



NOV 5 2002

TO: Julie Louise Gerberding, M.D., M.P.H.
Director
Centers for Disease Control and Prevention

FROM: Janet Rehnquist *Janet Rehnquist*
Inspector General

SUBJECT: Audit of the Centers for Disease Control and Prevention's Foreign
Travel Conducted with HIV/AIDS Funds (A-04-02-04004)

Attached is a copy of our final report providing the results of our review of foreign travel paid for with HIV/AIDS funds at the Centers for Disease Control and Prevention (CDC).

In written comments, the CDC generally concurred with our recommendations and agreed to take corrective actions. The CDC comments are included as an attachment to our report.

Please send us your final management decision, including any action plan, as appropriate, within 60 days. If you have any questions or comments about this report, please do not hesitate to call me or Donald L. Dille, Assistant Inspector General for Grants and Internal Activities, at (202) 619-1175, or through e-mail at ddille@oig.hhs.gov. To facilitate identification, please refer to report number A-04-02-04004 in all correspondence.

Attachment

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**Audit of the Centers for Disease Control and
Prevention's Foreign Travel Conducted with
HIV/AIDS Funds**



JANET REHNQUIST
Inspector General

NOVEMBER 2002
A-04-02-04004

Notices

THIS REPORT IS AVAILABLE TO THE PUBLIC
at <http://oig.hhs.gov>

In accordance with the principles of the Freedom of Information Act, 5 U.S.C. 552, as amended by Public Law 104-231, Office of Inspector General, Office of Audit Services, reports are made available to members of the public to the extent information contained therein is not subject to exemptions in the Act. (See 45 CFR Part 5.)

OAS FINDINGS AND OPINIONS

The designation of financial or management practices as questionable or a recommendation for the disallowance of costs incurred or claimed as well as other conclusions and recommendations in this report represent the findings and opinions of the HHS/OIG/OAS. Final determination on these matters will be made by authorized officials of the HHS divisions.





NOV 5 2002

TO: Julie Louise Gerberding, M.D., M.P.H.
Director
Centers for Disease Control and Prevention

FROM: Janet Rehnquist *Janet Rehnquist*
Inspector General

SUBJECT: Audit of the Centers for Disease Control and Prevention's Foreign
Travel Conducted with HIV/AIDS Funds (CIN: A-04-02-04004)

This final report provides you with the results of our audit of the use of HIV/AIDS funds for foreign travel by the Centers for Disease Control and Prevention (CDC) staff.

EXECUTIVE SUMMARY

OBJECTIVE

The objective of our audit was to determine if foreign travel, paid with HIV/AIDS funds at CDC, was conducted in accordance with departmental and federal travel regulations.

FINDINGS

Our review revealed no evidence of substantive violations of CDC or departmental travel regulations. However, we determined that during the period October 1, 2000 through March 15, 2001, the CDC Office of Global Health (OGH) and the Office of the Secretary (OS) were not always notified of foreign travel. For 34 percent of the trips tested, OGH was not notified; and for 81 percent of trips tested, OS was not notified. This situation improved in April 2001 with a new requirement that OS approve foreign travel; however, approval was still not obtained for about 5 percent of the trips tested. We also noted that:

- In 8 of the 200 cases we reviewed, employees who did not have authority approved travel orders for foreign travel;
- The American Embassy in the country being visited was not notified in 16 of 196 cases that required notification; and
- Receipts that support travel vouchers were sometimes missing or copies were used in place of originals.

During fiscal year (FY) 2001, the CDC staff made 574 foreign trips totaling \$3,317,598 that was charged directly or indirectly to HIV/AIDS program funds. Our review of two unrestricted random samples of foreign trips showed that the travel seemed reasonably related to the HIV/AIDS program.

RECOMMENDATIONS

We recommend that CDC:

1. Ensure that its OGH is notified, and approval is obtained from OS for all foreign travel;
2. Enforce the delegation of authority that is currently in place so that appropriate employees approve foreign travel. Also, CDC should revise the automated travel system so that unauthorized employees cannot approve foreign travel;
3. Ensure that the American Embassy in the country being visited is notified in advance of the trip; and
4. Enforce the requirement that original receipts accompany travel vouchers before the vouchers are approved for payment.

In written comments to our report, CDC concurred with our recommendations and is taking steps to ensure that all foreign travel policies and procedures are followed in the future.

BACKGROUND

The CDC, headquartered in Atlanta, Georgia, is an agency of the Department of Health and Human Services (HHS). The CDC has approximately 8,500 employees in 170 occupations. There are approximately 5,600 employees in the Atlanta area with the remainder located at CDC facilities in 9 States; the Washington, D.C. area; other countries; quarantine offices; and state and local health agencies. The CDC is comprised of 12 Centers, Institutes, and Offices (CIO). The CDC's mission is to promote health and quality of life by preventing and controlling disease, injury, and disability. The CDC seeks to accomplish its mission by working with partners throughout the nation and world to monitor health, detect and investigate health problems, conduct research to enhance prevention, develop and advocate sound public health policies, implement prevention strategies, promote healthy behaviors, foster safe and healthful environments, and provide leadership and training. The CDC plays a critical role in protecting the public from the most widespread, deadly and mysterious threats against our health.

In FY 2001, CDC received \$919,032,000 in HIV/AIDS funding. The funds are accounted for using two allowance codes, one major code classified by disease and one code for international activities. The majority of these funds (\$799,533,154) are allocated to the National Center for HIV, STD, and TB Prevention (NCHSTP). The remainder is allocated to other Centers within CDC (such as the National Center for Infectious Diseases) for conducting HIV/AIDS activities.

OBJECTIVE, SCOPE AND METHODOLOGY

OBJECTIVE

The objective of our audit was to determine if foreign travel, paid with HIV/AIDS funds, was conducted in accordance with departmental and Federal travel regulations. This audit did not include a determination of whether the individual who traveled was assigned to or was working on the specific program to which the travel was charged. This determination will be discussed in an audit of CDC's Global AIDS Program (CIN: A-04-02-08000).

SCOPE

Our audit included FY 2001 foreign trips paid with HIV/AIDS funds. The CDC charged 360 foreign trips totaling \$2,431,311 directly to HIV/AIDS allowance codes during the period October 1, 2000 through September 30, 2001. The CDC charged an additional \$886,287 for 214 foreign trips to indirect HIV/AIDS allowance codes during the same period. The HIV/AIDS funding is provided only to the NCHSTP unless otherwise indicated in the budget language. The NCHSTP can charge to the direct allowance codes because their activities are specifically identified with the HIV/AIDS projects. Other centers that charge to the indirect allowance codes have activities that are related to the HIV/AIDS prevention, but HIV/AIDS prevention is not those centers only role. Other centers that charge to the indirect allowance codes include the National Center for Infectious Diseases and the National Center for Chronic Disease Prevention and Health Promotion, as well as others.

METHODOLOGY

We reviewed applicable regulations, policies, and procedures. We interviewed CDC employees as necessary to obtain an understanding of the Travel Management System and the policies and procedures in place at CDC relating to foreign travel. We also interviewed CDC budget officials to obtain an understanding of the budget process.

We reviewed two unrestricted random samples, one for direct charges to HIV/AIDS funds and one for indirect charges. We selected a sample of 100 from each population. We reviewed these samples to determine if the:

- Trip was approved by an authorized official;
- Traveler notified CDC, OGH;
- Notification was made to or approval was obtained from OS;
- Traveler was cleared through the State Department;
- Voucher was properly submitted; and
- Purpose for travel seemed to be reasonably related to HIV/AIDS program.

We conducted our audit in accordance with generally accepted government auditing standards. Our review was performed at CDC in Atlanta, Georgia, and at our Raleigh, North Carolina Field Office during the period October 2001 through February 2002.

We issued a draft report on April 24, 2002. On August 30, 2002, CDC provided us with formal written comments. The CDC's comments are summarized after the Conclusions and Recommendations section and included in their entirety as an appendix to the report.

FINDINGS AND RECOMMENDATIONS

Our review revealed no evidence of substantive violations of travel regulations. However, we determined that:

- The CDC, OGH, and OS were not consistently notified of foreign travel. This situation had improved with a new requirement that OS approve foreign travel; however, approval was still not always obtained;
- In some cases, employees who did not have authority approved travel orders for foreign travel;
- The American Embassy in the country being visited was not always notified; and
- Receipts that support travel vouchers were sometimes missing or copies were used in place of originals.

The CDC had an automated travel system that provided some effective controls over travel. The CDC also had policies and procedures in place for processing foreign travel; however, in some instances these policies and procedures were not followed.

During fiscal year (FY) 2001, the CDC staff made 574 foreign trips totaling \$3,317,598 that were charged directly or indirectly to HIV/AIDS program funds. Our review of two unrestricted random samples of foreign trips showed that the travel seemed reasonably related to the HIV/AIDS program. For example, of the 200 trips reviewed, 130 were for meetings/conferences, 60 were for fieldwork, 6 were for site visits, 2 were canceled, and 2 were not reviewed because CDC was unable to locate the documentation. The types of meetings varied; however, a few examples included the *Meeting on AIDS Care for Women and Children in Africa* and participation in the *Global AIDS Program Conference*. Examples of fieldwork included initiating programs for HIV-infected adults in Mozambique and providing counseling and testing in Kenya. Site visits consisted of personally performing operational and managerial activities at established work sites.

Notification to CDC Office of Global Health and HHS Office of the Secretary

During the period October 1, 2000 through March 15, 2001, CDC was required to notify the OS of foreign travel. The CDC's policy was that the CIO would prepare a notification of foreign travel, send it to CDC's OGH, who would then send it to OS. On March 15, 2001, a new policy was implemented that required most HHS components, including CDC, to obtain OS approval for foreign travel. This new procedure was fully implemented at CDC on April 9, 2001. The new procedure required that the CIO prepare a memo to OS, through OGH, requesting approval for a trip. The OGH was also required to ensure that an approval for the trip was obtained from

OS. During the period April 9, 2001 through June 28, 2001, both the memo and the notification were required. Because of the redundant nature of the information on these two documents, on June 28, 2001, CDC eliminated the requirement for the notification and added additional information to the OS memo.

In our samples of 200 trips, 2 were canceled and 2 were considered domestic. Of the 196 reviewed (98 direct and 98 indirect), there were 67 instances where OGH was not notified of foreign travel. Of these, 27 were from the direct sample, and 40 were from the indirect sample. If CDC does not follow its policy to notify OGH, OS will probably not be notified.

Of the 196 trips (98 direct and 98 indirect):

- We reviewed 97 trips (39 direct and 58 indirect) where the policy in place during the time of travel required OS notification. Of these 97, there were 79 instances (30 direct and 49 indirect) where there was no evidence of OS notification; and
- We reviewed 99 trips (59 direct and 40 indirect) where the policy in place during the time of travel required OS approval. Of these 99, there were 5 instances (4 direct and 1 indirect) where there was no evidence of OS approval.

While CDC has shown improvement in notifying OS since the OS approval requirement went into effect, CDC should ensure that OS approves all trips as required. If CDC does not follow the policy to obtain OS approval, there is no assurance that travel will be consistent and supportive of the current goals and policies of HHS.

Travel Order Approval

Approval of travel orders was to be done through a delegation of authority. Generally, the Associate Director of Management and Operations for a CIO or someone who is their official proxy could approve foreign travel for their respective CIO. However, staff offices were not included in the delegation of authority because they cannot approve their own travel. As a result, staff office travel requests usually come to the Director of the Financial Management Office (FMO) for approval.

In our samples of 200 trips, there were 8 instances (all from the indirect sample) where employees, without the authority, approved travel orders. For example, a Program Specialist in OGH approved a travel order for the Associate Director for Science and Policy in the Office of the Director of OGH. Since OGH was a staff office, this travel order should have gone to the Director, FMO, for approval.

If CDC does not follow its policy regarding approval authority, there is no assurance that travel will be consistent and supportive of the current HHS goals.

State Department Clearance

The State Department requires that a country clearance cable be sent to the American Embassy/Mission, in the country to be visited, for every trip to be taken by an HHS official. Clearance must be received from the Embassy/Mission before travel may proceed.

Travelers were generally cleared through the Embassy as required by the State Department; however, there were 16 instances (7 direct and 9 indirect) out of 196 trips reviewed where the American Embassy in the destination country was not notified of the trip. (Of the 200 sampled trips, 4 trips did not require clearance because 2 were canceled and 2 were considered domestic.)

In a November 9, 2001 memo from OS, Operating Divisions were reminded of the importance of obtaining State Department clearance. The Operating Divisions were notified that because of the large number of late requests, the Embassies had begun to deny HHS travel requests.

Original Receipts Not Submitted

Of the 200 sampled trips, 8 could not be reviewed. For five of these trips, CDC could not locate the documentation and for the remaining three trips; the voucher and supporting documentation were unavailable because they were being held in a mailroom awaiting examination for possible Anthrax contamination. Of the 192 reviewed (95 direct and 97 indirect), 25 trips (10 direct and 15 indirect) did not require receipts (2 trips were canceled, 21 were in-kind, and 2 claimed no lodging). Of the remaining 167 trips requiring receipts (85 direct and 82 indirect), 3 trips did not have the required receipts (2 direct and 1 indirect). Twenty-seven trips had the required receipts, but they were copies, not originals (16 direct and 11 indirect).

The CDC Travel Memorandum No. 89-3, *Voucher Reimbursement Documentation-Automated Travel*, dated November 13, 1989, states that the original travel record is to be maintained at the CIO level. The original travel record is defined as the required original receipts and hard copies of the computerized travel order and voucher.

Without original receipts, we have no assurance that these trips were not also claimed from other funding sources or that the costs were incurred.

CONCLUSIONS AND RECOMMENDATIONS

Our review revealed no evidence of substantive violations of travel policies. However, we determined that OGH and OS were not always notified of foreign travel, staff approved travel orders without the authority to do so, the Embassy of the country to be visited was not always notified, and original receipts were not always filed with travel vouchers.

We recommend that CDC:

1. Ensure that CDC, OGH is notified and approval is obtained from OS for all foreign travel;
2. Enforce the delegation of authority that is currently in place for the approval of foreign travel. The CDC should make corrections in the automated travel system so that unauthorized employees cannot approve foreign travel;
3. Ensure that the American Embassy in the country being visited is notified of the trip; and
4. Enforce procedures that require original receipts accompany travel vouchers before vouchers are approved for payment.

CDC Comments

The CDC concurred with our recommendations and is taking steps to ensure that all foreign travel policies and procedures are followed in the future. For example, CDC indicated that it is formalizing its policies for international travel, drafting proxy policy regarding delegations of authority, and taking steps to ensure that original receipts accompany audited travel vouchers.

OIG Response

The CDC stated that they will ensure that all audited vouchers require original receipts. We believe that CDC should ensure that original receipts accompany all travel vouchers before the vouchers are approved for payment.

Please send us your action plan within 60 days. If you have any questions or comments about this report, please do not hesitate to call me or Donald L. Dille, Assistant Inspector General for Grants and Internal Activities, at (202) 619-1175, or through e-mail at ddille@oig.hhs.gov. To facilitate identification, please refer to Common Identification Number A-04-02-04004 in all correspondence relating to this report.

Attachment

Memorandum

Date **AUG 30 2002**

From Director, CDC, and
Administrator, ATSDR

Subject Comments on the HHS IG Draft Report "Audit of the Centers for Disease Control and Prevention's Foreign Travel Conducted with HIV/AIDS Funds" (CIN: A-04-02-04004)

To Dennis J. Duquette
Deputy Inspector General for
Audit Services, HHS

The Centers for Disease Control and Prevention (CDC) appreciates the opportunity to review and comment on the Office of Inspector General's (OIG) draft report. CDC is committed to ensuring that all foreign travel is conducted in accordance with Departmental and Federal travel regulations. We commend OIG for producing an excellent report and providing recommendations that will aid in maintaining our commitment to excellence. In addition, we are pleased that the review revealed no evidence of substantive violations of CDC or Departmental travel regulations.

CDC concurs with OIG's recommendations in general, and the following actions have been or will be completed in response to these recommendations.

OIG Recommendation

Ensure that CDC's Office of Global Health is notified, and approval is obtained from the Office of the Secretary, Department of Health and Human Services (HHS), for all foreign travel.

CDC Comments

CDC concurs with OIG's recommendation. The International Travel Policy has been revised and is currently being finalized for distribution. This document will formalize all requirements to obtain approval for foreign travel from HHS.

OIG Recommendation

Enforce the delegation of authority that is currently in place so that appropriate employees approve foreign travel. Also, CDC should revise the automated travel system so that unauthorized employees cannot approve travel.

CDC Comments

CDC concurs with OIG's recommendation, and the agency's "Delegations of Authority for Travel" is currently being reviewed. In addition, CDC is drafting a "Proxy Policy" to ensure legality of all travel approvals.

OIG Recommendation

Ensure that the American Embassy in the country being visited is notified in advance of the trip.

CDC Comments

CDC concurs with OIG's recommendation and will initiate the following activities:

1. CDC will upgrade its international travel policies, "International Travel—Advance Notification" (no. 86-1) and "International Activities—Cables for CDC, Public Health Service and Department of State Clearances" (No. 92-3), to focus greater attention to the provisions that pertain to notifying American embassies.
2. CDC will direct its Associate Directors for Management and Operations to transmit the new procedures to all staff that process or engage in foreign travel.

OIG Recommendation

Enforce the requirement that original receipts accompany travel vouchers before the vouchers are approved for payment.

CDC Comments

CDC concurs with OIG's recommendation. CDC will ensure that all audited vouchers require original receipts.

CDC appreciates OIG conducting this review to ensure that all travel is performed in accordance with Departmental and Federal travel regulations. We will soon finalize the "International Travel Policy" and the "Delegations of Authority for Travel." In addition, travel personnel will attend refresher courses on a regular basis to ensure legalities of all transactions. CDC is committed to all those affected by our services, and we look forward to working with OIG as we proceed in addressing these travel issues.


Julie Louise Gerberding, M.D., M.P.H.