indicators because the mission believed that PMI data would be reported by USAID/Washington and not USAID/Angola. When guidance was received from USAID/Washington on including PMI data in the Angola operational plan, it was too late to perform a data quality assessment. The data reported by USAID's partners were not being closely examined by the mission. For example, mission officials were not aware that different numbers were reported for the subsidized and full-cost bednets in the "First Annual Report" and the "Malaria Operational Plan – Year Two (FY 07)," nor were they aware that the reported numbers did not reflect the number of nets procured through PMI in FY 2006. In another example, the "Malaria Operational Plan – Year Two (FY 07)" reported 107,000 houses sprayed, whereas the "First Annual Report" reported 107,307 houses sprayed.[8]

Without conducting periodic data quality assessments that meet the ADS requirements, USAID/Angola cannot ensure the validity and accuracy of the data reported to USAID/Washington. Unreliable data can impact the appropriateness of management decisions and the ability of managers to evaluate the effectiveness and efficiency of their programs. To ensure that in the future data meets the required quality standards, we are making the following recommendation:

Recommendation No. 2: We recommend that USAID/Angola perform a data quality assessment for its President's Malaria Initiative program.

Site Visits Need Documentation And Data Verification

Summary: The ADS notes the importance of strategic objective teams having adequate documentation for USAID activities, as well as the importance of monitoring the quality and timeliness of achievements by implementing partners. A recent USAID/Angola mission order addressed the importance of monitoring and verifying the accuracy of reported results by conducting site and field visits to review data collection and documentation at its source. However, the mission's documentation of its site visits was lacking, and no data verification activities were documented by USAID/Angola staff for

[8] This variance is not considered material.

its FY 2006 PMI activities. The mission attributed the lack of proactive monitoring during that time to the lack of mission staff dedicated full time to PMI. The lack of subsequent proactive monitoring was attributed to the fact that, later, when such staff were available, they were assigned to conduct other tasks to support time critical PMI activities. As a result, two problems were identified. First, the mission could not demonstrate whether appropriate and sufficient site visits were made to monitor PMI implementation. Second, without periodic data quality validation during site visits, the mission was not assured that the data used for decision making and reporting was accurate.

According to ADS 202.3.4.6, strategic objective teams "must ensure that they have adequate official documentation on agreements used to implement USAID-funded activities, resources expended, issues identified, and corrective actions taken." Further, ADS 202.3.6 specifies that "monitoring the quality and timeliness of outputs produced by implementing partners is a major task of cognizant technical officers (CTO) and strategic objective teams," that problems in output quality "provide an early warning that results may not be achieved as planned," and that "early action in response to problems is essential in managing for results." In March 2007, USAID/Angola issued Mission Order 203, which stated that program teams are responsible for all aspects of "assessing and learning" for the results and activities justified and funded through their program.[9] It also noted the importance of "monitoring and verifying the accuracy of reported results by conducting regular (quarterly or semi-annually) site and field visits to review data collection and documentation at its source."

Site visit documentation by mission personnel for PMI activities has been limited. During FY 2006, there was one documented site visit by the mission's General Development Office.[10] No data verification was documented by USAID/Angola staff for PMI activities during this time period. The mission order mentioned above also noted that gaps had previously been identified with respect to the mission's records of site visits and monitoring meetings.

According to the mission, there were two reasons why its staff had not been proactive in conducting data verification of PMI activities. First, the team leader who oversaw the mission's health team (which included the PMI program) joined the mission halfway through FY 2006 (the period under audit). Second, mission staff were not dedicated full time to PMI until November 2006. In addition, once those individuals were dedicated full time to PMI, they were assigned to other time-critical PMI work, including (1) developing an Angolan national malaria strategy, (2) developing the malaria operational plan, and (3) writing a Global Fund to Fight AIDS, Tuberculosis, and Malaria funding proposal for Angola.[11]

[9] ADS 203 addresses how operating units (including missions) should assess whether activities are actually achieving intended results and how operating units should learn from that experience. Mission Order 203 addresses "assessing and learning" within USAID/Angola.

[10] There were two documented PMI site visits conducted in FY 2007 by USAID/Angola. During this time period, difficulties in securing travel documentation required by Angolan law precluded one of the program staff members from traveling outside Luanda, Angola. PMI trip reports documenting the activities of USAID/Washington staff were made available to the audit team.

[11] In its comments, the Mission noted that the PMI—a high priority program—was launched despite severe constraints.

Without trip reports documenting site visits, the mission could not demonstrate whether the site visits included the monitoring necessary to oversee the implementation of PMI activities. The maintenance of site visit records is an important control for ensuring that all of the mission's partners are adequately monitored, that funds are accounted for and that significant events, observations, and decisions occurring during site visits are documented. This is especially important when staff turnover results in new staff assignments for monitoring ongoing activities. By not performing periodic data validation during site visits, the mission cannot ensure that its data is accurate.

Recommendation No. 3: We recommend that USAID/Angola develop and implement a plan for its staff to regularly perform and document President's Malaria Initiative site visits and to periodically verify partners' data during those visits.

Indoor Residual Spraying Responsibilities Need Formalization

Summary: The ADS recognizes the critical coordinating role that USAID can provide between partners and host country governments. During round 1[12] of the indoor residual spraying, provincial governments had important responsibilities to help implement the spraying. These responsibilities were not formally agreed upon, which resulted in differing expectations on the hiring and training of sprayers. This, in turn, caused problems that affected both the quality and reporting of spraying conducted. The subsequent spraying activity carried out in FY 2007 resulted in an informal agreement between USAID/Angola and the Government of Angola's National Malaria Control Program (NMCP) that provided specific responsibilities related to the spraying. Discussions are underway to develop new NMCP responsibilities, authorities, and accountability for indoor residual spraying operational results. This effort needs strengthening with formalization of accountability built into the indoor residual spraying process.

ADS 202.3.5.3 recognizes USAID's critical coordinating role with respect to partners and host country governments. It notes that strategic objective team leaders and activity managers are considered official U.S. Government representatives and, as such, can open lines of communication. Further, ADS 202.3.5.3 states that USAID encourages strategic operating teams to establish periodic meetings with broader partner groups in order to share information and elicit feedback.

During the first round of indoor residual spraying in Angola, the spray team members and spray team supervisors were selected by the provincial governments where spray activity was being conducted. Those governments were also involved with sprayer training. An official from USAID's implementing partner noted that problems were encountered with this arrangement.

According to this official, the absence of a formal agreement with the participating provincial governments resulted in differing expectations between the implementing partner and the provincial governments regarding the types of employees hired and the

[12] The application of indoor residual spraying in a pre-established location and/or locations during a specific time period is referred to as a "round".

training provided under round 1 of indoor residual spraying. These differing, unwritten expectations negatively impacted the quality of spraying. For instance, spray team members were employed who should not have been hired (e.g., some not being able to read and write) and problems were encountered with the sprayer training. Subsequently, the implementing partner official noted that in round 2, which was conducted in FY 2007, more stringent qualifications were established for sprayers, improvements were made in spraying activity reporting, and controls were put into place to better monitor the quality of spraying activity. For round 2, an informal agreement was reached between the implementing partner and the NMCP. This informal agreement gave the NMCP responsibility for (1) recruiting sprayers and spraying supervisors, (2) supervising the spray activities, (3) planning spraying activities, (4) setting spraying targets, and (5) surveying areas to be sprayed. The informal agreement made the implementing partner responsible for logistics, financing, and technical support.

Although improvements have addressed some of the problems experienced during round 1 of the indoor residual spraying, risk remains in implementing the program without a formal agreement between the NMCP and USAID/Angola. According to the mission, it had been in discussions with the implementing partner and the NMCP to develop a new model of NMCP responsibilities, authorities, and accountability for indoor residual spraying field results. The planned efforts of USAID/Angola, the implementing partner, and NMCP are well intentioned, but they do not formally assign accountability in the spraying process. Thus, we are making the following recommendation:

> *Recommendation No. 4: We recommend that USAID/Angola agree in writing with the National Malaria Control Program regarding deliverables, criteria, and associated milestones for implementing the indoor residual spraying program.*

EVALUATION OF MANAGEMENT COMMENTS

In its response to our draft report, USAID/Angola agreed with all four recommendations. The mission described the actions taken and planned to be taken to address our concerns. The mission's comments and our evaluation of those comments are summarized below.

In response to recommendation no. 1, concerning finalizing the performance management plan (PMP), the mission agreed and cited a target date of December 31, 2007, for finalizing the PMP and closing this recommendation. Based on the mission's response, we consider that a management decision has been reached on this recommendation.

For recommendation no. 2, regarding the performance of a data quality assessment, the mission agreed and indicated that the target date for completing data quality assessments of the relevant indicators was December 31, 2007. Therefore, we consider that a management decision has been reached on this recommendation.

In response to recommendation no. 3, concerning documentation of site visits and periodic verification of partner's data, the mission agreed with this recommendation and indicated that a plan for site visits has been drawn up and is in implementation. A management decision will be reached when the mission have a firm plan of action with target date for implementing a plan for data verification.

Recommendation no. 4 concerns having the National Malarial Control Program agree in writing to the required deliverables and associated milestones for PMI implementation of the indoor residual spraying program activities. The mission concurred with this recommendation and entered into a written agreement with the National Malaria Control Program. Accordingly, final action has been reached on this recommendation.

In addition to the above, the mission also provided supplementary comments concerning our draft report. Those comments were considered in the preparation of the final audit report. Management's comments are included in their entirety in appendix II.

SCOPE AND METHODOLOGY

Scope

The Regional Inspector General/Pretoria conducted this audit in accordance with generally accepted Government auditing standards. Field work was conducted from July 10, 2007, through August 3, 2007, in Angola. Audit work was carried out in Luanda and its suburbs and in Lubango.

The objective of this audit was to determine whether selected USAID/Angola activities under the President's Malaria Initiative (PMI) were achieving planned results. The audit team assessed the effectiveness of internal controls related to PMI, such as (1) the mission's documentation related to managing and monitoring the program, (2) the implementing partners' reporting of program status, (3) the establishment and maintenance of site visit documentation, and (4) the mission's annual self-assessment of internal controls in accordance with the Federal Managers' Financial Integrity Act of 1982 for fiscal year (FY) 2006. We also tested internal controls that selected partners had over their PMI commodities.

The scope of this audit included USAID/Angola's PMI activities carried out during FY 2006. The planned activities were selected from the universe of PMI-funded activities being carried out in Angola. A total of $7.5 million was obligated in FY 2006: $1,360,368 obligated bilaterally and $6,139,632 obligated through field support. This audit examined activities carried out during FY 2006, but it did not include the ExxonMobil Foundation donation.

Methodology

To answer the audit objective, we met with officials from USAID/Angola, Centers for Disease Control (CDC/Angola), other implementing partners, and an Angolan Government health official. The audit team reviewed pertinent planning documents such as the malaria operational plan and various reporting documents on fiscal year 2006 accomplishments. The audit covered all FY 2006 PMI activities with particular attention given to those partners who participated in PMI activities for FY 2006, in this case the partners who were involved with indoor residual spraying and the distribution of bednets. For selected activities, the audit team, in conjunction with the mission, identified those activities which were deemed most important for FY 2006.

The audit team interviewed mission officials and implementing partners responsible for PMI implementation and monitoring. We reviewed pertinent documents that included but were not limited to trip reports and quarterly reports. This review helped to determine the levels of monitoring being carried out and if progress towards outputs had been achieved. The audit team conducted site visits to partners, antenatal clinics, the indoor residual spraying storage warehouse facility, the insecticide-treated bednet storage warehouse facility, and a drug distribution and storage facility to observe operations at various locations where PMI activities were being implemented. In part, these visits included testing data found in progress reports and annual reports. We tested output data which included comparing the reported information to supporting

documentation such as field supervisor log books and databases. In determining how PMI funds were utilized by the United Nations Children's Fund for the purchase and distribution of free bednets, the audit team reviewed the relevant procurement records and shipping records and other documentation reporting this activity.

MANAGEMENT COMMENTS

USAID | ANGOLA
FROM THE AMERICAN PEOPLE

MEMORANDUM

TO: Regional Inspector General/Pretoria, Nathan Lokos

CC: Carlene Dei, Director, USAID/Southern Africa

FROM: Mervyn Farroe, Acting Director, USAID/Angola /s/

DATE: October 25, 2007

SUBJECT: Management Comments on the Draft Audit Report of USAID/Angola's Implementation of the President's Malaria Initiative (Report No. 4-654-07-XXX-P)

This memorandum transmits USAID/Angola's management comments to the referenced RIG/Pretoria Draft Audit Report. Thank you for sharing the draft report with the Mission, and providing us the opportunity to make clarifications. We welcome the report and your continuing guidance on how to improve implementation of the President's Malaria Initiative. Herein we provide additional information to address the draft findings and some of the report's language. In addition, we have outlined a number of management actions which we believe will fully address the RIG's audit recommendations. We very much appreciate the thoroughness and professionalism with which this audit was conducted. On the whole, we consider that the team has presented a balanced report with recommendations useful to the program and the Mission.

Please note that the content below is a re-submission of what was sent by Mission Director Susan Brems via email on October 18, 2007.

Recommendation No. 1: *We recommend that USAID/Angola complete and finalize its Performance Management Plan to reflect the activities being carried out under the President's Malaria Initiative.*

Comment/response: We agree with the recommendation. The Mission's monitoring and evaluation specialist left unexpectedly in May. The Mission is still recruiting for a qualified replacement. In the interim, a two-month personal services contractor helped to

fill some of the Mission's monitoring and evaluation needs, especially with regard to undertaking data quality assessments. It is worth noting that USAID/Angola's Mission Order on Performance Management assigns a higher standard than does Automated Directive System (ADS) 203 for judging when a Performance Management Plan (PMP) is considered complete. For this reason, in defining completion, the Mission is taking care to ensure that its PMP is as thorough as possible, particularly where issues of data quality still exist. Through a program support contract, the Mission will seek expert advice as to the completeness of its PMP, act expeditiously to address any remaining deficiencies and implement agreed-upon recommendations. Therefore, USAID/Angola will target December 31, 2007 for finalizing the PMP and closing this recommendation.

Recommendation No. 2: *We recommend that USAID/Angola perform a data quality assessment for its President's Malaria Initiative program.*

Comment/response: We agree with the recommendation. At the time the audit took place, the Mission's monitoring consultant was fulfilling his terms of reference to conduct data quality assessments on a number of Mission indicators, including PMI indicators. Since the time the audit team was in country, a data quality assessment has been completed for a key indicator: Number of houses sprayed with insecticide with USG support. That assessment is included here as Attachment 1. Data quality assessments for three other indicators will be completed in tandem with finalizing the PMP by December 31, 2007.

Recommendation No. 3: *We recommend that USAID/Angola develop and implement a plan for its staff to regularly perform and document their President's Malaria Initiative site visits and to periodically verify partners' data during those visits.*

Comment/response: We agree with this recommendation. A plan for these visits has been drawn up and is in implementation. That plan is included here as Attachment 2. Thus, the Mission believes this recommendation can be closed.

Recommendation No. 4: *We recommend that USAID/Angola agree in writing with the National Malaria Control Program regarding deliverables, criteria and associated milestones for implementing the indoor residual spraying program.*

Comment/response: We agree with this recommendation and were able to finalize the written agreement on October 16. A copy of the agreement (in Portuguese) is included here as Attachment 3. Thus, the Mission believes this recommendation can be closed.

III. Additional Comments

1. *Page 1, paragraph 3, "At higher levels, the audit found that results from FY 2006 activities could not be determined. This is because baseline data did not exist…."*

In the Mission's view, this is not entirely accurate, because results at a higher level were never expected to be present – or measured – based on one year of implementation. That

is not consistent with either program start-up or epidemiological behavior. Since FY 2006 was the first year of implementation, we never aimed at measuring more than process indicators (for example, the number of nets distributed), rather than outcome indicators (for example, the proportion of pregnant women who slept under a net). Consistent with the time needed to achieve public health impact, outcome indicators were only planned to be assessed every two years. The Malaria Indicator Survey that was conducted between November 2006 and April 2007 is the baseline against which progress will be tracked in 2008/2009 and impact assessed at the end of the program (in 2010). In other words, even if baseline data had been available before the Malaria Indicator Survey took place, data would not have been available for the auditors to measure impact at higher levels. Bottom line: No outcome results were planned for the first year of implementation; therefore the program should not be held accountable for not achieving them.

We would suggest wording along the following lines: *At higher levels, the audit found that results from FY 2006 activities could not be determined, because of the short implementation period involved.*

2. *Page 1, paragraph 3, "By 2009 a survey will be completed so that the impact made by PMI activities should be known."*

This is not entirely accurate. The survey referred to will be the mid-point evaluation; it may or may not measure progress on morbidity and mortality, depending on whether it is done jointly with a Multiple Indicator Cluster Survey (commonly known as MICS). The 2009 survey will primarily measure progress in terms of coverage of malaria interventions undertaken jointly by the PMI and its partners. No impact assessment is envisioned by then.

3. *Page 2, fourth bullet, "Intermittent preventive treatment – Pregnant women are treated with at least two doses of sulfadoxine-pyrimethamine to provide protection from maternal anemia and low birthweight. Under PMI this medicine is provided and health care workers are trained."*

There are two areas of note here. First, the treatment of pregnant women prevents or attenuates malaria, as well as preventing anemia and low birthweight. Second, PMI does not buy the drug in question, though PMI has been giving support in terms of training and supervision of health workers.

4. *Page 2, paragraph 3, "For children under age five, malaria is responsible for an estimated mortality rate of 35 percent and a hospital admission rate of 60 percent. For pregnant women the maternal mortality caused by malaria is estimated at 25 percent."*

This information should be more properly stated thus: *Malaria is responsible for an estimated 35 percent of Angola's extremely high under-5 mortality rate of 260 per 1,000 children, and about 60 percent of hospital admissions for this group. Further, malaria is*

estimated to be responsible for 25 percent of Angola's very high maternal mortality rate of 1,500 per 100,000 live births.

5. *Page 4, paragraph 1, "For higher level results, the impact of FY 2006 activities could not be determined. For pregnant women the maternal mortality caused by malaria is estimated at 25 percent."*

The reasons the Mission disagrees with this statement were explained above, under the first point. The same statement appears again on page 5, paragraph 1. Also, the last sentence bears revising to: *Some 25 percent of maternal mortality is attributable to malaria.*

6. *Page 4, paragraph 2, "…obtaining vehicles…"*

PMI has only been hiring vehicles, not purchasing them. If this distinction is important, then perhaps it should be made.

7. *Page 4, footnote 3:*

The figure of 170,000 houses to be sprayed in the South that we stated in the Malaria Operational Plan was only an estimate of the population in those two provinces from figures provided by the provincial government. None of the initial planning team had visited the area as of September 2005, when the Operational Plan was written, and no up-to-date census or maps of the area were available. (Angola's last national census was in 1970.) Worldwide, sometimes local government figures are commonly overestimated when hard data do not exist, especially in cases where population levels are intricately related to budgetary allocations.

8. *Page 5, first paragraph.*

Typically in development projects, other preparatory activities begin before baseline data are in hand. Baseline measurement is often a first-year activity of projects. In part this is because of the well known weaknesses of data in developing countries. It is also because start-up activities, such as procurement of supplies and drugs, do not affect baseline measurements at the level of the population. In the case of PMI, another factor was scheduling of short-term technical assistance visits from a finite number of specialists whose services were required for many PMI activities in participating countries. Further, the limited first-year funds did not prioritize baseline data collection, relative to spraying and bednets. Despite these challenges, Angola was the first PMI country to complete a Malaria Indicator Survey.

9. *Page 5, first bullet: "For example, an average of 94 percent of households had treated mosquito nets, and an average of 69 percent of households reported that their child slept under a mosquito net the previous night."*

Since percents are not an average, this sentence should read: *For example, 94 percent of surveyed households had treated mosquito nets, and 69 percent of surveyed households reported that their child slept under a mosquito net the previous night.*

10. *Page 5, second bullet:*

For the same reason, the last sentence should read: *The Malaria Indicator Survey found that, nationwide, 23.2 percent of households had at least one treated net.*

11. *Page 5, footnote 4, "assisting in writing of the first malaria strategy..."*

This is not totally accurate. Instead, it should read "assisting in updating and preparing a budget for the malaria strategy..."

12. *Page 6, paragraph 5, "This official stated that the Mission's efforts to update its PMP were delayed because the Mission believed that malaria information was not going to be included in the Angola Operational Plan."*

This statement should be revisited in the context of the comment immediately below. A more accurate statement would be: *The Mission did not focus initially on including PMI indicators in the new PMP that it was in the process of developing because it understood that malaria information for the Angola Operational Plan would be provided and entered by Washington-based staff.*

13. *Page 7, the box and text in paragraph four*

This text implies and refers explicitly to SO 7 as being responsible for the Mission's PMI activities; this is incorrect. Strategic Objective 654-007, *Increased Use of Maternal/Child Health and HIV/AIDS Services and/or Improved Health Practices*, was the home for the Mission's health activities under its former strategic plan. However, since November 7, 2005, when AA/AFR approved an addition to the Angola Country Strategic Plan (2001 – 2005) as an interim measure, the bulk of the Mission's health activities have resided within Strategic Objective 654-011: *Provision of Essential Services by Local and National Institutions Increased*. Although reviewed by the Africa Bureau in September 2005, the Mission's new strategic plan (2006 – 2009), which included SO 11, was not formally approved by AA/AFR until April 5, 2006. The new strategy made note that Angola would be a beneficiary of the PMI, though funding levels were imprecise.

Accordingly, it would be more accurate to state that the SO 11 team has been responsible for PMI since the inception of activities in Angola. Furthermore, as this was a new SO, the focus of monitoring and evaluation immediately shifted to developing a new PMP. Thus, it was never the Mission's intent to modify SO 7 to include PMI; rather it was decided to integrate PMI into a new PMP, along with other new Mission activities.

14. *Page 7, last paragraph, and page 8, top lines, re the discrepancy in reporting of the total numbers of bednets:*

The reported figure of 37,993 bednets procured and distributed by PSI is quite a bit below the figure we were given by PSI when we wrote the Annual Report (120,949). Instructions from PMI management in Washington were to include all nets distributed by PSI with USAID and/or PMI funds since the President's original announcement about the PMI on June 30, 2005, *i.e.*, the total of insecticide-treated bednets distributed with USAID funds between June 30, 2005 and January 31, 2007, when the books on the first year's activities under PMI were officially closed. Unfortunately, PSI misunderstood this guidance and provided data on bednets distributed from all sources; thus the figure mistakenly included bednets distributed with funding from a private source, Exxon Mobil.

15. *Page 8, paragraph 2, "Malaria Operational Plan –Year Two (FY 06) reported 107,000 houses sprayed, whereas the first annual report reported 107,307 houses"*

We believe this perceived discrepancy is purely the result of rounding and should not be attributed to the lack of data quality assessments, notwithstanding the importance of those assessments for detecting errors.

16. *Page 9, paragraph 3, regarding PMI staffing:*

Although the report mentions that the PMI team was not fully staffed when activities began, the difficulties faced are perhaps understated. President Bush announced the PMI on June 30, 2005. The first assessment and planning visits took place in August and September 2005. The first field activity in any PMI country was the RTI-supported spraying in Huila and Cunene Provinces, which began in December 2005. From August 2005 to March/April 2006, PMI was largely managed by the Supervisory General Development Officer, a backstop at CDC in Atlanta and a backstop at USAID in Washington. This is obviously not an ideal situation even under the best of circumstances, and Angola presented special challenges in its public health context. PMI-specific personnel did not arrive until November 2006, a full year after activities began. In short, a high-priority program was launched despite severe constraints.

17. *Footnote 9, "During this time period one of the program staff members was having difficulties which precluded site visit travels."*

We suggest the following language: *Rigidities in travel documentation required by Angolan law precluded one of the program staff members from traveling outside Luanda.*

Attachments:

1. Data Quality Assessment on Number of Houses Sprayed with Insecticide with USG Support

2. Plan for Performing and Documenting Site Visits, including Data Verification

3. Agreement on Deliverables, Roles and Responsibilities between the National Malaria Control Program and USAID, through Research Triangle Institute as the Implementing Entity (in Portuguese)

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