



**USAID**  
FROM THE AMERICAN PEOPLE

**OFFICE OF INSPECTOR GENERAL**

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**AUDIT OF USAID/SOUTH  
AFRICA'S PROGRESS IN  
IMPLEMENTING THE  
PRESIDENT'S EMERGENCY  
PLAN FOR AIDS RELIEF**

AUDIT REPORT NO. 4-674-06-013-P

August 11, 2006

PRETORIA, SOUTH AFRICA



*Office of Inspector General*

August 11, 2006

**MEMORANDUM**

**TO:** USAID/South Africa Mission Director, Carleene Dei

**FROM:** Regional Inspector General, Nathan Lokos /s/

**SUBJECT:** Audit of USAID/South Africa's Progress in Implementing the President's Emergency Plan for AIDS Relief (Report No. 4-674-06-013-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 three recommendations to strengthen USAID/South Africa's implementation of the President's Emergency Plan for AIDS Relief. In response to the draft report, the Mission agreed with all three recommendations, and has issued revised policies and procedures for final action on Recommendation Nos. 1 and 2. For Recommendation No. 3, a management decision has been reached. Please provide the Office of Audit, Performance, and Compliance Division with the necessary documentation to achieve final action on Recommendation No. 3.

I appreciate the cooperation and courtesy extended to my staff throughout the audit.

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# SUMMARY OF RESULTS

The Regional Inspector General/Pretoria conducted this audit as part of a series of worldwide audits conducted by the Office of Inspector General. The objective of this audit was to determine whether USAID/South Africa's Emergency Plan prevention and care activities were progressing as expected towards the planned outputs in its grants, cooperative agreements, and contracts. (See page 3.)

We were unable to determine whether USAID/South Africa's prevention and care activities were progressing as expected towards meeting planned outputs contained in grants, cooperative agreements, and contracts because we could not verify the outputs reportedly achieved. However, according to Mission officials they believe that reported planned outputs have been met based upon their knowledge of the recipients and their activities, and their ongoing monitoring and evaluation activities. This audit found that some of the reported data could not be validated and data testing identified some problems. Data quality problems were also found in recent data quality assessments conducted by a contractor. (See page 4.) USAID/South Africa needs to take steps to improve the quality of data from its recipients and sub-recipients. These improvements can be made by (1) having recipients periodically validate their own and their sub-recipients' data, and (2) developing a monitoring and evaluation training plan that meets the range of monitoring and evaluation needs of recipients. (See pages 6-8.) In addition, USAID/South Africa needs to better document its monitoring activities. (See pages 8-10.)

This report includes three recommendations for strengthening USAID/South Africa's implementation of the President's Emergency Plan for AIDS Relief. The Mission has agreed with all three recommendations in its written response to the draft report. Final action has been taken for Recommendation Nos. 1 and 2, and a management decision has been reached for Recommendation No. 3. (See pages 7 and 10.)

Management's comments are included in their entirety in Appendix II.

# BACKGROUND

Congress enacted legislation to fight HIV/AIDS internationally through the President's Emergency Plan for AIDS Relief (Emergency Plan). The \$15 billion, five-year program provides \$9 billion in new funding to speed up prevention, care and treatment services in 15 focus countries.<sup>1</sup> The Emergency Plan also devotes \$5 billion over five years to bilateral programs in more than 100 countries and increases the U.S. pledge to the Global Fund by \$1 billion over five years.<sup>2</sup> The fiscal year (FY) 2005 budget for the Emergency Plan focus countries totaled \$1.03 billion. The Emergency Plan is directed by the Department of State's Global AIDS Coordinator (AIDS Coordinator) and implemented collaboratively by country teams composed of staff from USAID, the Department of State, the Department of Health and Human Services, and other Federal agencies.

South Africa is one of the 15 focus countries. According to USAID/South Africa, the U.S. Government Mission in South Africa was allocated \$123.9 million during FY 2005, of which \$74.2 million was managed by USAID. The Bureau for Global Health has general responsibility for USAID's participation in the Emergency Plan. More specifically, the Director of Global Health's Office of HIV/AIDS provides the technical leadership for USAID's HIV/AIDS programs.

The U.S. President and Congress have set aggressive goals for addressing the worldwide HIV/AIDS pandemic. The worldwide goal over five years is to provide treatment to 2 million HIV-infected people, prevent 7 million HIV infections, and provide care to 10 million people infected and affected by HIV/AIDS, including patients and orphans. The AIDS Coordinator – which directs the U.S. Government's fight against HIV/AIDS internationally – divided these Emergency Plan targets among the 15 focus countries and allowed each country to determine its own methodology for achieving its portion of the assigned targets by the end of five years.

In South Africa's first decade of democracy, adult HIV prevalence has risen from less than 3 percent to an estimated 21.5 percent. South Africa has 5.6 million adults and children infected with HIV. The HIV epidemic is generalized (found in all sectors of the population) and maturing. It is characterized in part by (1) high levels of prevalence and asymptomatic HIV infections; (2) an infection rate that is beginning to plateau but is still high; (3) high infection rates among sexually active people, other vulnerable and high risk populations (mobile populations, sex workers and their clients, and uniformed services) and newborns; and (4) vulnerability of women and girls. AIDS-associated mortality is high (370,000 AIDS deaths in 2003) with large increases in HIV mortality among young adults and children (40 percent of under-five mortality is associated with HIV in 2000). As mortality increases, so too will AIDS orphans who number 1.1 million. The U.S. Government Mission in South Africa was committed to achieving the following targets by September 30, 2005:

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<sup>1</sup> Twelve countries in Africa (Botswana, Cote d'Ivoire, Ethiopia, Kenya, Mozambique, Namibia, Nigeria, Rwanda, South Africa, Tanzania, Uganda and Zambia), and three other countries (Guyana, Haiti and Vietnam).

<sup>2</sup> The Global Fund is a public-private partnership that raises money to fight AIDS, tuberculosis and malaria.

**U.S Government Emergency Plan  
Fiscal Year 2005 Targets for South Africa**

Prevention		Care	Treatment
Pregnant Women Receiving Antiretroviral Prophylaxis	Pregnant Women Receiving PMTCT <sup>3</sup> Services	Individuals Receiving Care and Support	Individuals Receiving Antiretroviral Therapy <sup>4</sup>
125,000	500,000	967,000	107,000

**AUDIT OBJECTIVE**

As part of the Office of Inspector General's fiscal year 2006 annual audit plan, this audit was conducted as part of a worldwide series of audits of USAID's progress in implementing the President's Emergency Plan for AIDS Relief. The audit was conducted to answer the following question:

- Are USAID/South Africa's Emergency Plan prevention and care activities progressing as expected towards the planned outputs in its grants, cooperative agreements, and contracts?

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

<sup>3</sup> PMTCT means prevention of mother-to-child HIV transmission.

<sup>4</sup> This audit focused only on prevention and care, not treatment, under which antiretroviral therapy falls.

# AUDIT FINDINGS

We were unable to determine whether USAID/South Africa's prevention and care activities were progressing as expected towards meeting planned outputs contained in grants, cooperative agreements, and contracts because we could not verify the outputs reportedly achieved. However, according to Mission officials, they believe that reported planned outputs have been met based upon their knowledge of the recipients and their activities, and their ongoing monitoring and evaluation activities. Nevertheless, this audit found that some of the reported data could not be validated and data testing identified some problems.<sup>5</sup> Moreover, data quality problems were also found in recent data quality assessments conducted by a contractor.

For the five recipients reviewed, representing 28 percent of USAID/South Africa's total prevention and care funding for FY 2005,<sup>6</sup> the Mission reported that 10 of 11 key outputs (91 percent) selected for review were being met. Appendix III discusses progress toward outputs by recipient. USAID/South Africa's recipients are provided with monitoring and evaluation training as technical assistance to assist in implementing their Emergency Plan activities. In addition, the Mission's own staff monitored the Emergency Plan recipients. This monitoring comes in many different forms such as site visits, face-to-face meetings, email, telephone communications, and reviewing status reports. In addition, the Mission was supportive of having its recipients participate in data quality assessments in order to help improve recipient data—many recipients had already participated. Further, the Mission had also hired a monitoring and evaluation advisor to follow up on the issues raised in the data quality assessments and to provide technical assistance to the Mission's recipients. According to a Mission official the quality of data has been improving.

USAID/South Africa needs to require that its recipients periodically validate their own and their sub-recipients' data that is being reported to USAID/South Africa. In addition, the Mission needs to develop a monitoring and evaluation training plan that meets the range of monitoring and evaluation needs of its recipients. Further, USAID/South Africa needs to better document its monitoring activities. Subsequent sections of this report will more fully address these areas.

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<sup>5</sup> The recipients reported data that was submitted for review has not been fully audited.

<sup>6</sup> A major recipient was excluded from this sample because they had been the subject of another major RIG/Pretoria audit this past year.



Photo of a recipient's staff member standing next to USAID-funded van which is used for voluntary counseling and testing activities. (Photograph taken in Johannesburg, South Africa in April 2006 by RIG/Pretoria auditor.)



Photo of USAID-funded counselor providing HIV testing on blood samples. (Photograph taken in Soweto, South Africa in April 2006 by RIG/Pretoria auditor.)



## Need For Validating Reported Data

Summary: Both OMB guidelines and ADS 202.3.6 address the importance of monitoring data quality. Some of USAID/South Africa's reported data could not be validated and data testing identified some problems. Prior to this audit, 16 of USAID's recipients had data quality assessments performed by a contractor that identified data quality problems for the data maintained and reported by the recipients. The data problems that were identified can be attributed to there being no (1) procedures to ensure the validation of reported data from recipients and sub-recipients, and (2) advanced monitoring and evaluation training for the Mission's recipients. The effect of USAID/South Africa having insufficient procedures to validate its Emergency Plan activity data puts the Mission at risk of not knowing whether its reported data is accurate, over-reported or under-reported. This risk is also perpetuated by not having a monitoring and evaluation training plan that meets the needs of the Mission's recipients.

The Office of Management and Budget's *Guidelines for Ensuring and Maximizing the Quality, Objectivity, Utility, and Integrity of Information Disseminated by Federal Agencies (January 3, 2002)* states that agencies are directed to develop information resources management procedures for reviewing and substantiating the quality (including the objectivity, utility, and integrity) of information before it is disseminated. In addition, according to ADS 202.3.6, "monitoring the quality and timeliness of outputs produced by implementing partners is a major task of cognizant technical officers and strategic objective teams. . . problems in output quality, provide an early warning that results may not be achieved as planned. . . early action in response to problems is essential in managing for results."

Three of five recipients tested during the audit had some data problems with their own or sub-recipient data. In some instances the audit team could not verify recipient or sub-recipient data reported by provincial government hospitals and clinics that had reported data to their USAID/South Africa recipients. According to the Mission and recipient officials, in two of the nine provinces the provincial governments would not allow their reported data to be validated. They stated that the provincial governments (1) believe that the data belongs to the government and not the USAID recipient, and (2) expressed concerns about protecting patient identities. (Because the provincial government data issue is already being discussed at a USG level in country we are not making a recommendation.) In addition, comparison of reported Emergency Plan data against source documents (such as patient registers or patient consent forms) identified data quality errors that could have been prevented or detected earlier with recipients validating their own data, as well as data reported by their sub-recipients. Examples of these errors included:

- A sub-recipient clinic could not produce documentary support for 88 patients that had been reported to the USAID recipient for a month of activity under "Positive Women Given Neviraphine." The sub-recipient's staff member produced a manual register with 85 names, and a second register with an additional 6 names. However, for the second register the staff member was not sure if the listed persons had received Neviraphine during the month. The USAID recipient monitoring and evaluation specialist said that they had never validated the data from this clinic.

- A recipient had reported 3,334 individuals trained in the provision of general and related palliative care. However, a register that provided the number of individuals trained showed only 2,133 trained. The recipient's files had not documented the basis of the numbers that had been compiled.

Prior to this audit, 16 of USAID/South Africa's Emergency Plan recipients had data quality assessments conducted by a contractor in December 2005 and February 2006. The assessments identified problems with the quality of the data maintained and reported by USAID implementing recipients for the Emergency Plan. Some of the problems reported in the assessments included the following statements:

- Although it was stated that there were checks made at each level, many errors were found...there were so many transcription errors that the eventual vector of the errors could not be determined.
- The validity and the precision of the reported data against the stated indicators are unacceptable.
- There was no 'true' collation tool resulting in various errors such as not including numbers in manual aggregations.
- The official records were not kept for all the dates of various stages of the data management process.

The Mission's data problems can be attributed to there being (1) insufficient procedures to provide systematic evidence that recipients are monitoring the validity of their own data and their sub-recipients, and (2) no advanced monitoring and evaluation training for the Mission's recipients. USAID/South Africa has a staff member whose duties in part include monitoring the quality of data being provided by the Emergency Plan recipients.<sup>7</sup> In this effort, reported data is compared against historical data and data aberrations are identified. Resulting questions or concerns will result in contacting the recipient via email or phone for clarification. This Mission staff member does not validate the data being reported by the recipients. The staff member noted that it is the responsibility of USAID's recipients to validate their sub-recipients' data. As discussed in the subsequent section of this report, other strategic objective team members reported that they validated recipient data during site visits, though no documentary evidence of data validation was identified. The Mission acknowledged that its existing procedures for validating data through independent data quality assessments of selected partners and the internal validation controls in the data warehouse are by themselves, insufficient since they do not provide systematic evidence that recipients are monitoring the validity of the reported data.

Another cause is that although monitoring and evaluation training is provided for USAID's recipients, even more needs to be done to address the needs of USAID/South Africa's Emergency Plan recipients. Recipients noted that they had taken the monitoring and evaluation training offered by the Mission. They expressed that this was good training for new and smaller recipients who lacked monitoring and evaluation experience. However, they noted that they required more advanced training. Mission officials noted that some of their recipients have hired monitoring and evaluation specialists but they acknowledged that a monitoring and evaluation training plan is needed that recognizes the various skill levels among USAID/South Africa's recipients.

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<sup>7</sup> Emergency Plan data is provided by USAID/South Africa's recipients through a data warehouse.

Not having procedures to validate its Emergency Plan activities data places the Mission at risk of not knowing whether its reported data is accurate, over-reported or under-reported. In addition, this risk is also perpetuated by not having a monitoring and evaluation training plan that meets the needs of monitoring and evaluation for its recipients. The overall magnitude of inaccurate data could not be determined by this audit due to the limited amount of data tested; however, the results of our testing, combined with the earlier data quality assessments indicates a need for additional action to help reduce the likelihood of inaccurate data.

In conclusion, the actions undertaken by the Mission by (1) providing monitoring and evaluation training for recipients, (2) having a staff member to monitor data quality, and (3) conducting data quality assessments are commendable and positive steps for improving recipients' data being reported for the Emergency Plan. However, the Mission should take additional measures to help strengthen the data reported under its Emergency Plan activities. Accordingly, we are making the following recommendations:

*Recommendation No. 1: We recommend that USAID/South Africa develop Mission-specific procedures requiring that its recipients periodically test their own and their sub-recipient's data to help establish the validity of the reported data.*

*Recommendation No. 2: We recommend that USAID/South Africa develop a monitoring and evaluation training plan that meets the range of monitoring and evaluation skill level needs of its recipients.*

## **Mission Officials Need to Better Document Site Visits**

Summary: USAID/South Africa's staff needs to improve documentation of their site visits to the Mission's recipients. USAID's Automated Directives System (ADS) 303, 202, the Cognizant Technical Officer (CTO) Checklist, and USAID/South Africa Mission Order 402 address the Mission's staff responsibilities for documenting their significant actions with recipients. Nevertheless, many of the Mission's staff responsible for overseeing the monitoring of the Emergency Plan have not been documenting their efforts. This occurred because staff (1) relied upon recipients' meeting notes, (2) lacked the time to prepare site visit reports, and (3) believed that site visit documentation was not required by the strategic objectives team. Without documentation of what has occurred during site visits, it is difficult to determine whether the site visits have accomplished the level of monitoring required to oversee the implementation of the Emergency Plan activities.

According to USAID's ADS 303.3.4.c.1, CTOs are responsible for monitoring and evaluating a recipient and its performance during the award to facilitate the attainment of program objectives. Required CTO action includes contact through site visits and liaison with the recipient, and reviewing and analyzing performance and financial reports. The CTO responsibilities are further defined in the CTO Checklist found in *USAID's Guide Book for Managers and Cognizant Technical Officers on Acquisition and Assistance* (November 1998). Among the CTO responsibilities are:

- Maintaining reasonable contact with the contractor to become aware of and gain an understanding of its problems and work schedules.
- Documenting significant actions, conversations, etc., as they occur.
- Establishing and maintaining a separate file for documents and correspondence pertaining to the contract.

According to ADS 202.3.4.6, Strategic Objectives (SO) 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.” In addition, USAID/South Africa has developed mission-specific procedures requiring that site visits be documented and maintained. These procedures are documented in Mission Order No. 402 dated November 5, 1997. Section II of the Mission Order states that the purpose of the Order is to (a) “Ensure that substantive information relating to field trips, important meetings and significant issues and decisions is recorded and shared appropriately,” and (b) “Document site visits and other significant events to provide a useable record and evidence for implementation purposes.”

Four of the six SO3 (Health Equity Team) staff who had monitoring responsibilities (CTO’s and activity managers) did not maintain files that documented site visits. In spite of little documentary evidence of site visits, all of the Mission’s staff and Emergency Plan recipients reported that the Mission had actively monitored the activities of the recipients. This monitoring came in many different forms—site visits, face-to-face meetings, email, telephone communications, and status reports. As stated in the prior section of this report, Mission staff said that during site visits they validated recipient data that had been reported to USAID by checking the data against source documents. The validation of data is an important monitoring activity; however, there was no documentary evidence of data validation being carried out by Mission staff.

There were several reasons cited by SO3 staff on why they did not document their site visits. These included (1) lacking time to write site visit reports, (2) relying upon recipients’ meeting notes to serve as the basis of reporting discussions, and (3) believing that site visit documentation was not required within SO3 team.

Because many site visits had not been documented and maintained in files, it was difficult for the Mission to account for its site visit results. Although some documentation was kept, it was generally incomplete. Without such documentation, it was difficult to determine whether the level of site visit activities was appropriate to accomplish the level of monitoring necessary to oversee the implementation of the Emergency Plan activities.

The documentation and maintenance of site visits records are an important internal control for ensuring that all of the Mission’s recipients are adequately monitored and that funds are accounted for. A practice of Mission staff conducting site visits with recipients, without documenting their monitoring activities is of limited value and does not meet the intent of the ADS and Mission Order 402. Rather, providing documentation of site visits in the Mission’s files helps to provide information that serves as part of the basis for evaluating the effectiveness of a recipient’s programs. Having site visit documentation is also important for historical purposes, especially when staff turnover results in new staff being assigned monitoring responsibilities. In order to strengthen this management

control and to provide the Mission with the full benefit of the site visits we are making the following recommendation:

*Recommendation 3: We recommend that USAID/South Africa develop procedures to document and maintain evidence of site visits, including its testing of recipient data to help establish the validity of the reported data.*

# EVALUATION OF MANAGEMENT COMMENTS

In response to our draft report, USAID/South Africa agreed with all three recommendations.<sup>8</sup>

For Recommendation No. 1 (Recommendation No. 2 in the management comments), the Mission has issued a new standard operating procedure from its Office of Acquisition and Assistance that requires inclusion of a clause in each agreement regarding reporting requirements for PEPFAR recipients. The clause will require that recipients document that they have conducted periodic tests of their own data as well as the data of their sub-recipients. As a result, final action has been taken on this recommendation.

In agreeing with Recommendation No. 2 (Recommendation No. 3 in the management comments), the Mission has submitted documentation that it has formalized its ongoing monitoring and evaluation training plan for its PEPFAR recipients and sub-recipients. Therefore, final action has been taken on this recommendation.

For Recommendation No. 3 (Recommendation No. 1 in the management comments), the Mission submitted a draft revised mission order on its procedures for documenting the results of site visits, including a standard site visit report and checklist. Therefore, a management decision has been reached for this recommendation. Final action will be achieved when the mission order is formally incorporated into the Mission's policies and procedures.

The Mission's comments are included in their entirety (without attachments) in Appendix II.

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<sup>8</sup> Please note that the recommendation numbering has been changed from those of the draft report.

# SCOPE AND METHODOLOGY

## Scope

The Regional Inspector General/Pretoria conducted this audit in accordance with generally accepted government auditing standards. Fieldwork was conducted from March 9, 2006, through May 10, 2006, in Durban, Johannesburg, and Pretoria, South Africa.

This audit was conducted as part of a series of the worldwide audits conducted by the Office of Inspector General. The objective of this audit was to determine whether USAID/South Africa's Emergency Plan prevention and care activities were progressing as expected towards the planned outputs in its grants, cooperative agreements, and contracts.

In conducting this audit, we assessed the effectiveness of USAID's internal control with respect to consolidating reporting data for USAID's portion of the U.S. Government annual progress report of its activities through September 30, 2005. We identified internal control such as USAID's process for monitoring its recipients' progress and reporting; and USAID recipients' processes for gathering multi-site reported data and their reporting of the data.

For the period audited, 35 recipients were engaged in prevention and care activities. We judgmentally selected five recipients—those with the largest total award amounts in Fiscal Year (FY) 2005. Those five recipients represented 28 percent of the total funding for prevention and care activities. A major recipient was excluded from this sample because it had been the subject of another major RIG/Pretoria audit this past year. The exclusion of this recipient and their FY 2005 funding, from the population from which the sample was based, resulted in the audit addressing 63 percent of the remaining funds for prevention and care activities. The USAID/South Africa activities reviewed during this audit were FY 2005 Country Operational Plan activities with funding being from FY 2004 and FY 2005.

## Methodology

To answer the audit objective, we met with USAID/South Africa Mission staff in the Health strategic objective team, and reviewed prior Emergency Plan audit reports to gain an understanding of the subject matter. We performed an in-depth review of USAID/South Africa's FY 2005 Country Operational Plan. Of the 35 recipients engaged in prevention and care activities for FY 2005, we selected 5 for review. We then judgmentally selected two to three key outputs for each selected recipient and compared those output percentages against the audit threshold criteria to determine if planned outputs were achieved.

The audit threshold criteria were as follows:

- 1) If at least 90 percent of the selected key outputs have been achieved, the answer to the audit objective would be positive.

- 2) If at least 80 percent but less than 90 percent of the selected key outputs have been achieved, the answer to the audit objective would be qualified.
- 3) If less than 80 percent of the selected key outputs have been achieved, the answer to the audit objective would be negative.

We interviewed Mission and recipient officials responsible for Emergency Plan monitoring and implementation. We reviewed their pertinent documents which included but were not limited to, trip reports, and semi-annual and annual reports which helped determine the levels of monitoring being carried out and also to determine if progress towards outputs had been achieved. In addition, site visits were carried out to observe operations at various recipient and sub-recipient sites. In part, these visits included testing data found in progress reports/annual reports and observing program operations. We visited the five recipients in our sample (which included visits to three recipients' clinics) and seven clinics/hospitals operated by sub-recipients. We judgmentally selected facilities in an effort to maximize our coverage based on the number of individuals being served. Testing output data consisted of comparing the reported information to supporting documentation such as log books, patient consent forms, and other documentation. Depending upon the availability of source documents and the amount of data reported, we judgmentally selected either (1) a specific month for review or (2) the annual reporting period for a specific output. In selecting results for review, we judgmentally selected important results that were most closely related to the Emergency Plan goals.



# MANAGEMENT COMMENTS



**USAID | SOUTH AFRICA**

FROM THE AMERICAN PEOPLE

## UNITED STATES GOVERNMENT ACTION MEMORANDUM

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**DATE** : July 17, 2006

**TO** : Matt Rathgeber, Acting Regional Inspector General/Pretoria

**FROM** : Carleene Dei, Mission Director /s/

**SUBJECT** : Management comments – Audit of USAID/South Africa’s progress in implementing the President’s Emergency Plan for Aids Relief (PEPFAR). Report number 4-674-06-xxx-P

The Mission would like to thank the Regional Inspector General’s Office for their work on this audit and for their recognition of the Mission’s achievements in its implementation of the President’s Emergency Plan for AIDS Relief (PEPFAR). While the report acknowledges the progress made meeting the output goals of the PEPFAR-funded projects, the Mission appreciates the recommendations designed to strengthen the monitoring and evaluation of this complex and unique multi-agency program.

The Mission has reviewed the subject audit report. The following is our management response and comments:

*Recommendation 1: We recommend that USAID/South Africa develop procedures to document and maintain evidence of site visits, including its testing of recipient data to help establish the validity of the reported data.*

**Management Response to Recommendation #1:**

USAID/South Africa concurs with this recommendation. A Mission order on procedures for documenting findings from site visits has been issued by the Mission to ensure that site visits are documented and maintained. The mission order includes standard guidelines and a checklist that all activity managers and CTOs will use to document the findings of their site visits. A copy of the mission order and the proposed standard site sheet check list is provided in Annex 1.

Based on the action taken above to address the recommendation, the Mission requests that this finding be closed upon issuance of the final report.

*Recommendation No. 2: We recommend that USAID/South Africa develop Mission-specific procedures requiring that its recipients periodically test their own and their sub-recipient's data to help establish the validity of the reported data.*

**Management Response to Recommendation #2:**

USAID/South Africa concurs with this recommendation. The Mission will include language in the reporting requirements of all future contract, grant and cooperative agreement amendments that requires PEPFAR recipients to document that they have conducted periodic tests of their data and that of their sub-recipients. Partners will also be required to provide the Mission with evidence that they have developed appropriate monitoring and evaluation plans that includes the M&E needs of any sub-partners. Building on our recent experience in conducting independent data quality assessments (DQAs), the Mission recently signed a multi-year agreement with a local organization to conduct addition DQAs on selected PEPFAR implementing partners for the remainder of the five-year PEPFAR initiative. One of the tasks of this independent review will be to assess and document the quality of our partners' M&E systems including their monitoring of sub-partner M&E operations. The Mission will also expand its M&E internship program to serve more PEPFAR partners and will target those partners that would most benefit from and are receptive to receiving an M&E intern.

Attached (Annex 2) is the standard operating procedure from USAID/South Africa's Office of Acquisition and Assistance that lays out the guidance for inclusion of a clause to be included in each agreement. This clause will be included in each new agreement and in existing agreements with incremental funding modifications.

Based on the action taken above to address the recommendation, the Mission requests that this finding be closed upon issuance of the final report.

*Recommendation No. 3: We recommend that USAID/South Africa develop a monitoring and evaluation training plan that meets the range of monitoring and evaluation skill level needs of its recipients*

**Management Response to Recommendation #3:**

USAID/South Africa concurs with this recommendation. The Mission has now formalized its ongoing monitoring and evaluation (M&E) training plan for PEPFAR implementing partners and sub-partners to reflect the diverse M&E skill levels of PEPFAR partners. The plan takes into account the range of M&E needs of organizations ranging from basic introduction to M&E techniques to more advanced M&E plans. The Mission has attached the M&E training plan for FY 2006 in Annex 3. The M&E work plan will be updated annually based on the needs of partners, changes in PEPFAR guidance on indicators, the recommendations of the interagency PEPFAR task force, and the results of ongoing data quality audits.

Based on the action taken above to address the recommendation, the mission requests that this finding be closed upon issuance of the final report.

In conclusion, the Mission would like to furnish information concerning steps already taken by the USG PEPFAR team to implement a robust monitoring and evaluation component within PEPFAR.

USAID/South Africa, and the entire USG/SA PEPFAR team, has taken seriously the need for a robust M&E system. Since the outset of the program, we have implemented a number of concrete steps to ensure the validity of the data reported by all USG PEPFAR partners. Despite the sheer size of the PEPFAR program in South Africa, (with more than 100 prime partners, more than 200 sub-partners and close to 350 treatment sites), the USG PEPFAR team has taken significant steps to ensure that partners regularly report quality data. These steps are coordinated by an interagency team of strategic information (SI) professionals from USAID, the Embassy and CDC. The steps include:

- Regular M&E capacity building workshops for all PEPFAR partners;
- Individualized M&E technical assistance to selected PEPFAR partners;
- Placement of graduate level M&E interns within PEPFAR partners;
- Independent (ISSO certified) Data Quality Assessments of selected PEPFAR partners; and
- Single data warehouse into which all PEPFAR partners report on their performance, thereby ensuring an audit trail on all data reported by the Mission.

In addition, M&E is a regular feature of all PEPFAR partner meetings and consultations, and a South Africa-specific strategic information manual has been developed and disseminated to all implementing partners.

#### Building Partner M&E capacity

PEPFAR partners have several opportunities each year to attend one of the week long M&E capacity building workshops that are designed to strengthen both individual and institutional M&E capacity so that partners can monitor and evaluate their programs. The workshops include an introduction to basic M&E principles, indicator development, data quality and data use. The workshops are interactive and aimed at encouraging organizations towards using M&E as an essential management tool. One of the deliverables from these workshops is for the participants to create or update M&E work plans for their organizations. These work plans are the first step in achieving improved organizational M&E systems.

#### Individualized technical assistance

In addition to routine site visits by activity managers to review partner performance, the interagency M&E team works closely with activity managers to identify and design individualized M&E assistance activities for those organizations that need specialized support. Given the large number of PEPFAR partners in South Africa it is not practical

for the USG M&E team to provide individualized support to all organizations; instead attention is given to those identified as requiring assistance in this area.

#### M&E Internship program

As a complement to the more short term technical assistance provided through the M&E workshops and site visits, the USG PEPFAR team has initiated a M&E internship program with the University of Pretoria (UP) whereby recent graduates from the M&E track of the UP Masters in Public Health program are matched with PEPFAR partners in need of additional M&E support. This activity is building a cadre of skilled M&E professionals and provides a source of additional M&E assistance to partners and sub-partner organizations. The USG PEPFAR team plans to expand this program in FY 2007.

#### Data Quality Assessments

The USG PEPFAR team recognizes the importance of being able to assess the validity and quality of partner data and has embarked on an independent data quality assessment (DQA) program. The objective of the DQA program is to ascertain whether or not the data reported by PEPFAR partners meets minimum standards of data quality. In each DQA, partner data is analyzed for its validity, reliability, integrity, precision and timeliness in line with ADS 303. In addition, each partner's data management system is assessed to determine the ability of the organization to keep an audit trail that demonstrates the presence of valid, verifiable and relevant evidence. In 2005, the first year of this program, 24 PEPFAR partners were audited including 16 USAID partners. And a new, multi-year agreement has just been awarded to expand this program.

#### Centralized data warehouse

In order to manage the large amount of data being reported by the PEPFAR partners, the USG PEPFAR team has contracted with a well-regarded local management services organization to build and maintain a consolidated data warehouse to assist the USG and our partners with reporting and monitoring needs of PEPFAR by facilitating the collection, reporting and analysis of data on all PEPFAR indicators. The Data Warehouse is a functioning, password-protected, web-based reporting system through which all PEPFAR partners submit both narrative and quantitative information on progress towards their expected results to the USG on a quarterly, semi-annual and annual basis. To ensure that quality data is produced, the data warehouse system requires that the partner and the activity manager independently review and approve the data before it is finally accepted by the system, and the system has a build-in audit capability that tracks all changes made to the data, when the changes were made and by whom.

# Reported Outputs Achieved as of September 30, 2005<sup>9</sup>

## Johns Hopkins University-Center for Communications Programs

Output Description	Planned FY 2005 Output	Achieved FY 2005 Output	Percentage Achieved
Number of clients who received HIV test results and post-test counseling	14,400	7,788	54%
Total Number of orphans and vulnerable children served	4,000	10,768	269%

This recipient reported that in FY 2005 it had difficulty getting counseling and testing numbers from tertiary institutions (vocational and technical institutions, and universities) where health care professionals work. The difficulties are due to fears around information about HIV prevalence getting to the media and tarnishing the institutions' reputation. A USAID/South Africa official noted that counseling and testing takes place at tertiary institutions and that it has been difficult in gathering the data at these institutions because management refuses to release the data. This has led to severe underreporting of these activities.

The audit team visited this recipient's administrative offices. No other site visits were made.

## University of the Witwatersrand-Reproductive Health and HIV Research Unit

Output Description	Planned FY 2005 Output	Achieved FY 2005 Output	Percentage Achieved
Number of clients who received HIV test results and post-test counseling	8,000	8,031	100%
Total Number of individuals provided with general HIV-related palliative care	3,875	4,716	122%

The audit team visited this recipient's administrative offices, as well as one of the recipient's clinics and a sub-recipient's hospital.

<sup>9</sup> The Fiscal Year (FY) 2005 output data that is reported in Appendix III has not been fully audited.

**University of the Witwatersrand-Perinatal HIV Research Unit**

<b>Output Description</b>	<b>Planned FY 2005 Output</b>	<b>Achieved FY 2005 Output</b>	<b>Percentage Achieved</b>
Number of pregnant women provided with a complete course of antiretroviral prophylaxis in a prevention of mother to child transmission setting	7,750	8,541	110%
Number of clients who received HIV test results and post-test counseling	1,440	2,431	169%
Total number of individuals provided with general HIV-related palliative care	4,000	4,097	102%

The audit team visited this recipient's administrative offices, as well as the recipient's clinic, three sub-recipients' clinics, and one sub-recipient's men's project site.

**Right to Care**

<b>Output Description</b>	<b>Planned FY 2005 Output</b>	<b>Achieved FY 2005 Output</b>	<b>Percentage Achieved</b>
Number of clients who received HIV test results and post-test counseling	5,000	32,049	641%
Total number of individuals provided with general HIV-related palliative care	7,500	18,596	248%

The audit team visited this recipient's administrative offices, as well as one clinic operated by the recipient and one sub-recipient's hospital clinic.

**Elizabeth Glaser Pediatric AIDS Foundation**

<b>Output Description</b>	<b>Planned FY 2005 Output</b>	<b>Achieved FY 2005 Output</b>	<b>Percentage Achieved</b>
Number of pregnant women who received their HIV test results and were post-test counseled at a U.S. Government-supported prevention of mother to child transmission setting	1,062	10,116	953%
Number of pregnant women provided with a complete course of antiretroviral prophylaxis in a prevention of mother to child transmission setting	81	1,959	2419%

The audit team visited this recipient's administrative offices, as well as a private hospital run by a sub-recipient.

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