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Inspector General
United States Department of Defense

Additional Guidance and Training Needed to Improve Afghan National Army Pharmaceutical Distribution

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Acronyms and Abbreviations

ANA	Afghan National Army
ANSF	Afghanistan National Security Forces
AT&L	Acquisition, Technology, and Logistics
CSTC-A	Combined Security Transition Command-Afghanistan
LOGCOM	Logistics Command
MEDCOM	Medical Command
MeS	Mazar-e-Sharif
MoD	Ministry of Defense
NMH	National Military Hospital
NSD	National Supply Depot
NTM-A	North Atlantic Treaty Organization Training Mission-Afghanistan

INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
4800 MARK CENTER DRIVE
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May 7, 2012

MEMORANDUM FOR COMMANDER, U.S. CENTRAL COMMAND
COMMANDER, NATO TRAINING MISSION-AFGHANISTAN/COMBINED SECURITY TRANSITION COMMAND-AFGHANISTAN
AUDITOR GENERAL, DEPARTMENT OF THE ARMY
COMMANDER, U.S. FORCES-AFGHANISTAN

SUBJECT: Additional Guidance and Training Needed to Improve Afghan National Army Pharmaceutical Distribution (Report No. DODIG-2012-083)

We are providing this report for review and comment. We considered management comments on a draft of this report from North Atlantic Treaty Organization Training Mission-Afghanistan/Combined Security Transition Command-Afghanistan when preparing the final report.

DoD Directive 7650.3 requires that recommendations be resolved promptly. We received comments from the Command Surgeon for North Atlantic Treaty Organization Training Mission-Afghanistan/Combined Security Transition Command-Afghanistan on recommendations made in this report. The comments on Recommendations 1, 2, 4, and 7 were responsive, and no further comments are required. The comments on Recommendations 3, 5, and 6 were partially responsive because they did not include either specific information about training or implementation dates for actions stated in the comments. We request additional comments on Recommendation 3 and 5 regarding elements included in the training and implementation guidance. We also request comments regarding and implementation dates for the action cited in the comment to Recommendation 6. We request additional comments on these recommendations by the North Atlantic Treaty Organization Training Mission-Afghanistan/Combined Security Transition Command-Afghanistan Command Surgeon by June 6, 2012.

If possible, send a portable document format (.pdf) file containing your comments to audjsao@dodig.mil. Copies of your comments must have the actual signature of the authorizing official for your organization. We are unable to accept the /Signed/ symbol in place of the actual signature. If you arrange to send classified comments electronically, you must send them over the SECRET Internet Protocol Router Network (SIPRNET).

We appreciate the courtesies extended to the staff. Please direct questions to me at (703) 604-8905 (DSN 664-8905).

Amy J. Frontz
Principal Asssistant Inspector General for Auditing

Results in Brief: Additional Guidance and Training Needed to Improve Afghan National Army Pharmaceutical Distribution

What We Did

We conducted this audit in response to a February 2011 assessment that we performed at the Afghan National Army (ANA) National Military Hospital (NMH), Kabul, Afghanistan, on health care and sanitation. Our objective was to determine whether the pharmaceutical distribution process within the ANA health care system was effective.

What We Found

Although the ANA pharmaceutical distribution process improved since February 2011, the procurement, delivery, and inventory control processes for pharmaceuticals at medical facilities and depots could be improved. Specifically, Afghan Logistics Command officials effectively received, accounted for, and prepared pharmaceuticals for issuance to the forward supply depots and NMH. However, of the six supply depots and medical facilities reviewed,

- four did not have or maintain pharmaceutical accountability controls, and
- none properly used or completed all Ministry of Defense forms.

This occurred because the new distribution process was still early in its implementation. Specifically, ANA officials, in coordination with Combined Security Transition Command-Afghanistan (CSTC-A), did not effectively communicate or train all ANA personnel. In addition, Afghan Medical Command officials, in coordination with CSTC-A did not develop procedures instructing medical facility personnel how to implement logistics guidance and how to collect and accurately report on pharmaceutical usage data.

In addition, none of the 11 vendors that Afghan Acquisition, Technology, and Logistics (AT&L) officials selected for a $4.7 million contract to procure pharmaceuticals and medical supplies, delivered all of the pharmaceuticals in accordance with contract requirements. This occurred because officials did not fully document vendor evaluations during source selection.

As a result, ANA is at an increased risk that the usage data cannot be relied upon to develop pharmaceutical requirements, and of mismanagement, theft, and waste of U.S.-funded pharmaceuticals. In addition, CSTC-A is at risk of not being able to transition the distribution process to complete ANA control.

We commend CSTC-A and ANA officials for corrective actions taken or planned in response to preliminary concerns identified during the audit, such as improving access controls, providing training, and issuing guidance.

What We Recommend

We recommend that the Commander, CSTC-A direct mentors to assist ANA personnel to,

- develop a communication strategy and training program,
- provide training and issuing guidance for medical facilities, and
- ensure AT&L officials maintain and include sufficient documentation on vendor evaluation and selection process.

Management Comments and Our Response

We request that the Commander, CSTC-A, provide additional comments on Recommendation 3, 5, and 6 by June 6, 2012. Please see the recommendations table on the back of this page.

Recommendation Table

Management	Recommendations Requiring Comment	No Additional Comments Required
Commander, Combined Security Transition Command-Afghanistan	3, 5, and 6	1, 2, 4, and 7

Please provide comments by June 6, 2012.

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Introduction

Objective

We conducted this audit in response to a February 2011 assessment that we performed at the Afghan National Army (ANA) National Military Hospital (NMH), Kabul, Afghanistan, on health care and sanitation. During the assessment, we identified pharmaceutical accountability concerns. Subsequently, we issued Special Plans and Operations Report No. 2011-007, "Assessment of the U.S. Department of Defense Efforts to Develop an Effective Medical Logistics System within the Afghan National Security Forces," June 14, 2011, which further identified internal control weaknesses in the pharmaceutical distribution process.

The overall objective of the audit was to determine the effectiveness of pharmaceutical distribution within the Afghanistan National Security Forces[1] (ANSF) health care system. Specifically, we planned to evaluate the procurement[2], delivery, and inventory control processes for pharmaceuticals at ANSF medical facilities and depots. To provide more timely and relevant results to the North Atlantic Treaty Organization Training Mission-Afghanistan (NTM-A)/Combined Security Transition Command-Afghanistan (CSTC-A), (referred to as CSTC-A), we revised the scope of the audit to focus only on the ANA. See Appendix A for the audit scope, methodology, and prior coverage related to the audit objective.

Background

The U.S. strategy in Afghanistan involved conducting operations to reduce the capability and will of the insurgency, support ANSF growth in capacity and capability, and facilitate governance and socio-economic improvements to provide a secure and sustainable environment. As the ANSF demonstrates continued growth in capacity and capability, the U.S. role will transition from one of combat to support. One support function that the ANA must develop before taking full responsibility for their own security is the ability to maintain their own health care system. For the ANSF to maintain their own health care system, the ANA must be able to procure, deliver, and maintain accountability of pharmaceuticals to support approximately 176,000 soldiers and ensure medical units are properly staffed, trained, and equipped.

[1] ANSF is comprised of the ANA and the Afghan National Police.
[2] For procurement, the audit team only reviewed the award process that the ANA used for selecting pharmaceutical supply vendors.

Logistics Policy Establishes Roles and Procedures for the ANA

Afghanistan MoD Decree 4.0, "Ministry of National Defense, Office of the Assistant Minister of Acquisition, Technology, and Logistics, Supported and Supporting Unit Logistics Policy Support Procedures," January 2009, establishes the roles and responsibilities of personnel in the ANA logistics system and describes common procedures and formats for the communication of information between the supply depots and activities they support. Ministry of Defense (MoD) Decree 4.0 also requires the use of standard forms to ensure stock receipt, accountability, and issuance. The five most common forms include:

- MoD Form 1, "Warehouse Receipts and Issues";
- MoD Form 2, "Stock Accounting Record";
- MoD Form 4, "Register of Supply Actions";
- MoD Form 9, "Issue and Turn-in"; and
- MoD Form 14, "Request for Materiel."

See Appendix B for the complete list of MoD forms used in logistics operations.

ANA and U.S. Forces Roles and Responsibilities Identified

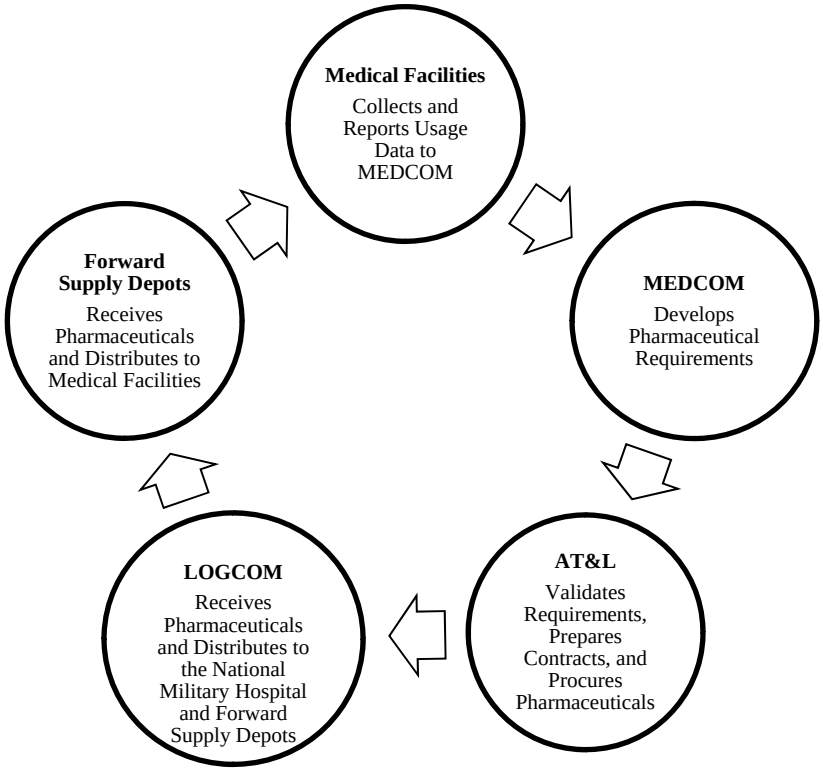
The CSTC-A mission is to support the Government of the Islamic Republic of Afghanistan in generating and sustaining the ANSF and establishing the capacity for Afghan-led security. To help accomplish part of that mission, CSTC-A provided oversight and mentoring of the ANA pharmaceutical distribution process to include developing requirements, procurement, storage, delivery, and use.

CSTC-A components responsible for oversight and mentoring of the pharmaceutical distribution process included the U.S. Combined Joint Surgeon General and the U.S. Combined Joint Logistic Support. Within U.S. Combined Joint Surgeon General, medical mentors provided mentoring and training to their ANA medical counterparts at the national and regional medical facilities. Within U.S. Combined Joint Logistic Support, logistics mentors provided mentoring and training to their ANA logistics counterparts at the national and regional supply depots (referred to as forward supply depots).

Before June 2011, only one ANA component, Medical Command (MEDCOM), was responsible for the pharmaceutical distribution process from requirements development through patient care. However, because of process weaknesses, CSTC-A personnel began working with their ANA counterparts in June 2011 to improve pharmaceutical accountability by segregating pharmaceutical distribution responsibilities and developing a new process. ANA components involved in the new process include MEDCOM,

Acquisition, Technology, and Logistics (AT&L), and the Logistics Command (LOGCOM). Figure 1 represents the ANA components and their responsibilities in the new pharmaceutical distribution process.

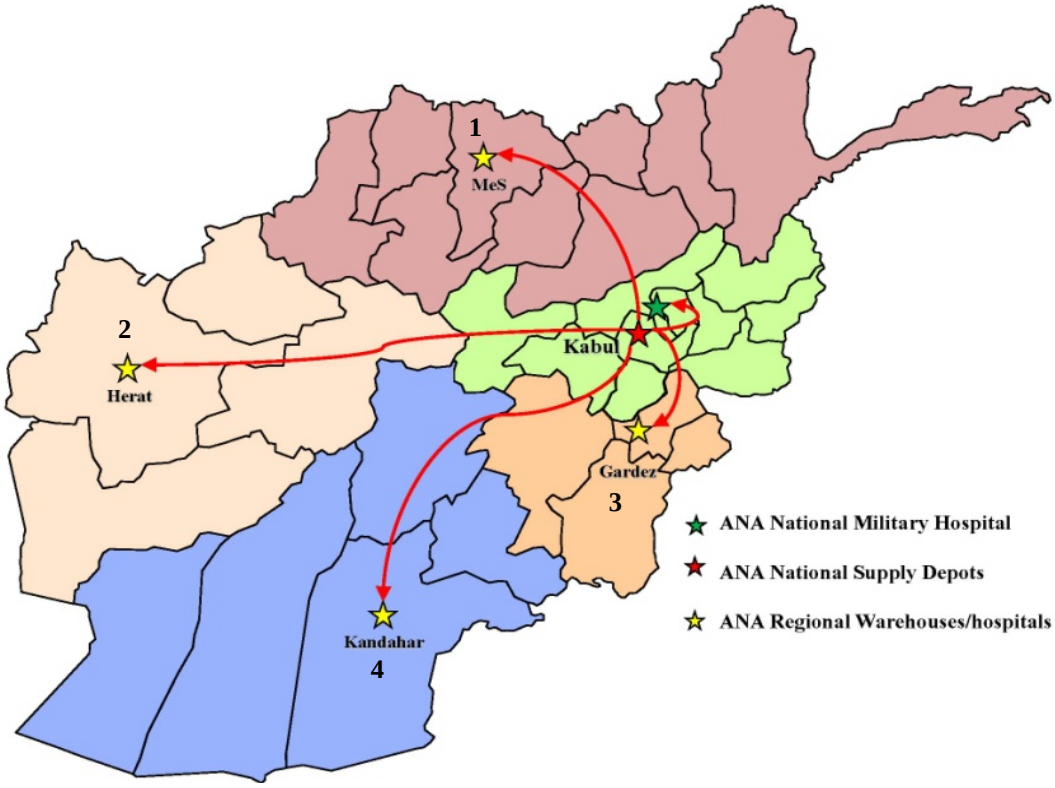
Figure 1. ANA Components and the Flow of Pharmaceuticals in the New ANA Distribution Process



Source: DoD OIG

MEDCOM collects medical facilities usage data and develops pharmaceutical requirements. Upon receipt, AT&L validates those requirements, prepares contracts, and procures pharmaceuticals with U.S.-provided funds. LOGCOM receives the procured pharmaceuticals at the National Supply Depot (NSD) in Kabul, Afghanistan, accounts for, and issues pharmaceuticals to the four forward supply depots and NMH. The forward supply depots receive, account for, and issue pharmaceuticals to the four regional medical facilities. The medical facilities collect and report pharmaceutical usage data to MEDCOM. See Figure 2 (page 4) for a list of the 10 locations involved in the pharmaceutical distribution process. Regional locations 1 through 4 include both a hospital and a supply depot.

Figure 2. ANA Locations in the Pharmaceutical Distribution Process



Source: CSTC-A Briefing Charts

Review of Internal Controls

DoD Instruction 5010.40, "Managers' Internal Control Program (MICP) Procedures," July 29, 2010, requires DoD organizations to implement a comprehensive system of internal controls that provides reasonable assurance that programs are operating as intended and to evaluate the effectiveness of the controls. We identified internal control weaknesses in the new ANA pharmaceutical distribution process. Specifically, ANA officials, in coordination with CSTC-A, did not fully document vendor evaluations during the source selection process. In addition, ANA officials, in coordination with CSTC-A, did not effectively communicate or train all personnel involved in implementing the new distribution process. Finally, ANA officials, in coordination with CSTC-A did not develop procedures instructing medical facilities how to implement MoD Decree 4.0 and collect and accurately report pharmaceutical usage data. We will provide a copy of the report to senior CSTC-A officials responsible for assisting the ANA with developing internal controls for the new pharmaceutical distribution process.

Finding. ANA Pharmaceutical Distribution Process Will Not Be Effective Until Fully Implemented

The ANA pharmaceutical distribution process improved since the February 2011 assessment, however, the procurement, delivery, and inventory control processes for pharmaceuticals at medical facilities and depots could be improved. Specifically, none of the 11 vendors that AT&L officials selected for a $4.7 million contract awarded in September 2011 to procure pharmaceuticals and medical supplies were able to deliver all of the pharmaceuticals in accordance with contract requirements. This occurred because although, AT&L officials, in coordination with CSTC-A, implemented source selection procedures to verify the vendor's ability to meet contract requirements, they did not fully document vendor evaluations.

In addition, LOGCOM officials effectively received, accounted for, and prepared Afghan-procured pharmaceuticals for issuance to the forward supply depots and NMH, however, of the six supply depots and medical facilities reviewed,

- four did not have or maintain pharmaceutical accountability controls, and inventory discrepancies ranged from 1 to more than 92,000 items, and
- none properly used or completed all MoD forms designated for maintaining pharmaceutical acountabilty, in accordance with MoD Decree 4.0.

This occurred because the new distribution process was still early in its implementation. Specifically, ANA officials, in coordination with CSTC-A, did not effectively communicate or train all ANA personnel at the forward supply depots and medical facilities on the changes to the pharmaceutical distribution process. Also, MEDCOM officials, in coordination with CSTC-A did not develop adequate guidance directing medical facilities on how to implement MoD Decree 4.0 or how to collect and report on pharmaceutical usage data.

As a result, ANA is at an increased risk that the usage data cannot be relied upon to develop accurate pharmaceutical requirements, and of mismanagement, theft, and waste of U.S. funded-pharmaceuticals. In addition, CSTC-A is at risk of not being able to transition the pharmaceutical distribution process to complete ANA control.

In October 2011, we notified CSTC-A officials of preliminary concerns identified during fieldwork. In response to those concerns, CSTC-A and ANA officials provided responses on actions taken or planned, such as improving access controls, providing additional training, and developing policies. See Management Actions Taken to Improve the Pharmaceutical Distribution Process on page 15 for more information.

ANA Procurement Process Not Fully Effective

As part of the new distribution process, ANA conducted its first procurement of pharmaceuticals and medical supplies. Specifically, ANA officials validated pharmaceutical requirements, developed the contract terms and conditions, and obtained vendor qualifications. However, none of the vendors were able to deliver all of the pharmaceuticals in accordance with contract terms and conditions and ANA officials could not provide documentation to verify whether the vendors were evaluated based on their ability to meet those terms and conditions.

ANA-Awarded First Contract for Pharmaceuticals Under New Process

From June 2011 to September 2011, medical mentors worked with ANA officials to create the first pharmaceutical requirements list and on September 13, 2011, ANA conducted its first procurement of pharmaceuticals. Specifically, AT&L officials awarded a $4.7 million contract for 518 line items, consisting of 269 pharmaceuticals and 249 medical supplies to 11 vendors. While we did not observe the contract award process, we obtained written procedures, conducted interviews with ANA officials and logistics mentors, and reviewed supporting documentation when available. Written procedures required that AT&L officials validate[3] pharmaceutical requirements, prepare contract terms and conditions, and assess potential vendors during the source selection process.

AT&L officials validated pharmaceutical requirements and developed the contract terms and conditions. Using MEDCOM recommendations on the pharmaceutical types and quantities to procure, AT&L developed a procurement package for the required pharmaceuticals. The request for proposal and contract terms and conditions included a delivery schedule, a requirement that pharmaceuticals have an expiration date of at least 12 to 18 months from the date of delivery, and a requirement that the pharmaceutical be delivered with the proper quality control documentation. Upon receipt of vendor-provided proposals, AT&L officials collected and reviewed vendor's qualifications during the source selection process. Of the 16 vendor-provided proposals received, AT&L officials recommended 11 for contract award.

Vendors Unable to Deliver Required Pharmaceuticals

None of the 11 vendors were able to deliver all of the pharmaceuticals in accordance with the contract terms and conditions. The contract required that the vendors be able to deliver 40 percent of the items within 2 months; another 30 percent within 3 months; and

[3] AT&L validates that pharmaceuticals requested are on the official requirements list.

the remaining 30 percent within 4 months of contract award. As of November 27, 2011, vendors only delivered 122 of 518 (or 23.6 percent) of the required line items to the NSD.

As of November 27, 2011, vendors only delivered 122 of 518 (or 23.6 percent) of the required line items to the NSD.

Although the expiration and quality control documentation required were included in both the request for proposal and the contract, CSTC-A and ANA officials stated that some of the vendors could not meet those requirements upon delivery because those requirements were not yet included in the vendor's supplier contracts. When AT&L officials still did not receive the required pharmaceuticals after communicating with the vendors, AT&L officials imposed monetary penalties[4] in the amount of 2,228,201 Afghanis ($46,582).[5] The following table lists the number of items required to be delivered by each vendor, number of items delivered, and monetary penalties assessed as of November 27, 2011.

Table. Number of Items Required and Delivered With Penalty Amounts by Vendor as of November 2011

Vendor	Items Required to Deliver	Items Delivered	Penalty Amounts
1	132	27	$4,725
2	11	8	$181
3	57	20	$5,671
4	70	34	$18,785
5	94	30	$6,823
6	8	3	$1,395
7	23	0	$2,659
8	8	0	$124
9	19	0	$1,381
10	13	0	$1,604
11	83	0	$3,234
Total	**518**	**122**	**$46,582**

Source: CSTC-A

[4] The November 2011 penalties were for 1 percent of each vendor's contract award amount for the 2 week delay. AT&L officials assessed vendor penalties using an amount of 0.1 percent per day (0.5 percent for each week of delay).

[5] All U.S. dollar amounts were converted from Afghanistan Afghani using www.eXchangeRate.com currency converter. The above totals reflect the currency exchange rate as of November 27, 2011.

AT&L Could Not Provide Documentation to Adequately Support the Source Selection Process

AT&L officials also could not provide documentation to verify the adequacy of the source selection process. Afghan written procedures require that vendors demonstrate that they meet certain qualifications and require the Bid Evaluation Committee to prepare a report clearly demonstrating the advantages and disadvantages of each vendor. We nonstatistically selected and reviewed 2 of the 11 vendors proposals provided to the bid evaluation committee. The vendor proposals reviewed included documentation, such as tax records; licenses to distribute pharmaceuticals; and proof of proper storage, space, and equipment. Further review of the proposals verified that vendors provided supporting documentation to meet certain qualification requirements, such as financial resources, equipment, and other physical facilities. However, the committee's summary report recommending the 11 vendors for contract award did not provide detailed information as to how the vendors were evaluated or rationale for selecting each vendor. Specifically, the summary report did not include whether the evaluations included an assessment of the vendor's ability to meet the expiration requirements or provide quality control documentation for each pharmaceutical. When asked whether an evaluation report for each vendor was prepared, an AT&L official stated that if there are concerns on vendor qualifications, all of the vendor supporting documentation is maintained on file. A CSTC-A official later confirmed that because the new distribution process is still early in its implementation, the bid evaluation committee did not implement all procedures, such as preparing an evaluation report for each vendor.

According to a CSTC-A official, AT&L imposed stringent requirements in its first procurement of pharmaceuticals and medical supplies that vendors could not meet because vendors did not include those requirements in their subcontracts with suppliers. Specifically, vendors could not meet requirements such as 18 month shelf life, providing customs documentation validating the country of origin, and World Health Organization documentation for pharmaceuticals. He explained that pharmaceutical manufactures for example, produce some pharmaceuticals that only have a 12 month shelf life and vendors therefore could not deliver them with an 18 month shelf life. On December 18, 2011, AT&L officials, in coordination with the logistics mentors, issued a contract modification to allow for more flexibility in the expiration and quality control documentation required for the vendors to deliver pharmaceuticals without incurring additional monetary penalties. CSTC-A mentors should assist AT&L officials, to improve the vendor selection and evaluation process. Specifically, they should ensure AT&L officials conduct a thorough review of the proposals to increase assurance that vendors have the ability to meet the terms and conditions, maintain sufficient documentation on how each vendor was evaluated, and document their rationale for selection in accordance with written procedures.

ANA Delivery and Inventory Control Processes Not Fully Implemented

The ANA effectively implemented the new distribution process at the NSD, but the process is not fully implemented at the forward supply depots and medical facilities.

Specifically, LOGCOM officials received Afghan-procured pharmaceuticals into the NSD inventory and properly accounted for and prepared pharmaceuticals for issuance to the forward supply depots and NMH. However, not all of the forward supply depots and medical facilities had adequate inventory controls in place to maintain pharmaceutical accountability and properly used MoD forms in accordance with MoD Decree 4.0.

LOGCOM Properly Received Pharmaceuticals at NSD

LOGCOM officials received pharmaceuticals into the NSD inventory in accordance with written procedures and MoD Decree 4.0. In September 2011, LOGCOM officials at the NSD received the first Afghan-procured pharmaceutical shipment. According to those interviewed, the joint team of MEDCOM, AT&L, and LOGCOM officials inspected the pharmaceutical quantity, type, and quality received and verified that the pharmaceuticals received met the contract requirements. For example, during the inspection, officials stated that they identified and rejected pharmaceuticals with expiration dates that did not meet the contract terms and conditions. During a subsequent pharmaceutical shipment, the audit team verified compliance with pharmaceutical receiving procedures and confirmed with the CSTC-A mentor that ANA personnel had applied those pharmaceutical procedures to a previous shipment. Additionally, during site visits we verified LOGCOM officials accepted pharmaceuticals into their inventory in accordance with MoD Decree 4.0. For example, they completed MoD Form 1, "Warehouse Receipts and Issues," which records the physical movement of materiel in and out of the depot. LOGCOM officials also completed MoD Form 2, "Stock Accounting Record," which records increases and decreases to stocks on hand, and can be used to assist in predicting the necessary stock levels to satisfy demands.

LOGCOM Maintained Inventory Accountability at NSD

LOGCOM officials properly accounted for pharmaceuticals in accordance with MoD Decree 4.0. On September 27, 2011, we nonstatistically selected 22 of 170 pharmaceuticals items on hand at the NSD to verify inventory accountability. Of the 11 items selected to verify whether the property record was complete and accurate, we counted items from the inventory on hand and traced those items to the applicable MoD Form 2, "Stock Accounting Record." Of the remaining 11 items selected to verify the accuracy of the inventory on hand, we traced the quantity of each item on the MoD Form 2 to its physical location. Of the total 22 items reviewed, we noted no discrepancies.

To reduce the likelihood of theft and abuse, LOGCOM officials also implemented access controls depending on the type of pharmaceutical. For example, refrigerated pharmaceuticals were maintained in a locked, temperature controlled room; controlled nonrefrigerated pharmaceuticals, such as narcotics, were maintained in an access controlled room with double locked doors; and noncontrolled pharmaceuticals were maintained in the general warehouse. Figure 3 (page 10) shows the general warehouse organization of noncontrolled pharmaceuticals and consumables. NSD also maintained an authorized personnel list outside each area to include the individual's name and picture.

Figure 3. National Supply Depot General Warehouse

Source: DoD OIG

LOGCOM Effectively Prepared Pharmaceuticals for Issuance at NSD

LOGCOM officials effectively prepared pharmaceuticals for issuance. On September 27, 2011, we observed LOGCOM officials prepare a pharmaceutical shipment for issuance to a local ANA unit. Upon receipt of a MoD Form 14, "Request for Materiel," LOGCOM officials stated that they filled the request based on the inventory on hand. LOGCOM officials provided copies of both the MoD Form 14, and the MoD Form 9, "Issue and Turn In," to the authorized official designated to receive the pharmaceuticals. ANA unit personnel accepting the shipment also had the required gate pass for authorization to exit the NSD in accordance with stated procedures. Figure 4 shows the local ANA unit accepting a shipment of pharmaceuticals from the NSD.

Figure 4. Afghan National Army Unit Accepting a Shipment of Pharmaceuticals From the National Supply Depot

Source: DoD OIG

Controls Not in Place to Maintain Pharmaceutical Accountability at All Supply Depots and Medical Facilities

Four of the six supply depots and medical facilities reviewed did not properly account for pharmaceuticals. During September and October 2011 the audit team nonstatistically selected various types of pharmaceuticals on hand to verify whether the supply depots and medical facilities maintained proper inventory accountability in accordance with MoD Decree 4.0. Of the 112 items selected to verify whether the property records were complete and accurate, we counted 56 items from the inventory on hand and traced those items to the applicable documentation the facility maintained for pharmaceutical accountability to test completeness. Of the 56 items selected to verify the accuracy of the inventory on hand, we traced the quantity of each item on the applicable documentation the facility maintained to its physical location.[6]

With the exception of NSD and the Mazar-e-Sharif (MeS) forward supply depot, the remaining sites did not maintain an accurate inventory. For example, of the 32 line items (16 each for completeness and accuracy testing), we nonstatistically selected at Kandahar and MeS medical facilities to verify proper inventory accountability, 24 line items had discrepancies.[7] The differences in the amount of the items documented on record and the actual amount on the floor at the two medical facilities ranged from 1 to more than 20,000 units. For example, the Kandahar Regional Hospital had 20,772 less units of Amoxicilline on the floor than listed on record and 328 less viles of morphine on the floor than listed on record.

The audit team did not fully complete inventory testing at the remaining two sites, NMH and the Kandahar forward supply depot, because of the inability of ANA officials to provide consistent and reliable inventory data. For example, the audit team could not verify the accuracy of the inventory on hand at NMH because the dispensing documentation was not reconciled to the stock accounting record. However, for the 14 items selected to verify whether the property record was complete and accurate, 6 had discrepancies. For those 6 items, the differences in the amount documented on record and the actual amount on the floor ranged from 6 to over 200 units. Additionally, at the Kandahar forward supply depot, personnel took approximately 35 minutes to locate the first pharmaceutical selected for testing and then calculated the pharmaceutical quantities on hand using a variety of different documents. Following the review of the first item, it took approximately 2 hours for the depot staff to locate and complete the review of the next four items selected. Upon identifying discrepancies with these first five items and because the amount of time it took the depot staff to locate any given item, the audit team discontinued further testing. For those 5 items, the differences in the amount documented on record and the actual amount on the floor ranged from 100 to more than 92,000.
Two of the six supply depots and medical facilities also did not have adequate access controls in place for controlled pharmaceuticals although those pharmaceuticals are more likely to be susceptible to abuse and theft. ANA written procedures state that controlled

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[6] See Appendix A for further discussion of the nonstatistical testing conducted.
[7] See Appendix C for a list of discrepancies found at each site.

substances susceptible to abuse should be kept in a separate locked store. However, ANA officials at the Kandahar Regional Hospital left controlled pharmaceuticals, such as morphine, unattended and unsecured and did not properly secure the entry door where those pharmaceuticals were stored. In addition, at both NMH and Kandahar Regional Hospital, controlled pharmaceuticals were not secured separately from uncontrolled pharmaceuticals.

Need to Properly Use MoD Forms to Account for Pharmaceuticals

None of the six supply depots and medical facilities properly used or completed all MoD forms in accordance with MoD Decree 4.0. For example,

- ANA personnel at the forward supply depots and all three medical facilities did not adequately use MoD Form 2 to account for pharmaceuticals inventory. For example, at the MeS medical facility personnel only tracked equipment on MoD Form 2. MoD Decree 4.0 states that MoD Form 2 should be used to record increases and decreases to stocks on hand, predict necessary stock levels to satisfy demands, establish the balance on hand, and record stock identification data for purposes of accountability, issue, and ordering.
- ANA personnel at both forward supply depots used MoD Form 4 to track their MoD Form 14 issues and turn ins, and MoD Form 9 requests for materiel, but did not include specific information for each pharmaceutical. For example, the MeS supply depot did not include the pharmaceutical quantities on the MoD Form 4, instead they only noted the number of pages from the MoD Form 9 and MoD Form 14. MoD Decree 4.0 states that MoD Form 4 should contain the unique document number and quantities requested, received, and issued as indicated on the MoD Form 14 and MoD Form 9 received and issued.
- None of the ANA personnel at the supply depots and medical facilities used MoD Form 1298, "Due-Out Log," and MoD Form 1299, "Due-In Log." MoD Decree 4.0 states that MoD Form 1298 is used to establish a record of materiel owed to a supported unit until all requests are completely filled while MoD Form 1299 is used to record the authorized stockage list and request actions other than stock replenishment that have not been totally received. Instead of using those forms, the supply depots included a note on the MoD Form 14, stating the amount of the request that could not be filled. While placing a note on the MoD Form 14 as a substitute for using the MoD Form 1298 is not in accordance with MoD Decree 4.0, the use of notations on the MoD Form 14 to document unfilled pharmaceuticals met the intent of the MoD Form 1298. Specifically, it clearly communicated to the customer the quantity and type of pharmaceuticals not provided.

ANA Depots and Medical Facilities Used Unique Processes

ANA officials at the six supply depots and medical facilities also used unique processes for pharmaceutical inventory accountability. Some of the processes were used with

MoD Decree 4.0 forms to enhance inventory accountability while other processes were used in lieu of MoD Decree 4.0 forms.

Two of the three supply depots reviewed used processes to supplement and enhance inventory accountability. Specifically, NSD officials developed a MoD Form 9 logbook to more closely track orders issued to customers and MeS forward supply depot officials developed stock level cards to keep better accountability of the stock on hand for each bin containing pharmaceuticals. However, the Kandahar forward supply depot and medical facility officials used other processes, such as spreadsheets, and MoD Forms 56 and 59, not included in MoD Decree 4.0.[8] In addition, some of the ANA officials inconsistently used MoD forms to track pharmaceutical usage and dispensing data. For example, MeS medical facility officials used MoD Forms 58 and 59 and tally charts, while Kandahar medical facility personnel used MoD Forms 56, 59, and spreadsheets. Since MEDCOM officials use MoD forms for determining pharmaceutical requirements, the consistent and proper use of forms is imperative to obtaining accurate and reliable data.

ANA Officials Need More Timely Communication and Training

With the new pharmaceutical distribution process still early in its implementation, ANA officials, in coordination with CSTC-A, did not effectively communicate or train all ANA personnel at the forward supply depots and medical facilities on the changes to the pharmaceutical distribution process. From June 2011 to September 2011, CSTC-A and ANA officials began implementing the new distribution process at the NSD. CSTC-A officials stated that their strategy was to focus on implementing and obtaining Afghan buy-in of the new process at the NSD before fully implementing the process at NMH, forward supply depots, and regional medical facilities. However, obtaining buy-in from those components most affected by the previous system where pharmaceuticals were unavailable or unaccounted for, is equally important to ensure the success of the new distribution process. Given that CSTC-A officials focused their efforts on implementing training at NSD, CSTC-A and ANA officials effectively communicated and trained NSD personnel. During our interviews, ANA officials at the NSD demonstrated (1) a thorough knowledge of the new pharmaceutical process, (2) an understanding of the proper use of MoD forms, and (3) that the new distribution process was effective in maintaining pharmaceutical accountability. NSD officials also provided records that their personnel completed comprehensive training on the new distribution process.

However, CSTC-A and ANA officials did not effectively communicate or train forward supply depot or medical facilities personnel. During our interviews, forward supply depots and medical facilities officials were unable to demonstrate the same level of understanding as the NSD officials. For example, ANA officials at MeS

> *…CSTC-A and ANA officials did not effectively communicate or train forward supply depot or medical facilities personnel.*

[8] MoD Forms 56, 58, and 59 are designated as multi-use forms that do not have a specific purpose.

and Kandahar expressed their dislike for the "push"[9] system and were unaware of the new process where pharmaceuticals are requested or "pulled"[10] based on need. One ANA official referred to the old process by stating, "it would not make a difference because if they send the requested MoD 14 for pharmaceuticals the NSD will only push the items they want to send." When informed ANA officials were not properly using the MoD forms, CSTC-A officials stated that some ANA officials in the regional facilities received comprehensive training; however, those officials are either unable or were unwilling to adhere to MoD Decree 4.0.

Until ANA officials are fully trained on the proper use of MoD forms and CSTC-A obtains Afghan buy-in, the new distribution process will not be fully effective, increasing the likelihood that inventory discrepancies will continue. CSTC-A mentors should assist ANA officials in developing a communication strategy and training program to effectively implement the new process and obtain Afghan buy-in at the forward supply depots and regional medical facilities. In addition, CSTC-A mentors should assist ANA officials in providing training on the new distribution process. Specifically, CSTC-A mentors shoud ensure that ANA officials are trained on the proper use of and rationale for using MoD Decree forms, eliminating the need for maintaining other processes that did not enhance pharmaceutical accountability.

MEDCOM Did Not Develop Implementation Guidance for Medical Facilities

With the new distribution process still early in its implementation, MEDCOM officials issued memorandums requiring medical facilities to comply with MoD Decree 4.0. However, MEDCOM officials, in coordination with CSTC-A, did not yet develop guidance instructing medical facility personnel how to implement MoD Decree 4.0 or how to collect and report pharmaceutical usage data. Although MoD Decree 4.0 introduces the proper forms to use to communicate logistics information between the supply depots and activities they support, it does not clearly specify how other entities, such as medical facilities, are to implement MoD Decree 4.0 to properly account for, receive, and further distribute pharmaceuticals. CSTC-A mentors should assist MEDCOM officials to develop implementation procedures for medical facilities to increase assurance that pharmaceuticals are properly accounted for, received, and distributed. Once developed and fully implemented, these procedures should increase assurance that pharmaceuticals are properly accounted for and safeguarded.

Also, MEDCOM officials, in coordination with CSTC-A did not yet develop adequate guidance for medical facilities to collect and report pharmaceutical usage data. MEDCOM officials issued memorandums requiring medical facilities to track daily and monthly usage of pharmaceuticals. Additionally, MEDCOM officials issued a

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[9] Under the push system, CSTC-A and MEDCOM personnel determined what pharmaceuticals were needed for patient care and shipped them directly to supply depots or medical facilities.

[10] Under the pull system, pharmaceuticals are procured based on end user requirements and supply depots provide only the pharmaceuticals requested by the end users.

memorandum to NMH requiring them to provide monthly usage reports using MoD Form 59 to MEDCOM. However, these memorandums do not provide specific implementation procedures to medical facilities for collecting and maintaining pharmaceutical usage data. CSTC-A mentors should assist MEDCOM officials to ensure that adequate guidance includes procedures on the proper use of MoD forms. Once developed and fully implemented, this guidance should increase assurance that accurate and reliable usage data is provided on a reoccurring basis to consistently generate pharmaceutical requirements for procurement.

Increased Risk of Procuring Improper Quantities and Wasting U.S. Funds

Until ANA officials, in coordination with CSTC-A, develop an effective communication strategy and train and implement adequate controls in the distribution process, ANA is at an increased risk of obtaining unreliable pharmaceutical usage data for requirements development, and mismanagement, theft and waste of U.S.-funded pharmaceuticals. In addition, CSTC-A is at risk of not being able to transition the pharmaceutical distribution process to complete ANA control. For example, inconsistent and unreliable pharmaceutical requirements increase the risk of procuring improper quantities of pharmaceuticals. By procuring improper quantities of pharmaceuticals, the ANA could waste funds procuring unnecessary pharmaceuticals or procure insufficient amounts of pharmaceuticals needed for patient care.

Management Actions Taken To Improve Pharmaceutical Distribution Process

In an effort to provide timely and relevant results, we notified CSTC-A in October 2011 of some of our preliminary concerns for each of the locations visited. Both CSTC-A and ANA officials provided actions taken or planned to address those concerns.

At NMH, we provided CSTC-A officials with our concerns regarding adequate storage space and staffing of pharmacy positions. Specifically, ANA officials stated that they moved consumables to a separate location to allow for more storage space to further improve pharmaceutical accountability. In addition, CSTC-A officials stated that they are in the process of resolving the pharmacy staffing concerns with senior ANA officials.

At the regional locations, we provided CSTC-A officials with our concerns regarding physical access controls, communication and training on use of MoD forms, and controls over expired pharmaceuticals.[11] ANA officials in Kandahar stated that they plan to obtain a locked cabinet for controlled substances, conduct training to ensure pharmaceuticals are secured, and separate and use expired pharmaceuticals only when necessary. CSTC-A officials stated that although training on the MoD Decree forms was

[11] In addition to our preliminary concerns, we also highlighted best practices when identified at each location. Best practices not previously mentioned include MeS forward supply depot officials providing medical instrument cases to medical facilities and local ANA units picking up pharmaceuticals to reduce the risk of damage during transport.

conducted as of June 2011, they agreed to provide additional training emphasizing the proper use of MoD forms. In addition, CSTC-A officials stated that they encouraged ANA medical facilities personnel to secure pharmaceuticals and noted improvements during their routine observations. Finally, CSTC-A officials stated that they plan to assist ANA officials in developing a policy on use of near or recently expired medications.

Recommendations, Management Comments, and Our Response

We recommend the Commander, Combined Security Transition Command-Afghanistan, in coordination with:

1. Acquisition, Technology, and Logistics officials, improve the vendor selection and evaluation process by ensuring a thorough review of proposals and maintaining and including in their summary reports, sufficient documentation on how each vendor was evaluated and selected.

NTM-A/CSTC-A Comments

The Command Surgeon, NTM-A/CSTC-A, agreed stating that the Acquisition Agency has a Source Selection process in which they evaluate and select vendors based on criteria set forth in their Public Procurement Law, however, there are no standard operating procedures for documenting when they have completed the process. The Command Surgeon further explained that NTM-A/CSTC-A will provide DoD IG a mapped source selection process within 30 days and LOGCOM will provide a draft SOP for documenting each source selection event for the Bid Committee within 90 days.

Our Response

Comments from the Command Surgeon comments were responsive, and no additional comments are required.

2. Afghan National Army officials, develop a communication strategy and training program and obtain buy-in from Forward Supply Depots and regional medical facilities, for all components involved in the new pharmaceutical distribution process.

NTM-A/CSTC-A Comments

The Command Surgeon agreed stating that the command mandated a logistics course for all new advisors and MTAG groups in Gardez, Mazar-e-Sharif, and Kandahar have taught both ANA and advisors through the courses. The Command Surgeon further stated that CSTC-A will continue to work to formalize this training as a requirement for all Afghan logisticians and pharmacists.

Our Response

Comments from the Command Surgeon were responsive, and no additional comments are required.

3. Afghan National Army officials, provide training on the new pharmaceutical distribution process, the proper use of the Ministry of Defense Decree 4.0 forms, and the rationale for why the forms should be used.

NTM-A/CSTC-A Comments

The Command Surgeon agreed and referenced their comments to Recommendation 2 regarding the mandated logistics course and formal training as a requirement for all Afghan logisticians and pharmacists.

Our Response

Comments from the Command Surgeon were partially responsive. Although the Command Surgeon stated that CSTC-A will continue to work to formalize the training, we also recommended that the training include the proper use of the Ministry of Defense Decree 4.0 forms and the rationale for why the forms should be used. We request that the Command Surgeon provide additional comments in response to the final report regarding the elements included in the formalized training.

4. Medical Command officials, issue Ministry of Defense Decree 4.0 implementation guidance to medical facilities to properly receive, account for, and distribute pharmaceuticals.

NTM-A/CSTC-A Comments

The Command Surgeon agreed stating that medical advisors will continue to work with LOGCOM and MEDCOM G-4 to create training tools for on the ground implementation. The Command Surgeon specified that it includes training during audit visits to make sure there is a clear understanding that the Afghans are utilizing forms as stated in Decree 4.0. In addition, the Afghan Surgeon General issued a memorandum to all ANA hospitals directing Afghans to follow the usage of all forms indicated in the Decree 4.0. The Command Surgeon stated that the goal is to create a train the trainer program so it becomes Afghan led training for sustainment.

Our Response

Comments from the Command Surgeon were responsive, and no additional comments are required.

5. Medical Command officials, develop implementation guidance for medical facilities to include the proper use of other Ministry of Defense forms used to collect and report pharmaceutical usage data.

NTM-A/CSTC-A Comments

The Command Surgeon agreed, and referred to the comments on Recommendation 4 regarding creating training tools for on the ground implementation.

Our Response

Comments from the Command Surgeon were partially responsive. Although the comments to Recommendation 4 discuss creating tools for on the ground implementation and training during audit visits to make sure the Afghans are using forms as stated in Decree 4.0, it does not discuss implementation guidance for the non-Ministry of Defense Decree 4.0 forms which are used to collect and report pharmaceutical usage data. The Forms 56, 58, and 59 that we discussed in the report were used to collect and report pharmaceutical usage data; however, the Afghans did not have implementation guidance explaining the proper use of these forms. We request that the Command Surgeon provide additional comments in response to the final report regarding implementation guidance for the non-Ministry of Defense Decree 4.0 forms used to collect and report pharmaceutical usage data.

6. Afghan National Army officials, secure controlled pharmaceuticals and conduct training to ensure personnel understand controlled pharmaceutical storage requirements.

NTM-A/CSTC-A Comments

The Command Surgeon agreed stating that the pharmacy advisors have trained their Afghan pharmacy counterparts on the importance of separating controlled substances and locking them in a separate area with restricted access. The Command Surgeon stated that these rules apply in the pharmacy and areas where controlled substances are needed immediately, such as emergency rooms or surgery suites. The Command Surgeon further stated that pharmacy advisors treat the storage of controlled substances as a priority issue.

Our Response

Comments from the Command Surgeon were partially responsive. Although the Command Surgeon stated that pharmacy advisors have trained their Afghan counterparts on the importance of separating and locking controlled substances in a separate area, the comments did not reflect whether the Afghans implemented the controls or time frames when controls were/will be put in place. As noted by the Command Surgeon, this is a high priority issue due to potential for diversion. We request that the Command Surgeon provide additional comments in response to the final report to address time frames the training occurred and dates the controls were implemented at the Afghan facilities.

7. Afghan National Army officials, develop and implement guidance for medical facilities on the separation and use of near or recently expired medications.

NTM-A/CSTC-A Comments

The Command Surgeon agreed stating that MEDCOM developed a revision of the official policies for Decree 4.0 concerning the return of unused/excess items and destruction of expired Class VIII items and included it as an attachment to the comments. The Command Surgeon further stated that pharmacy and logistics advisors trained their Afghan counterparts to identify and use nearly expired medications first, and separate and earmark expired medications and medications near expiration that cannot be used in a timely manner for destruction.

Our Response

Comments from the Command Surgeon were responsive, and no additional comments are required.

Appendix A. Scope and Methodology

We conducted this performance audit from June 2011 through April 2012 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

To accomplish our audit objective, the audit team reviewed U.S. Army, U.S. Air Force and Afghan logistical guidance. Specifically, we reviewed Army Regulation 12-1, "Security Assistance and International Logistics, Security Assistance, Training, and Export Policy," July 23, 2010; and U.S. Air Force Instruction 41-209 "Medical Logistics Support," June 30, 2006, to identify best practices that may be applied to the Afghan pharmaceutical distribution process. Additionally, we reviewed Afghan MoD Decree 4.0, "Supported and Supporting Unit Logistics Policy and Support Procedures," January 2009, MoD Decree 4.2 , "Materiel Accountability Policy and Procedures," Islamic Republic of Afghanistan, "Procurement Law," 2008 amendments made in January 2009 incorporated; Islamic Republic of Afghanistan, Ministry of Finance, "The Rules and Procedure for Public Procurement," November 18, 2009; and ANA military hospital standard operating procedures. During our audit, we interviewed CSTC-A officials to include the U.S. Combined Joint Surgeon General, the U.S. Combined Joint Logistic Support, Security Assistance Office, and logistics and medical mentors, who provided oversight and training for the ANA pharmaceutical distribution process.

We conducted interviews with Acquisition Agency Officials within Afghan AT&L as well as their mentors, to obtain an understanding of the award process used for selecting vendors to supply pharmaceuticals. For procurement, we only reviewed the award process that the ANA used for selecting pharmaceutical supply vendors. Specifically, we analyzed 2 of the 11 vendors bid packages and the procurement package for the 518 line items in the contract awarded in September 2011, to determine whether vendors were properly evaluated. We conducted a site visit and interviews with officials from Task Force MED-East Craig Joint Theater Hospital Logistic and Pharmacy Command, 384th Medical Logistics Command, Bagram, Afghanistan, to identify possible best practices that could be applied to the Afghan pharmaceutical distribution process. We also conducted site visits to six of the ten ANA locations: NSD, NMH, MeS Regional Military Hospital Facility and FSD, and the Kandahar Regional Military Hospital and FSD. The audit team selected the regional locations based on meetings with CSTC-A personnel. Specifically, CSTC-A officials stated that the MeS locations demonstrated the most progress in implementing the new distribution process and the Kandahar locations demonstrated the least progress. We also selected both national facilities because the NSD maintains all pharmaceuticals before distributing to any location and the NMH provides care to the largest number of patients of all the ANA medical facilities. We observed operations and interviewed mentors from the following CSTC-A organizations: Command Surgeon, Medical Training Advisory Group, and Logistics Training Advisory Group. We also interviewed and observed pharmaceutical operations by ANA personnel

from September 26, 2011, through January 15, 2012. At the site locations, we conducted interviews with CSTC-A mentors and ANA personnel responsible for depot and medical facility pharmaceutical and logistical operations. We observed operations at the depots and medical facilities and compared them to written procedures.

We prepared flowcharts of the pharmaceutical logistical processes to identify potential control weaknesses, variances, and instances of non-compliance. Further, we selected a nonstatistical sample of at least 10 percent of the items on ANA inventory records for pharmaceuticals maintained at each location. The following table lists the locations visited, the number of pharmaceuticals maintained by that location, and the number of pharmaceuticals selected for review.

Table. Locations Visited and Pharmaceuticals Selected for Review

Location Visited	Number of Pharmaceuticals Maintained	Number of Pharmaceuticals Selected
National Supply Depot	170	22
National Military Hospital	280	28[1]
Kandahar Forward Supply Depot	200	20[2]
Kandahar Regional Hospital	201	22
Mazar-e Sharif Forward Supply Depot	83	10
Mazar-e Sharif Regional Hospital	89	10
Total	**1,023**	**112**

1. We did not complete inventory testing at the NMH due to the staff's inability to provide an accurate property record.
2. We did not complete inventory testing at the Kandahar FSD because the depot personnel showed an inability to easily locate items selected.

We determined the accuracy of inventory records by comparing the selected items' quantity in the inventory records to the quantity on hand (book to floor) and by non-statistically selecting items on hand and comparing that quantity to the quantity contained in the inventory records (floor to book). In addition, we obtained MoD Forms 1, 2, 4, 8, 9, 14, 56, and 59 from the depots and hospitals to compare accuracy and completeness of the forms in accordance with stated requirements.

Use of Computer-Processed Data

At the time of the audit the ANA Pharmaceutical Logistics System was a paper-based manual system. Computer-processed data was not used.

Prior Coverage

During the last 5 years, the Department of Defense Inspector General (DoD IG) and the Afghanistan Ministry of Defense Inspector General (MoD IG) in conjunction with the Combined Joint Inspector General (CJIG) have issued two reports discussing the ANSF health care system. Unrestricted DoD IG reports can be accessed at http://www.dodig.mil/audit/reports.

DoD IG

SPO-2011-007, "Assessment of the U.S. Department of Defense Efforts to Develop an Effective Medical Logistics System within the Afghan National Security Forces," June 14, 2011

MoD IG/CJIG

MoD IG/CJIG "Follow-up Inspection of the National Military Hospital," February 1, 2011

Appendix B. MoD Decree 4.0 Forms

MoD Form 1, "Warehouse Receipts and Issues" is used to record all materiel that physically enters or departs warehouse storage based on data from the MoD Form 8 or MoD Form 9. This form provides an inventory check and indicates the balance physically on hand in the warehouse.

MoD Form 2, "Stock Accounting Record" records increases and decreases to stocks on hand, assists in predicting necessary stock levels to satisfy demands, establishes the balance on hand, and records stock identification data for purposes of accountability, issue, and ordering.

MoD Form 4, "Register of Supply Actions" creates an individual Unique Document Number that describes and is associated with each materiel request submitted by a unit until the request is provided, issued, rejected, or cancelled. MoD Form 4 is reviewed on a monthly basis to determine requests for adjustments to the authorized stockage list.

MoD Form 8, "Materiel Receiving Reports" is used to record the receipt of materiel from outside sources such as: contractors, manufacturers, foreign military sales, confiscated, and turn-in materiel.

MoD Form 9, "Issue and Turn-in" is used to record support entries in the supply action registers. The form records data for the items that were issued from depots to supported units.

MoD Form 14, "Request for Materiel" is the basic form used to request items and supplies within the ANA Logistics System.

MoD Form 1298, "Due-Out Log" establishes a record of materiel/stocks owed to a supported unit.

MoD Form 1299, "Due-In Log" is used to record the items not received when a MoD Form 14, stock replenishment request, is submitted.

MoD Form 1687, "Delegation of Authority" allows the supported unit to request materiel via the MoD Form 14 and receive materiel via the MoD Form 9 at the designated depot.

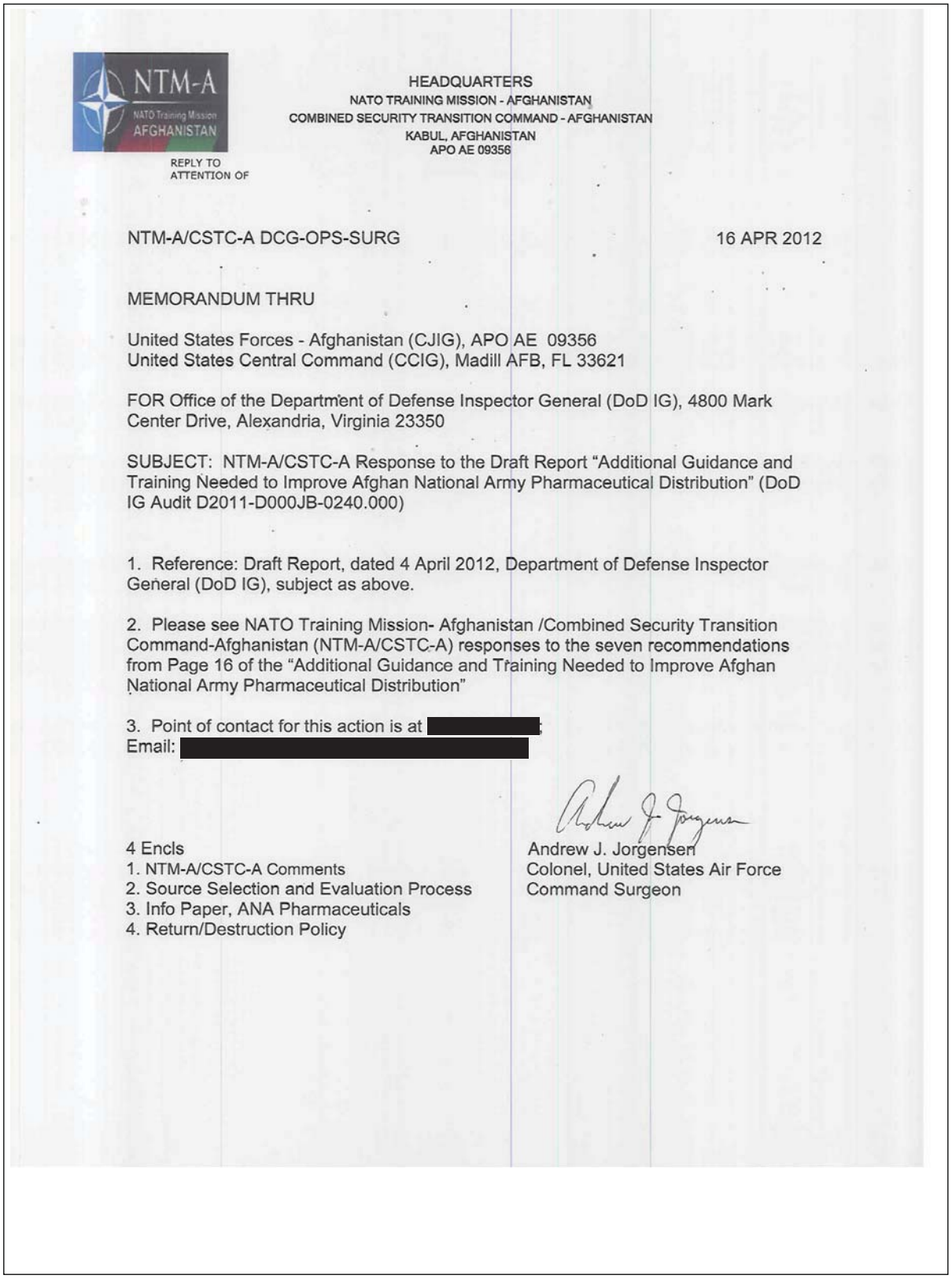
Appendix C. Medical Facilities and Depot Pharmaceuticals Nonstatistical Sample Discrepancies

Line Item Name	Units in Floor Record	Units in Book Record	Underage and Overage
Kandahar Regional Hospital			
Amoxicilline	10228	31000	20,722
Morphine	1264	1592	328
Hydryllin Syrup	76	105	29
Negazole	54	77	23
Ketamine	414	430	16
Brufen	48	63	15
Gravinate Liquid	24	26	2
Ceporex	36	35	(1)
Pracetamal	187	169	(18)
Triamcinolone	65	0	(65)
Gabapentin	365	240	(125)
Fefolvit	1290	1150	(140)
Chlordiozepoxide Hydrochloride Capsule	1480	1325	(155)
Norfloxacin	1400	1240	(160)
Mazar-e-Sharif Regional Hospital			
Hydrochloraothizide	3200	4509	1309
Lexotanil	3150	3254	104
Vitamin C	456	489	33
Stropetomacin	400	498	98
Encephabol	193	239	46
Sloshin Benzovial	1900	2000	(100)
Morphine Sulfate	736	756	20

Line Item Name	Units in Floor Record	Units in Book Record	Underage and Overage
Calpol	146	157	11
Tyopentel	59	60	1
Hadneza Pomad	93	92	(1)
National Military Hospital			
Ketamine	4575	4755	180
Tramadol	1650	1700	50
Insulin-Regular	274	280	6
Mebendazol	1164	1100	(64)
Amoxiclline	6900	6800	(100)
Propofol	2014	1802	(212)
Kandahar FSD			
Pan-Amin	51	692	641
Hydrocortizone	200	300	100
B-6	837	560	(277)
Paracetmol	175,950	83,400	(92,550)
Timzol	100	Could not determine	Unkown

Source: DoD OIG

North Atlantic Treaty Organization Training Mission-Afghanistan/Combined Security Transition Command-Afghanistan Comments



HEADQUARTERS
NATO TRAINING MISSION - AFGHANISTAN
COMBINED SECURITY TRANSITION COMMAND - AFGHANISTAN
KABUL, AFGHANISTAN
APO AE 09356

REPLY TO
ATTENTION OF

NTM-A/CSTC-A DCG-OPS-SURG 16 APR 2012

MEMORANDUM THRU

United States Forces - Afghanistan (CJIG), APO AE 09356
United States Central Command (CCIG), Madill AFB, FL 33621

FOR Office of the Department of Defense Inspector General (DoD IG), 4800 Mark Center Drive, Alexandria, Virginia 23350

SUBJECT: NTM-A/CSTC-A Response to the Draft Report "Additional Guidance and Training Needed to Improve Afghan National Army Pharmaceutical Distribution" (DoD IG Audit D2011-D000JB-0240.000)

1. Reference: Draft Report, dated 4 April 2012, Department of Defense Inspector General (DoD IG), subject as above.

2. Please see NATO Training Mission- Afghanistan /Combined Security Transition Command-Afghanistan (NTM-A/CSTC-A) responses to the seven recommendations from Page 16 of the "Additional Guidance and Training Needed to Improve Afghan National Army Pharmaceutical Distribution"

3. Point of contact for this action is at [redacted]
Email: [redacted]

4 Encls
1. NTM-A/CSTC-A Comments
2. Source Selection and Evaluation Process
3. Info Paper, ANA Pharmaceuticals
4. Return/Destruction Policy

Andrew J. Jorgensen
Colonel, United States Air Force
Command Surgeon

Final Report Reference

"Additional Guidance and Training Needed to Improve Afghan National Army Pharmaceutical Distribution" (DoD IG Audit D2011-D000JB-0240.000)

NTM-A/CSTC-A
COMMENTS ON THE REPORT

Page 16, Section "Recommendations" the Report states:

We recommend the Commander, Combined Security Transition Command-Afghanistan, in coordination with:

1. Acquisition, Technology, and Logistics officials, improve the vendor selection and evaluation process by ensuring a thorough review of proposals and maintaining and including in their summary reports, sufficient documentation on how each vendor was evaluated and selected.

NTM-A/CSTC-A Response:

Concur with Comment.

The Acquisition Agency does have a Source Selection process in which they evaluate each bidder and then select vendor/vendors based on criteria set forth in Rule 79 of the MOF Rules of Procedure for Public Procurement. Please see attached memorandum from [redacted], AT&L advisor titled "DOD IG Answer to recommendation 1" (Enclosure 1). The issue is that there is no standard operating procedure (SOP) for documenting when they have completed the process. NATO Training Mission-Afghanistan/Combined Security Transition Command-Afghanistan (NTM-A/CSTC-A) will provide DOD IG a mapped source selection process within thirty days. LOGCOM advisors will provide a draft SOP for documenting each source selection event for the Bid Committee within ninety days.

Enclosure Omitted Due to Length

2. Afghan National Army officials develop a communication strategy and training program and obtain buy-in from Forward Supply Depots and regional medical facilities, for all components involved in the new pharmaceutical distribution process.

NTM-A/CSTC-A Response:

Concur with Comment.
NTM-A/CSTC-A has both LOGCOM advisor mobile training teams and a mandated logistics course for all new logistics advisors. Command Surgeon has a mandated logistics course for all new advisors. MTAG groups in Gardez, Mazar e Sharif, and Kandahar have taught both ANA and advisors through these courses. CSTC-A will continue to work to formalize this training as a requirement for all Afghan logisticians and pharmacists.

Page 1 of 3

Final Report Reference

"Additional Guidance and Training Needed to Improve Afghan National Army Pharmaceutical Distribution" (DoD IG Audit D2011-D000JB-0240.000)

NTM-A/CSTC-A
COMMENTS ON THE REPORT

3. Afghan National Army officials, provide training on the new pharmaceutical distribution process, the proper use of the Ministry of Defense Decree 4.0 forms, and the rationale for why the forms should be used.

NTM-A/CSTC-A Response:

Concur with Comment. See the comments under #2

4. Medical Command officials, issue Ministry of Defense Decree 4.0 implementation guidance to medical facilities to properly receive, account for, secure, and distribute pharmaceuticals.

NTM-A/CSTC-A Response:

Concur with Comment. The decrees are explained in a user friendly process. However, NTM-A/CSTC-A medical advisors will continue to work with LOGCOM and the MEDCOM G-4 to create training tools for on the ground implementation. Specifically, during audit visits training continues to make sure there is clear understanding that the Afghans are utilizing all forms as stated in Decree 4.0. In addition, the Afghan Surgeon General has sent a memorandum to all ANA hospitals that directs the Afghans to follow the usage of all forms indicated in Decree 4.0. The goal is to create a train the trainer program whereby this becomes Afghan led training for sustainment.

5. Medical Command officials, develop implementation guidance for medical facilities to include the proper use of other Ministry of Defense forms used to collect and report pharmaceutical usage data.

NTM-A/CSTC-A Response:

Concur with Comment. See the comments under #4. An information paper on ANA Pharmaceutical Procurement Process and Basis for Standard Operation Procedures for Pharmaceutical Procurements from [redacted] - Senior Advisor of the Acquisition Agency was submitted 21 October 2011 and is included (See Enclosure 2).

Enclosure Omitted Due to Length

6. Controlled pharmaceuticals and conduct training to ensure personnel understand controlled pharmaceutical storage requirements.

Final Report Reference

"Additional Guidance and Training Needed to Improve Afghan National Army Pharmaceutical Distribution" (DoD IG Audit D2011-D000JB-0240.000)

NTM-A/CSTC-A
COMMENTS ON THE REPORT

NTM-A/CSTC-A Response:

Concur with Comment. The pharmacy advisors have trained their Afghan pharmacy counterparts on the importance of separating controlled substances from other medications as well as locking these items in a separate area with restricted access. These rules apply in the pharmacy and patient care areas, such as emergency rooms or surgery suites, where controlled substances are needed immediately. The pharmacy advisors treat the storage of controlled substance as a priority issue because of the potential for diversion.

7. Afghan National Army officials develop and implement guidance for medical facilities on the separation and use of near or recently expired medications.

NTM-A/CSTC-A Response:

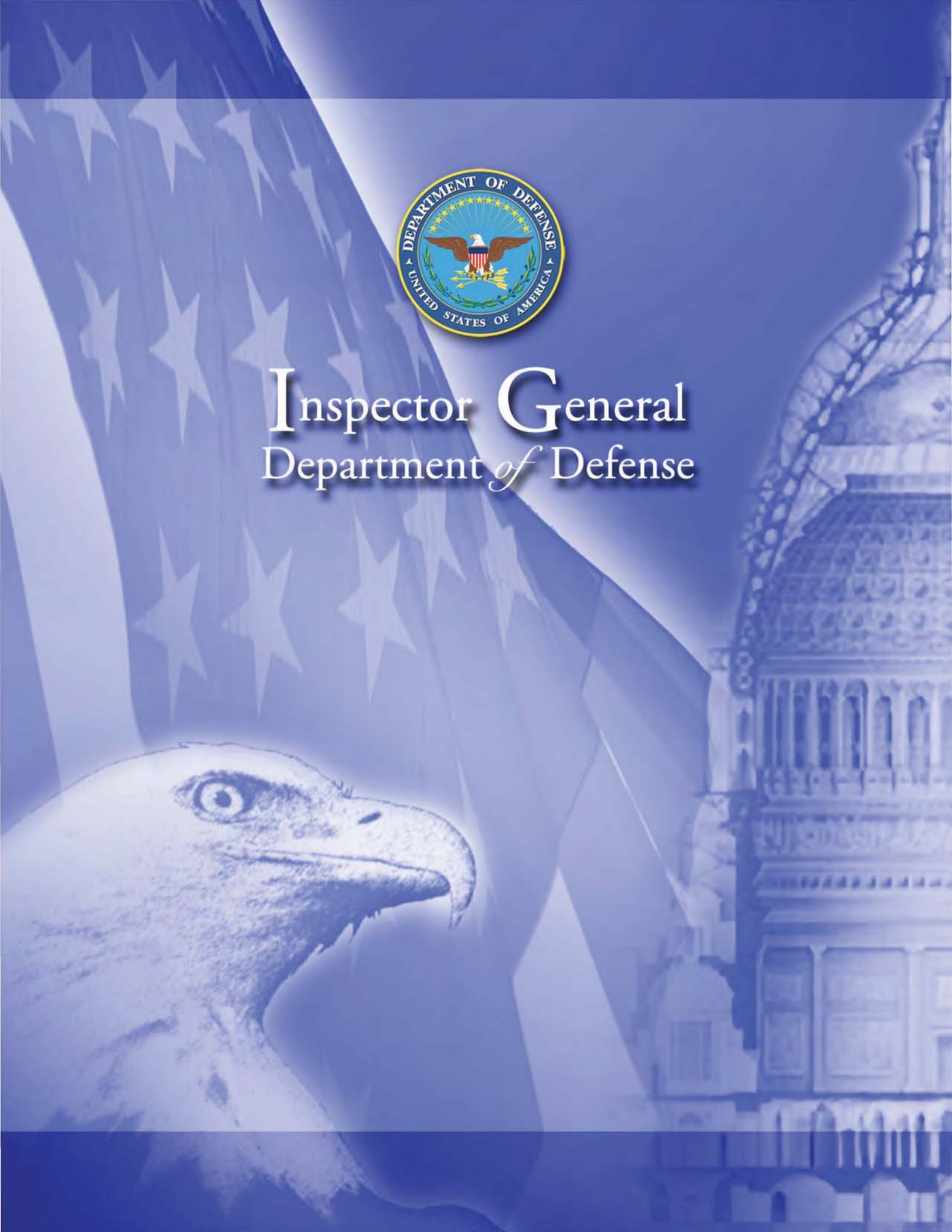
Concur with Comment. MEDCOM S4 (specifically, [redacted]) has developed a revision of the official policies for Decree 4.0 concerning the return of unused/excess items and the destruction of expired Class VIII items-including medications. (See Enclosure 3). Pharmacy and logistics advisors have trained their Afghan counterparts to identify and use nearly expired medications first, and separate expired medications in Forward Supply Depots and in the pharmacy spaces. Both expired medications and those that are near expiration which cannot be used in a timely manner are specifically earmarked for destruction.

APPROVED BY:
[redacted]
Colonel, NTM-A/CSTC-A
Command Surgeon

PREPARED BY:
[redacted] LCDR, MSC, USN
CJ SURG Pharmacist
DSN: [redacted]

Page 3 of 3

Enclosure Omitted Due to Length



Inspector General
Department of Defense