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Report to Congressional Committees

July 2009

PRESIDENT'S EMERGENCY PLAN FOR AIDS RELIEF

Partner Selection and Oversight Follow Accepted Practices but Would Benefit from Enhanced Planning and Accountability

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GAO-09-666

July 2009

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Highlights

Highlights of GAO-09-666, a report to congressional committees

PRESIDENT'S EMERGENCY PLAN FOR AIDS RELIEF

Partner Selection and Oversight Follow Accepted Practices but Would Benefit from Enhanced Planning and Accountability

Why GAO Did This Study

The President's Emergency Plan for AIDS Relief (PEPFAR), first authorized in 2003 at $15 billion for 5 years, was reauthorized in 2008 at $48 billion through 2013. PEPFAR supports HIV/AIDS prevention, treatment, and care services, primarily in Africa as well as in Asia and the Caribbean. The Office of the U.S. Global AIDS Coordinator (OGAC) leads implementation of PEPFAR. The Department of Health and Human Services' Centers for Disease Control and Prevention (CDC) and the U.S. Agency for International Development (USAID) are among PEPFAR's primary implementing agencies. In this report, responding to a legislative directive, GAO examined practices used in (1) selecting organizations to implement PEPFAR activities and (2) overseeing these organizations' PEPFAR activities. GAO interviewed agency and implementing organization officials; reviewed key agency guidance; analyzed PEPFAR awards for fiscal years 2007 and 2008; and observed PEPFAR activities in Namibia, South Africa, and Zambia.

What GAO Recommends

GAO recommends that the Secretary of State direct OGAC to take several steps to improve specific processes for selecting PEPFAR implementing partners and strengthen oversight of PEPFAR partners. The Department of State generally acknowledged GAO's recommendations, noting several areas where it has begun to take the recommended steps.

View GAO-09-666 or key components.
For more information, contact David Gootnick at (202) 512-2545 or gootnickd@gao.gov.

What GAO Found

The selection of PEPFAR partner organizations to implement HIV/AIDS prevention, treatment, and care services generally follows accepted practices. GAO's review of PEPFAR guidance on annual interagency planning for program activities, including selection of implementing partners, found that the guidance calls for strategic assessments of overall program needs. GAO also found that the interagency plans for PEPFAR activities in Namibia, South Africa, and Zambia for fiscal year 2008 included such assessments, and CDC officials reported using these annual plans in planning their selection of PEPFAR implementing partners. However, the PEPFAR guidance that GAO reviewed does not call for the involvement of agency assistance and acquisition officials—officials with primary responsibility for making awards to implementing partners—although these officials possess expertise necessary to ensure that the selection process contributes to meeting program needs. Moreover, these officials were not involved in preparing the interagency PEPFAR plans for fiscal years 2008 and 2009. Further, although PEPFAR guidance on preparing the interagency plans is OGAC's key tool for coordinating the implementing agencies' partner selection processes, this guidance has not been integrated with the agencies' guidance. In making awards, CDC and USAID generally engaged in competitive selection processes, such as issuing solicitations and convening review panels, to select candidate organization proposals with the best approach for meeting program needs. In addition, CDC and USAID evaluated candidate organizations' technical, management, and financial capacities to ensure that candidates had the systems and resources needed to meet program needs.

CDC and USAID have established a number of practices to oversee the activities of their PEPFAR implementing partners. For the awards that GAO reviewed, CDC and USAID required programmatic and financial reporting, reviewed implementing partners' expenditure data against their work plans, and documented site visits with checklists and reports. In addition, CDC and USAID provided technical assistance to improve implementing partners' capacities. However, several weaknesses have limited CDC's and USAID's ability to oversee partners' and subpartners' PEPFAR activities and thus ensure accountability for PEPFAR funds. First, according to OGAC data, about 29 percent of CDC and 7 percent of USAID direct-hire positions—including those with oversight responsibility—remained unfilled early in fiscal year 2009. Second, PEPFAR and agency award reporting time frames are not synchronized, exacerbating agencies' reporting burden and reducing time for oversight, including time for site visits. Third, GAO's assessments of 15 implementing partners' internal controls showed that one implementing partner and six subpartners were constrained in their ability to account for the use of PEPFAR funds, because they did not consistently carry out established policies and procedures. Fourth, CDC procedures for collecting audits and ensuring resolution of audit findings are unclear, limiting CDC's ability to help strengthen identified implementing partner weaknesses.

Contents

Letter 1

Results in Brief 4
Background 7
Selection of PEPFAR Implementing Partners Has Generally Followed Accepted Practices 17
CDC and USAID Have Developed Oversight Practices, but Certain Gaps Limit Their Ability to Ensure Accountability for PEPFAR Funds 28
Conclusions 40
Recommendations for Executive Action 40
Agency Comments and Our Evaluation 41

Appendix I **Scope and Methodology** 44

Appendix II **Partners and Subpartners Selected for Review of Oversight Practices** 49

Appendix III **HHS and USAID Guidance on Assistance and Acquisition Strategies** 51

Appendix IV **Comments from the U.S. Department of State, Office of the Global AIDS Coordinator** 52

Appendix V **GAO Contact and Staff Acknowledgments** 57

Related GAO Products 58

Table

Table 1: PEPFAR Implementing Partners and Subpartners Selected for Review of Oversight Practices 49

Figures

Figure 1: PEPFAR Focus Countries, Fiscal Years 2003-2008 8
Figure 2: PEPFAR Funding for Focus Countries, Fiscal Years 2004-2008 9
Figure 3: Time Line for Fiscal Year 2008 COP Preparation and CDC and USAID Partner Selection Processes 13
Figure 4: Examples of CDC, HRSA, and USAID Implementing Partner and Subpartner Relationships 15
Figure 5: Types of USAID Awards Shared between Headquarters and Missions 23
Figure 6: PEPFAR Award Increases and Extensions at CDC and USAID as of September 30, 2008 25
Figure 7: Filled and Vacant PEPFAR FTE Positions, by Agency, Fiscal Year 2009 32
Figure 8: Examples of OGAC and Agency Award Reporting Timeframes, Fiscal Year 2008 34

Abbreviations

ADS	Automated Directives System
ARV	antiretroviral drugs
CDC	Centers for Disease Control and Prevention
COP	country operational plan
COPRS	Country Operational Plan and Reporting System
FAR	Federal Acquisition Regulation
FTE	full-time equivalent
GHAI	Global HIV/AIDS Initiative
GHCS	Global Health and Child Survival account
HHS	Department of Health and Human Services
HIV/AIDS	human immunodeficiency virus/acquired immune deficiency syndrome
HRSA	Health Resources and Services Administration
NGO	nongovernmental organization
NPI	New Partners Initiative
OGAC	Office of the U.S. Global AIDS Coordinator
OMB	Office of Management and Budget
PEPFAR	President's Emergency Plan for AIDS Relief
SCMS	Supply Chain Management System
USAID	U.S. Agency for International Development

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United States Government Accountability Office
Washington, DC 20548

July 15, 2009

Congressional Committees

Twenty-eight years after the first cases were reported, HIV/AIDS remains a leading global health challenge. During 2007—the most recent year for which complete data are available—approximately 2 million people died of HIV-related causes and an estimated 2.7 million people were newly infected with HIV. The first 5-year phase of the President's Emergency Plan for AIDS Relief (PEPFAR), authorized in 2003 at $15 billion, contributed significantly to the global response to the pandemic.[1] The strategy for PEPFAR's first phase laid out goals for HIV/AIDS prevention, treatment, and care, including rapidly expanding these services and ensuring their long-term sustainability. PEPFAR's initial global targets called for preventing 7 million new HIV infections by 2010; treating 2 million HIV-infected individuals by 2009; and caring for 10 million people affected by HIV/AIDS, including orphans and vulnerable children, by 2009. In 2008, PEPFAR officials reported that PEPFAR had supported antiretroviral treatment for 2.1 million men, women, and children. Congress reauthorized PEPFAR in 2008 at $48 billion, to continue and expand U.S.-funded HIV/AIDS programs through fiscal year 2013.

The Office of the U.S. Global AIDS Coordinator (OGAC) at the Department of State (State) is charged with coordinating and overseeing the U.S. global response to HIV/AIDS, including programs and activities supported by PEPFAR. The Department of Health and Human Services (HHS) and the U.S. Agency for International Development (USAID) are among PEPFAR's primary implementing departments and agencies (referred to in

[1]Approximately two-thirds of funding appropriated for PEPFAR's first 5-year phase was directed to HIV/AIDS initiatives in 15 countries, known as focus countries: Botswana, Côte d'Ivoire, Ethiopia, Guyana, Haiti, Kenya, Mozambique, Namibia, Nigeria, Rwanda, South Africa, Tanzania, Uganda, Vietnam, and Zambia. In the 2003 authorizing legislation (Pub. L. No. 108-25), Congress assigned an HIV/AIDS Response Coordinator (later titled Global AIDS Coordinator) the duty of directly approving all activities of the United States related to combating HIV/AIDS in 14 of these countries. Vietnam was selected as the 15th country in 2004 and was added to the list of designated countries in 2008 by the legislation reauthorizing PEPFAR—the Tom Lantos and Henry J. Hyde United States Global Leadership against HIV/AIDS, Tuberculosis, and Malaria Reauthorization Act of 2008, Pub. L. No. 110-29, § 102, 122 Stat. 2918, 2935.

this report as implementing agencies).[2] HHS's Centers for Disease Control and Prevention (CDC) and USAID obligate the majority of PEPFAR funds; HHS's Health Resources and Services Administration (HRSA) also administers some PEPFAR awards.[3] CDC, HRSA, and USAID obtain services for PEPFAR prevention, treatment, and care activities through grants and cooperative agreements (assistance awards) and contracts (acquisition awards)[4] with selected implementing partners. These partners—including, for example, U.S.-based nongovernmental organizations (NGO) and host-country governmental organizations and NGOs—may engage subpartners to assist in implementing PEPFAR activities. OGAC and the implementing agencies share responsibility for selecting and overseeing partners as well as for achieving PEPFAR goals and assuring accountability for PEPFAR-funded projects. Interagency teams use annual PEPFAR country operational plans (COP)[5] and their respective agency processes as a framework for selecting implementing partners, and they use OGAC's annual PEPFAR reporting process to report on their achievement of country-level targets. At the agencies, officials with expertise in assistance and acquisition awards (assistance and acquisition officials) have primary responsibility for making awards to

[2]The key HHS agencies implementing PEPFAR are the Centers for Disease Control and Prevention (CDC) and the Health Resources and Services Administration (HRSA). Other federal departments and agencies—the Department of State, Department of Defense, Peace Corps, Department of Labor, and Department of Commerce—carry out limited PEPFAR-funded activities.

[3]USAID maintains overseas missions in 13 of the 15 PEPFAR focus countries. CDC provides clinicians, epidemiologists, and other medical experts who generally work directly with foreign governments, health institutions, and other entities. HRSA's global HIV/AIDS program promotes clinical system strengthening and human resources for health but does not have an overseas presence.

[4]In this report, assistance awards refers to grants and cooperative agreements and acquisition awards refers to procurement contracts. The Federal Grant and Cooperative Agreement Act of 1977, codified at 31 U.S.C. §§ 6304–6305, states when an executive agency shall use these instruments. Under sections 6304 and 6305, assistance awards are used to transfer a thing of value to a recipient to accomplish a public purpose authorized in federal law. Agencies are to use cooperative agreements when they anticipate substantial involvement in implementing the award and are to use grants when substantial involvement is not expected. Under section 6303, procurement contracts shall be used when the principal purpose of the relationship between the federal government and the recipient is for the procurement of goods or services for the direct use or benefit of the U.S. government or the agency decides in a specific instance that the use of a procurement contract is appropriate.

[5]COPs are used to plan activities and funding for implementing partners.

implementing partners, approving any major changes to the awards, and assigning oversight responsibilities for each award.

Responding to the Consolidated Appropriations Act of 2008 and the Tom Lantos and Henry J. Hyde United States Global Leadership Against HIV/AIDS, Tuberculosis, and Malaria Reauthorization Act of 2008,[6] this report evaluates key practices that the implementing agencies have used in (1) selecting organizations to implement PEPFAR activities and (2) overseeing these organizations' PEPFAR activities.

To address our objectives, we met with officials from OGAC, CDC, HRSA, USAID, and implementing partner organizations. We also reviewed key federal and agency assistance and acquisition criteria and annual OGAC planning and reporting guidance for fiscal years 2008 and 2009. In reviewing practices used in selecting PEPFAR implementing partners, we analyzed award files from a sample of the 15 largest PEPFAR assistance and acquisition awards that received fiscal year 2007 funding[7]—1 award from HRSA;[8] 2 awards from CDC; and 12 awards from USAID headquarters and missions in Namibia, South Africa, and Zambia—out of a total of 405 awards. We examined these files, which included agency solicitations for proposals, evaluations of proposals, award decision documents, and award agreements, to determine the agencies' use of competitive selection and whether the agencies evaluated applicants' technical capacity to meet PEPFAR goals and applicants' management capacity.[9] We also analyzed data for all PEPFAR awards receiving fiscal year 2008 funding from CDC, USAID headquarters, and USAID missions in the three countries we visited—a total of 444 awards. To assess CDC, HRSA, and USAID oversight of PEPFAR implementing partners, we analyzed 21 awards—the 15 awards described above, 5 additional awards

[6]Pub .L. No. 110-161, § 668(d), 121 Stat. 1844, 2353 (2007); Pub. L. No. 110-293, § 101(d), 122 Stat. 2918, 2931. The acts directed us to look at PEPFAR procurement, among other things. In addition to reviewing procurement contracts, we also looked at assistance awards because of the significant extent to which these instruments are used to carry out the PEPFAR mission.

[7]The 15 awards we reviewed included 1 assistance award from HRSA; 1 assistance award and 1 acquisition award from CDC; and 8 assistance awards and 4 acquisition awards from USAID headquarters and the three missions.

[8]CDC conducted the selection process for this award and then transferred the award to HRSA.

[9]We did not evaluate applicants' proposals or the agencies' award decisions.

from CDC, and 1 additional award from USAID South Africa—that received PEPFAR funds in fiscal year 2007. We conducted semistructured interviews with U.S. government officials and implementing partner representatives in these three countries and in Washington, D.C., and Atlanta, Georgia. We also visited HIV/AIDS activity sites and reviewed implementing partners' and subpartners' internal controls[10] in the three countries we visited.

We conducted this performance audit from May 2008 to June 2009 in accordance with generally accepted government auditing standards. These 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. Appendix I contains a more detailed description of our scope and methodology.

Results in Brief

CDC and USAID used accepted practices—strategic assessments, competitive selection, and evaluation of candidate capacity—in selecting PEPFAR implementing partners. However, a lack of involvement of the implementing agencies' assistance and acquisition officials, as well as a lack of clarity regarding the relation of PEPFAR guidance on preparing the COPs to the agencies' guidance on assistance and acquisition awards, may negatively affect the planning and execution of partner selection.

- **Strategic assessment of program needs**. The COPs developed for Namibia, South Africa, and Zambia for fiscal year 2008 reflect strategic assessments of overall program needs, in accordance with PEPFAR guidance on preparing the COPs. CDC officials reported using the COPs as their strategic plan for PEPFAR partner selection, while USAID officials reported planning for PEPFAR partner selection in the context of individual awards rather than overall program needs. However, although agency assistance and acquisition officials have expertise needed to ensure that planning for partner selection is aligned with program goals, CDC and USAID officials reported that assistance and acquisition officials

[10]Previous GAO work defines internal control as an integral component of an organization's management that provides reasonable assurance that the following objectives are being achieved: effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations. See GAO, *Standards for Internal Control in the Federal Government*, GAO/AIMD-00021.3.1 (Washington, D.C.: Nov. 1999).

were not involved in preparing the COPs. Moreover, PEPFAR guidance on preparing the COPs for fiscal years 2008 and 2009 did not call for the involvement of these officials. Furthermore, although OGAC officials noted that development of the COP serves as a first step in planning for PEPFAR partner selection, the relation of PEPFAR guidance on preparing the COPs to agency guidance on assistance and acquisition awards is not clear.[11] As a result, according to a 2007 report by CDC and USAID assistance and acquisition officials, it is not always apparent whether PEPFAR or agency guidance should take precedence or whether PEPFAR guidance reflects official agency policies.

- **Competitive selection.** CDC and USAID issued competitive solicitations and convened review panels for 14 of the 15 awards we reviewed that received funding in fiscal year 2007. Additionally, CDC and USAID generally used competitive selection processes for all PEPFAR awards that received funding in fiscal year 2008.[12] Use of competitive selection can increase assurance that the process is fair and permit the agencies to select from among the various proposals the best approach for meeting program needs.

- **Evaluation of candidate capacity.** The agencies evaluated candidates' technical, management, and financial capacity for the 15 awards we reviewed that received funding in fiscal year 2007.[13] Such evaluations have

[11]For acquisition awards, agencies are required to follow the procedures laid out in the Federal Acquisition Regulation (FAR). For assistance awards, CDC and USAID must adhere to statutes governing the use of assistance awards such as the Federal Grant and Cooperative Agreements Act of 1977, as codified at 31 U.S.C. §§ 6301 et seq., as well as legislation governing the operation of the agencies (e.g., title 42 of the United States Code for HHS agencies, and the Foreign Assistance Act of 1961, as amended, for USAID). HHS regulations for assistance awards are laid out in various parts of title 45 of the Code of Federal Regulations including Parts 74 and 92, as well as in the HHS Grants Policy Directives and Awarding Agency Grants Administration Manual. USAID regulations for assistance awards are laid out in various parts of title 22 of the Code of Federal Regulations, including Parts 216, 226, and 228, and the agency's Automated Directives System (ADS).

[12]For acquisition awards, 10 U.S.C. § 2304 and 41 U.S.C. § 253 require, with certain limited exceptions (see FAR Subparts 6.2 and 6.3), that contracting officers must promote competition in soliciting offers and awarding government contracts. FAR 6.101(a).

[13]In the area of acquisition awards, the FAR contains detailed requirements concerning source selection procedures, including a focus on offeror capabilities. In a best value source selection, the award decision is based on evaluation factors and significant subfactors that are tailored to the acquisition. FAR 15.304(a). These factors may include technical and management capacity. FAR 15.204-5. The firm's financial capacity will also be reviewed as part of the responsibility determination. FAR 9.104-3.

been identified as essential to reducing the government's risk when making awards, by ensuring that implementing partners have the systems and resources necessary to meet program needs.

CDC and USAID have established a number of practices to oversee the activities of their PEPFAR implementing partners; however, certain weaknesses limit the agencies' ability to ensure accountability over PEPFAR funds. For the awards that we reviewed, CDC and USAID required programmatic and financial reporting, reviewed implementing partners' expenditure data against their work plans, and documented site visits with check lists and reports. In addition, CDC and USAID provided technical assistance to improve implementing partners' capacities. According to OGAC, these efforts are intended to prepare local organizations to apply for direct funding from the U.S. government and to support local capacity development and program sustainability. However, several weaknesses have limited CDC's and USAID's ability to effectively oversee partners' and subpartners' PEPFAR activities. First, according to OGAC data, about 29 percent of CDC and 7 percent of USAID direct-hire positions—including those with oversight responsibility—remained unfilled early in fiscal year 2009. Second, PEPFAR and agency award reporting time frames are not synchronized, exacerbating agencies' reporting burden and reducing time for oversight, including time for site visits. Third, our assessments of 15 implementing partners' internal controls showed that 1 partner and 6 subpartners were constrained in their ability to account for the use of PEPFAR funds because they did not consistently carry out established policies and procedures. Fourth, CDC procedures for collecting audits and ensuring that audit findings are resolved are unclear, limiting CDC's ability to help strengthen identified implementing partner weaknesses.

We are recommending that the Secretary of State direct OGAC to take several steps to improve PEPFAR processes for making awards and overseeing partner activities. These steps include addressing the lack of a clear relation between PEPFAR guidance on preparing the COP and agency guidance on acquisition and assistance awards, developing a plan to reduce PEPFAR reporting burden, and addressing the weaknesses in internal controls identified in this report. State, HHS, and USAID provided joint written comments on a draft of this report (see app. IV for a copy of these comments). In addition, State, in coordination with HHS and USAID, provided technical comments, which we incorporated as appropriate. In their written comments, the agencies generally acknowledged our recommendations regarding PEPFAR partner selection and oversight,

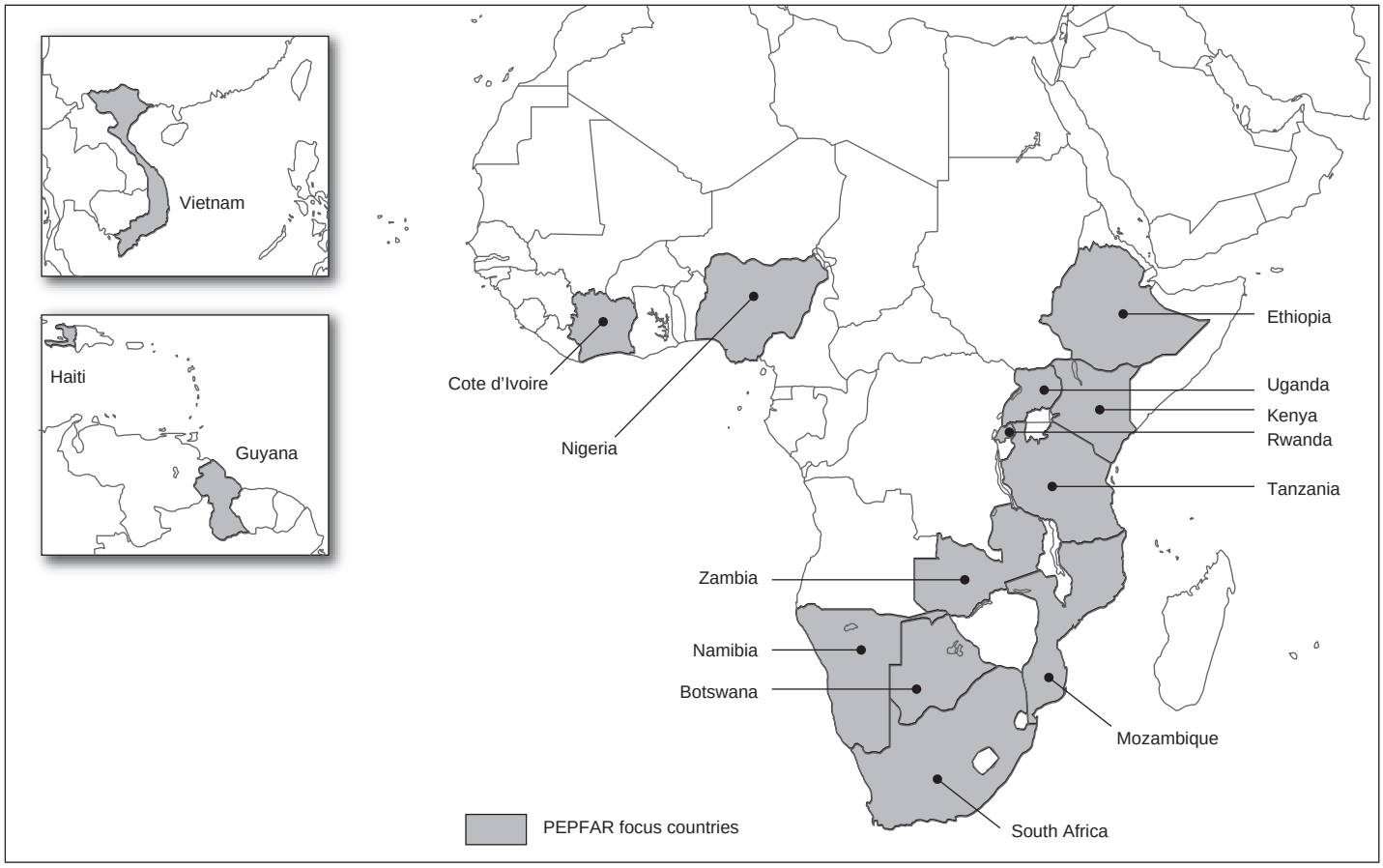
noting several areas where they have begun to address our recommendations.

Background

In 2003, in response to the HIV/AIDS pandemic, the U.S. government established PEPFAR through the United States Leadership Against HIV/AIDS, Tuberculosis, and Malaria Act of 2003, targeting 15 focus countries (see fig. 1).[14] The act streamlined the U.S. approach to global HIV/AIDS by coordinating and deploying U.S. agencies and resources through a single entity, OGAC, created within the Department of State.

[14]According to OGAC, for PEPFAR's second 5-year phase, no distinction exists between focus countries and other countries receiving bilateral assistance through PEPFAR.

Figure 1: PEPFAR Focus Countries, Fiscal Years 2003-2008



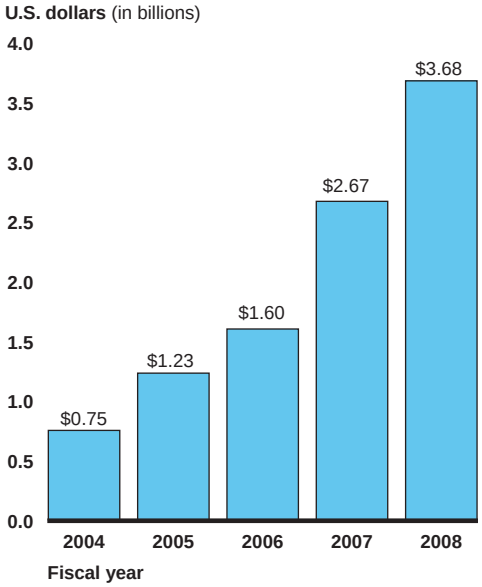
Sources: GAO synthesis of OGAC information; Map Resources (maps).

PEPFAR Funding

Over the first 5 years of PEPFAR, funding for PEPFAR programs in the 15 focus countries, from all fund sources, increased from $751 million in fiscal year 2004 to approximately $3.7 billion in fiscal year 2008 (see fig. 2). PEPFAR funding for the 15 countries for fiscal years 2004-2008 totaled more than $9.9 billion.[15]

[15]Funding for U.S. government programs to fight HIV/AIDS in the 15 PEPFAR focus countries is appropriated under the Department of State's Global HIV/AIDS Initiative (GHAI) and Global Health and Child Survival State (GHCS-State) accounts as well as CDC's Global AIDS Program (GAP) and several other accounts.

Figure 2: PEPFAR Funding for Focus Countries, Fiscal Years 2004-2008



Source: GAO synthesis of OGAC data.

Office of the U.S. Global AIDS Coordinator

OGAC's functions include, among others, establishing overall policy and program strategies, coordinating PEPFAR programs, and allocating resources to implementing agencies, including USAID and HHS's CDC and HRSA.[16] CDC and USAID make awards and oversee most PEPFAR-funded programs, which are generally implemented by partners and subpartners. In fiscal year 2008, OGAC allocated $1.3 billion to CDC and $2.1 billion to USAID.[17]

OGAC executes its coordinating role in part by providing the implementing agencies, both in the United States and in the PEPFAR focus countries, annually updated guidance on a variety of topics, such as preparing the COPs and reporting on program results. The 5-year strategy for the first phase of PEPFAR characterizes in-country planning as a core

[16]In addition to CDC and HRSA, a number of other HHS agencies participate in PEPFAR activities.

[17]These funds were allocated from the Global Health and Child Survival State fund (formerly the GHAI account).

part of the implementation strategy.[18] In addition, OGAC convenes implementing agency officials for technical working groups on a range of issues. Among these groups is the Procurement and Assistance Working Group, comprising key agency assistance and acquisition officials, which has provided guidance and new procedures on several issues, such as the definition of local partner and the annual program cap on the amount of funding any single partner can receive from a given country budget. OGAC also disseminates weekly updates to implementing agency staff in the PEPFAR focus countries regarding topics such as deadlines and changes to official guidance.

The annual guidance that OGAC provides on preparing the COPs addresses, among other things, the setting of annual country-level targets, selection of interventions and the partners that will implement them, and estimation of the interventions' costs. According to the guidance for fiscal year 2009, all PEPFAR implementing agencies working in a given country should be involved in preparing the COP. The guidance states that the key elements of each COP are planned program activities for that country listed by funding mechanisms, indicating the source of funding; the implementing agency; the prime partner; and the type of award mechanism—assistance award or acquisition award.[19]

OGAC also provides an initial planning budget to implementing agency officials. On the basis of these budgets and PEPFAR guidance, agency officials prepare the COPs by identifying the implementing partners that will carry out interventions, such as administering antiretroviral drugs or providing HIV testing,[20] as well as the U.S. implementing agency and the award mechanism. At implementing agency headquarters, interagency teams made up of OGAC officials and staff from the implementing agencies conduct technical and programmatic reviews of the COPs in consultation with agency officials in the countries. The review outcomes

[18]The legislation reauthorizing PEPFAR requires the formulation of a comprehensive 5-year strategy for fiscal years 2010 through 2014, to be presented to Congress no later than October 1, 2009.

[19]There is not a one-to-one correspondence between the funding mechanisms and agency awards, because each funding mechanism is specific to a country, whereas some awards may be applicable to multiple countries.

[20]In some cases, if the agency has not identified specific implementing partners, they insert "TBD" (i.e., to be determined) in the annual plan.

are referred to a group of senior PEPFAR agency officials for discussion and recommendation to the Global AIDS Coordinator for final approval.

OGAC provides a series of notifications to Congress of the activities it plans to implement under PEPFAR in the current fiscal year. For fiscal year 2008, OGAC submitted three congressional notifications, beginning in November 2007. According to OGAC officials, PEPFAR funds are usually allocated to the implementing agencies and country teams in the third quarter of the fiscal year and are then transferred to the implementing partners according to their annual strategies. The process for transferring and obligating funds and the time required to complete this process vary by agency, but all implementing agencies are instructed to obligate their funds within 12 months of receipt. Implementing agencies received funding for fiscal year 2008 beginning in December 2007.

CDC and USAID Processes for Selecting and Overseeing Partners

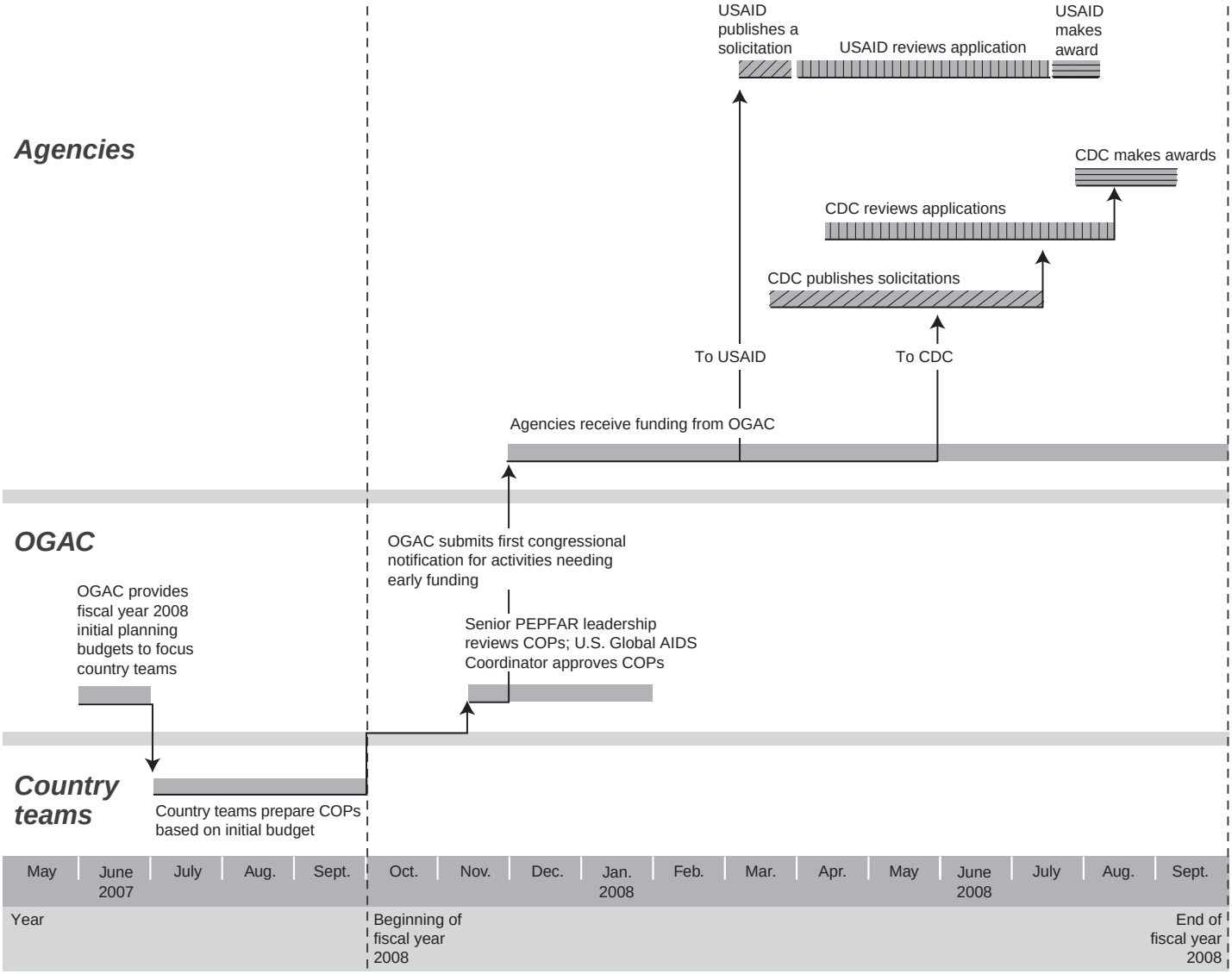
The 5-year strategy for the first phase of PEPFAR assigned principal responsibility to PEPFAR implementing agencies, including CDC and USAID, for soliciting proposals; conducting reviews; and awarding assistance and acquisition awards through a transparent competitive process. CDC and USAID officials in both headquarters and the field are involved in selecting implementing partners and issuing awards as well as overseeing implementing partners' activities. According to CDC, assistance and acquisition officials have primary responsibility for making awards to implementing partners, including identifying the level of competition, approving any major changes to the awards, and assigning oversight responsibilities to program officials for each award.[21] Program officials generally have technical expertise in the award's subject matter (e.g., HIV/AIDS prevention, antiretroviral drug procurement) and are primarily responsible for interacting with implementing partners throughout award implementation.[22] At both agencies, other officials—such as technical advisors or activity managers—may assist the program officials in managing and overseeing award implementation.

[21]Assistance and acquisition officials are known at CDC as procurement officers or grants management officers and are known at USAID as contracting officers.

[22]Program officials are known at CDC as project officers and are known at USAID as contracting officer technical representatives. According to HHS policy, the responsible program office (e.g., CDC Global AIDS Program) appoints a program official for each award. According to USAID policy, assistance and acquisition officers designate a program official for each award and, in so doing, define the scope of the program official's authority to administer the award.

To select award recipients, CDC, HRSA, and USAID generally publish a solicitation for applications. Program officials then usually conduct a review of applications, and assistance and acquisition officials make the final award decision. According to agency officials, CDC generally makes all awards from its headquarters in Atlanta, Georgia. USAID makes awards from its headquarters in Washington, D.C., and from its missions. Figure 3 shows the time line of the COP preparation process and CDC's and USAID's partner selection processes.

Figure 3: Time Line for Fiscal Year 2008 COP Preparation and CDC and USAID Partner Selection Processes



Source: GAO analysis of OGAC data.

Note: The time line shown for CDC processes is based on data for all new CDC awards in fiscal year 2008. USAID was able to provide data for one new award made in fiscal year 2008; a USAID assistance and acquisition official told us that the time line for this award was representative of other awards made in fiscal year 2008.

After an award is made, CDC and USAID assistance and acquisition officials and program officials share responsibility for overseeing program

implementation. HHS and USAID guidance, as well as a report by federal, state, and local organizations on grant accountability practices,[23] describe a number of activities for overseeing implementing partner activities and ensuring accountability. These include reviewing required periodic financial and programmatic reports and plans; monitoring the financial status of awards and approving expenditures; conducting site visits; and providing technical assistance, either directly or through a third-party organization.

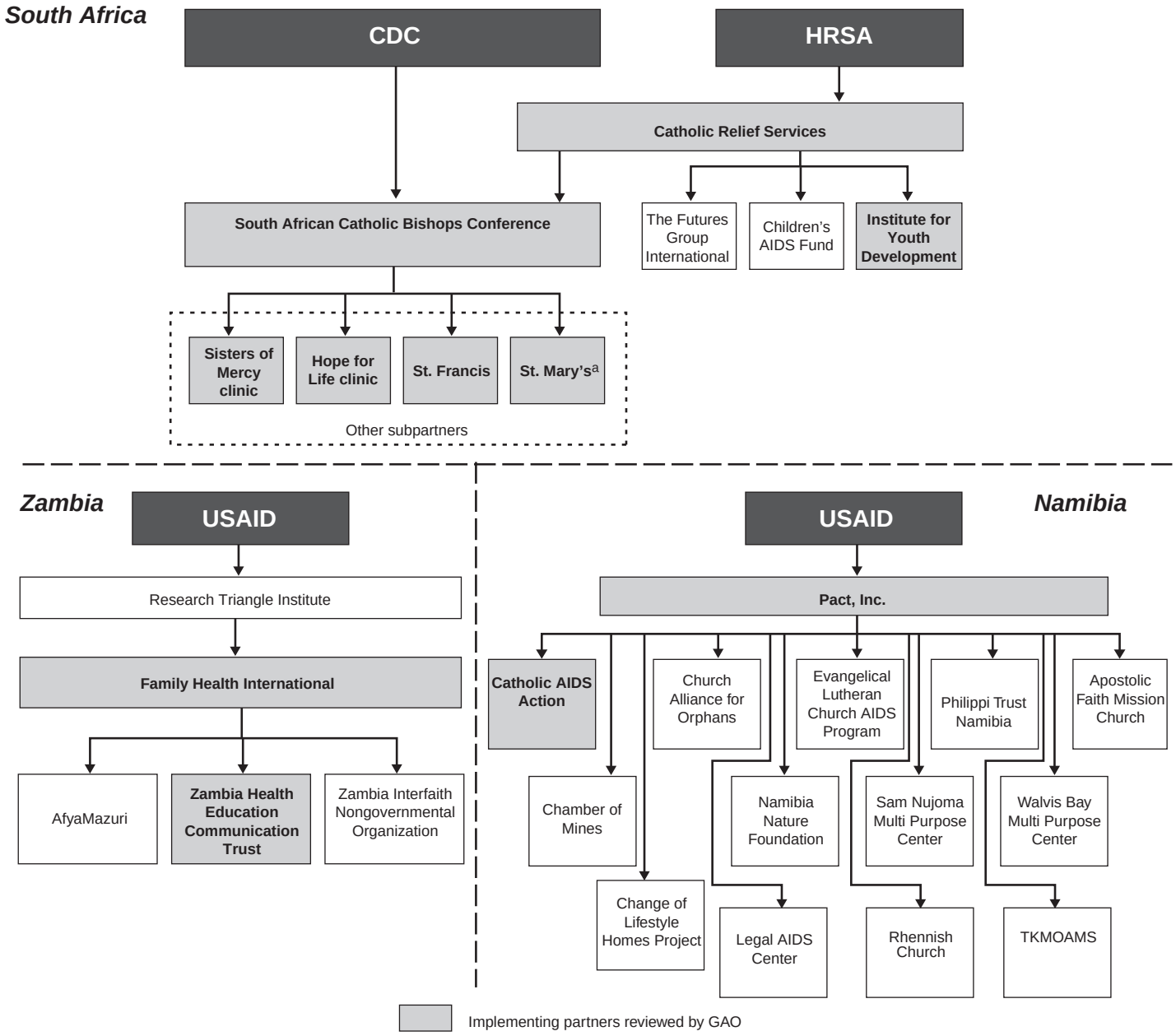
PEPFAR Implementing Partners and Subpartners

PEPFAR funding generally is channeled through implementing agencies to implementing partners—including many local organizations[24]—which in turn make awards to, and oversee the activities of, subpartner organizations. In some cases, subpartners make awards to their own subpartners. Implementing partners assume principal oversight responsibility for their subpartners, which includes selecting and issuing awards to subpartners, collecting programmatic and financial reporting, conducting site visits, and providing technical assistance. (See fig. 4 for examples of CDC, HRSA, and USAID partner and subpartner relationships; see app. II for a complete list of the PEPFAR implementing partners and subpartners we reviewed.)

[23]Domestic Working Group, Grant Accountability Project, *Guide to Opportunities for Improving Grant Accountability* (Washington, D.C.: U.S. Environmental Protection Agency, 2005). Available at www.epa.gov/oig/dwg/reports.

[24]Although most PEPFAR funding is channeled through the implementing agencies, OGAC has directly funded a number of programs, including the New Partners Initiative (NPI). With funds provided by OGAC, all NPI awards have been awarded and managed by the headquarters of implementing agencies. The NPI program was designed to increase the number of local organizations, including faith- and community-based organizations, that are direct PEPFAR grantees and to enhance the technical and organizational capacity of local partners. According to an OGAC report, PEPFAR implementing agencies worked with 2,217 local organizations in fiscal year 2007, or 87 percent of all implementing partners. The report states that this was an increase over fiscal year 2004, in which PEPFAR worked with 1,588 local organizations. The report also states that such outreach to local implementing partners is key for developing host country capacity.

Figure 4: Examples of CDC, HRSA, and USAID Implementing Partner and Subpartner Relationships



Source: GAO analysis of OGAC, CDC, and USAID data.

[a]St. Mary's is a subpartner of the South African Catholic Bishops Council under the Catholic Relief Services award from HRSA. In addition, in 2008 St. Mary's received support through a cooperative agreement with CDC.

Accepted Practices for Selecting Implementing Partners

Federal laws and regulations and internal agency guidance lay out requirements related to the selection of implementing partners to receive assistance and acquisition awards.[25] For assistance awards, CDC and USAID must adhere to the general requirements of the Federal Grant and Cooperative Agreement Act as well as to legislation and regulations governing the operation of the individual agencies. For acquisition awards, the Federal Acquisition Regulation (FAR) contains specific requirements—for example, for information dissemination, competition, and acquisition planning.[26] Although different legal requirements apply to assistance and acquisition awards, the requirements have some common underlying principles, such as planning, competitive selection, and evaluation of contractor or partner capabilities. The 2005 GAO Framework for Assessing the Acquisition Function at Federal Agencies[27] and the 2005 report on grant accountability practices[28] highlight principles and identify generally accepted practices for selecting implementing partners, including planning strategically, using competitive selection, and evaluating awards against specific criteria. According to the GAO framework, planning strategically for selecting partners requires engagement by all stakeholders, including procurement, finance, legal, and other appropriate participants, to identify needs, assess alternatives, develop cost-effective procurement approaches, and help ensure financial accountability. Successful strategies for selecting partners also require sufficient attention to the larger context in which assistance and acquisitions occur; planning for partner selection should consider agencywide needs rather than being completed on an award-by-award basis. In addition, for assistance awards, the 2005 report on grant accountability practices names competition for assistance awards as a

[25]For acquisition awards, agencies are required to follow the procedures laid out in the FAR. For assistance awards, CDC and USAID must adhere to statutes governing the use of assistance and acquisition awards such as the Federal Grant and Cooperative Agreements Act of 1977, as codified at 31 U.S.C. §§ 6301 et seq., as well as legislation governing the operation of the agencies (e.g., title 42 of the United States Code for HHS agencies, and the Foreign Assistance Act of 1961, as amended, for USAID). HHS regulations for assistance awards are laid out in various parts of title 45 of the Code of Federal Regulations including Parts 74 and 92, as well as the HHS Grants Policy Directive and Awarding Agency Grants Administration Manual. USAID regulations for assistance awards are laid out in various parts of title 22 of the Code of Federal Regulations (CFR) including Parts 226, 228 and 216 and the ADS.

[26]Many of the FAR requirements are based on statutory requirements.

[27]GAO, *Framework for Assessing the Acquisition Function at Federal Agencies*, GAO-05-218G (Washington, D.C.: Sept. 2005).

[28]Domestic Working Group, *Guide to Opportunities for Improving Grant Accountability.*

way of facilitating accountability, by promoting fairness and openness in the selection of partners. According to the report, practices to promote competition include, among others, the evaluation of award proposals against specific criteria and the use of review panels to select awardees.

Selection of PEPFAR Implementing Partners Has Generally Followed Accepted Practices

Practices used in selecting PEPFAR implementing partners entailed some strategic assessment of overall needs; however, PEPFAR guidance on preparing the interagency COPs for fiscal years 2008 and 2009 does not call for the involvement of implementing agencies' assistance and acquisition officials' in PEPFAR planning for partner selection and is not clearly related to the agencies' guidance on assistance and acquisition awards. In making awards, the implementing agencies generally engaged in competitive selection. In addition, the agencies conducted reviews of candidates' technical, management, and financial capacity for the 15 awards that we reviewed.

Planning for Partner Selection Has Included Strategic Assessments, but PEPFAR Guidance Has Had Some Gaps

Planning for PEPFAR partner selection, through the interagency COPs and the implementing agencies' individual planning, has generally included assessment of overall program needs. However, the process has lacked the involvement of agency assistance and acquisition officials, and PEPFAR guidance on preparing the COPs for fiscal years 2008 and 2009 does not call for these officials' involvement. Moreover, although developing the COPs is the first step in planning for partner selection among the implementing agencies, the relation of PEPFAR guidance on preparing the COPs to agency guidance on acquisition and assistance awards has been unclear, leading to confusion over which guidance should take precedence.

Partner Selection Planning Has Generally Involved Strategic Assessment of Overall Program Needs

The COPs for the three countries we visited include strategic assessments of overall program needs, as called for in PEPFAR guidance, as the first step in planning for partner selection. PEPFAR guidance on preparing the COP directs officials to include a program planning table, divided into 15 program areas.[29] The table is to include a narrative that provides the

[29]The 15 program areas in the COP for fiscal year 2008 are: prevention of mother-to-child transmission; abstinence and be faithful programs; medical transmission/blood safety; medical transmission/injection safety; condoms and other prevention activities; palliative care/basic health care and support; palliative care/tuberculosis/HIV; orphans and vulnerable children; counseling and testing; HIV/AIDS treatment/antiretroviral (ARV) drugs; HIV/AIDS treatment/ARV services; laboratory infrastructure; strategic information; policy analysis and system strengthening; and management and staffing.

context for each program area in the country and describes the broader strategic U.S. government vision. Our analysis found that the COPs for the three countries we visited—Namibia, South Africa, and Zambia—include this program planning table. For example, the COP for Namibia for fiscal year 2008 describes prevention of mother-to-child transmission of HIV/AIDS as a core component of prevention services and then details the activities that each partner plans to conduct within that program area.

Agencies' approaches to planning for partner selection for PEPFAR activities vary. CDC assistance and acquisition officials and program officials told us that they used the COPs as their strategic plan for PEPFAR partner selection. USAID assistance and acquisition officials told us that planning for PEPFAR partner selection in headquarters and the missions is undertaken for individual awards, including discussion of actions that might be needed for the coming year, and that missions' annual assistance and acquisition plans also lay out anticipated actions for individual awards. (See app. III for a table summarizing HHS and USAID guidance on strategic planning for assistance and acquisition.)

PEPFAR Guidance Has Not Called for Participation of Agency Assistance and Acquisition Officials

PEPFAR guidance on preparing the COPs for fiscal years 2008 and 2009 does not discuss the involvement of assistance and acquisition officials in the planning process. Moreover, agency assistance and acquisition officials generally have not been involved in preparing the interagency COPs, although these officials possess expertise needed to ensure that planning decisions affecting the partner selection process contribute to meeting program needs. Our previous work has shown that planning strategically for selecting partners requires engagement by all stakeholders, including assistance and acquisition officials.[30]

A 2007 report by CDC and USAID assistance and acquisition officials stated that, except at some USAID missions, assistance and acquisition officials generally did not participate in the process of preparing COPs from the beginning of PEPFAR through fiscal year 2007.[31] Although the Procurement and Assistance Working Group, which is coordinated through OGAC, reported that OGAC committed to disseminating PEPFAR guidance about including assistance and acquisition officials and other nonprogram officials in the COP planning process by summer 2008, OGAC

[30] GAO-05-218G.

[31] *PEPFAR Contracting Officer Conference Report*, Pretoria, South Africa, October 30-November 2, 2007.

had not yet drafted this guidance as of March 2009. An OGAC official told us that she had verbally encouraged assistance and acquisition officials to participate. However, CDC and USAID officials told us that their agencies' assistance and acquisition officials were not involved in preparing COPs for fiscal years 2008 and 2009. As a result, assistance and acquisition officials were unable to contribute their expertise to planning decisions—for example, regarding the appropriate award mechanism and level of competition—and thus help ensure that the partner selection process contributes to meeting program needs.

PEPFAR Guidance Has Not Been Clearly Related to Agency Guidance on Partner Selection

PEPFAR guidance on preparing the COPs for fiscal years 2008 and 2009 is not clearly related to agency guidance on acquisition and assistance awards, although OGAC characterizes preparation of the interagency COPs as the first step in coordinating partner selection processes among the implementing agencies. The 2007 report by CDC and USAID assistance and acquisition officials notes that PEPFAR guidance regarding partner selection is often not built into USAID guidance. The report also notes that it was not clear whether PEPFAR or USAID guidance should take precedence in matters of partner selection.

As a result of the lack of clarity about the relation of PEPFAR guidance to agency guidance, according to the 2007 report, assistance and acquisition officials have at times been uncertain whether PEPFAR guidance reflects official agency policy. Agency officials also suggested that the lack of clarity about the relation of PEPFAR and agency guidance may have led to duplication and confusion in implementing PEPFAR processes for partner selection. For instance, although the COP indicates whether an award should take the form of an assistance or acquisition award, a USAID assistance and acquisition official told us that this indication had no bearing on USAID's decisions about which award mechanism to pursue, because USAID decisions on assistance and acquisition must follow USAID guidance. In another example, program officials at CDC and USAID in South Africa told us that they jointly issued a solicitation for new PEPFAR awards and collaborated in the proposal review. Although OGAC officials cited this joint solicitation and review as a model, HHS assistance and acquisition officials discouraged CDC's participation in the process, owing to concerns about whether the joint solicitation process adhered sufficiently to HHS guidance on selecting partners.[32]

[32]According to an HHS assistance and acquisition official, no formal policy was issued to terminate CDC participation in the joint solicitation process.

Agencies Generally Used Competitive Selection Processes for PEPFAR Awards

The implementing agencies generally engaged in practices to ensure competitive selection. Our previous work on grant accountability[33] identified competition as a means that agencies can use to increase assurance that implementing partners have the systems and resources to efficiently and effectively use funds to meet assistance award goals; in the area of acquisition awards, the FAR contains detailed requirements concerning competition.[34] In addition, OGAC officials told us that competitive selection was an important aspect of PEPFAR.

Our review of award documentation for the 15 awards that received funding in fiscal year 2007 found that CDC and USAID used competitive selection processes for most of the awards.[35] For 9 of the 10 assistance awards and for the 5 acquisition awards, the agencies issued solicitations; convened review panels, consisting of program officials; and issued the awards in accordance with the review panels' nonbinding evaluations.[36]

[33]Domestic Working Group, *Guide to Opportunities for Improving Grant Accountability.*

[34]FAR Part 6. Many of the FAR requirements are based on statutory requirements. While CDC and USAID are subject to FAR requirements, they also have agency-specific regulations concerning competition when using contracts at 48 CFR part 306 and 48 CFR part 706, respectively. While the Federal Grant and Cooperative Agreements Act of 1977 encourages competition for grants and cooperative agreements, CDC and USAID have agency-specific regulations stating that transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition. CDC's regulations on competition are in the HHS Grants Policy Statement and USAID's regulations are in ADS 303.3.6. We did not assess adherence to FAR, regulatory, or statutory requirements.

[35]We reviewed 10 assistance awards and 5 acquisition awards. For the one HRSA assistance award in our review, CDC conducted the selection process and then transferred the award to HRSA. Although CDC and USAID use different competitive selection procedures for assistance awards on the one hand and acquisition awards on the other, both agencies generally seek to ensure competitive selection.

[36]The review panels do not make binding decisions about which applicant should be offered an award. We found one case in which a CDC award was made to an organization outside the nonbinding funding order recommended by the review panel. In this case, which involved proposals for antiretroviral (ARV) treatment, OGAC overrode the findings of the review panel, citing the global AIDS coordinator's preference for the proposal's plan to rapidly expand ARV treatment. We also found one case in which a USAID award was made in response to an unsolicited proposal rather than through a competitive process. This award was made under a USAID waiver issued in 2001 to authorize, among other things, the use of less than fully competitive procedures for new grants and cooperative agreements for HIV/AIDS and other infectious disease initiatives. This waiver expired in 2007 and was replaced by a second waiver that is effective through 2013.

Our analysis of data on CDC and USAID awards that received funding in fiscal year 2008 also showed general use of competitive selection processes.

- **CDC awards**. CDC generally used competitive selection processes for the 327 awards that received funding in fiscal year 2008.[37] About one-quarter of these awards were made under fully competitive procedures. For about half of the awards that received funding in fiscal year 2008, CDC characterized its solicitations as limited competition. For instance, one solicitation limited eligible applicants to those with experience in implementing antiretroviral (ARV) treatment and operating in some of the PEPFAR focus countries. Another limited-competition solicitation contained no language limiting eligibility; however, CDC assistance and acquisition officials told us that because the solicitation did not include standard language used for fully competitive solicitations,[38] they considered it to be limited competition. The remaining quarter of awards that received funding in fiscal year 2008 were awarded under solicitations that bypassed competition by identifying only one eligible applicant.[39] CDC program officials noted and our analysis showed that many of these cooperative agreements were awarded to governmental organizations such as ministries of health.

- **USAID awards**. USAID generally used competitive procedures for awards that received funding in fiscal year 2008. USAID Washington used competitive selection procedures to make 51 of the 54 awards that received PEPFAR funding in fiscal year 2008; similarly, USAID missions in the three countries we visited used competitive selection procedures for

[37]Acquisition awards made using fully competitive procedures were awarded under full and open competition—that is, all responsible sources were permitted to compete. (See FAR 2.101.)

[38]According to a CDC assistance and acquisition official, solicitations for fully competitive cooperative agreements contain standard language including a wide-ranging list of organizations that may apply.

[39]FAR 6.302-1 allows contracting without providing for full and open competition, where there is only one responsible source and no other supplies or services will satisfy the agency requirements. Furthermore, for acquisition awards, CDC has waiver authority under 48 CFR subpart 306.3. CDC also allows for limited competition upon justification for assistance awards. See U.S. Department of Health and Human Services, Office of the Assistant Secretary for Resources and Technology, Office of Grants, *HHS Grants Policy Statement* (Washington, D.C., 2007), pp. 24-26.

48 of 54 awards[40] that received PEPFAR funding in fiscal year 2008.[41] In addition, USAID used awards shared between headquarters and missions to help its missions meet the goal of competitive selection while reducing the burden on mission staff to run their own competitions. In these cases, USAID runs competitions for awards in Washington and then allows missions to provide funds to those awards, either by providing funding (known as field support) to a central award, issuing an associate award in the mission under a leader award,[42] or issuing a task order in the mission under a headquarters acquisition award (see fig. 5).[43] For example, the USAID mission in Namibia, which does not have on-site assistance and acquisition officials,[44] generally relies on field support and associate awards rather than competing its own awards. In fiscal year 2008, 27 of 63 awards in the USAID missions in the three countries we visited—Namibia, South Africa, and Zambia—used the field support mechanism. Nine of the remaining 36 awards were leader with associate awards, and the remaining 27 were awards that were competed and funded by the missions. (See fig. 5 for an illustration of the types of USAID awards shared between headquarters and missions.)

[40]An additional nine awards from the missions were excluded from the analysis of competition, because they were either task orders or associate awards and therefore, by definition, were not made using fully competitive procedures.

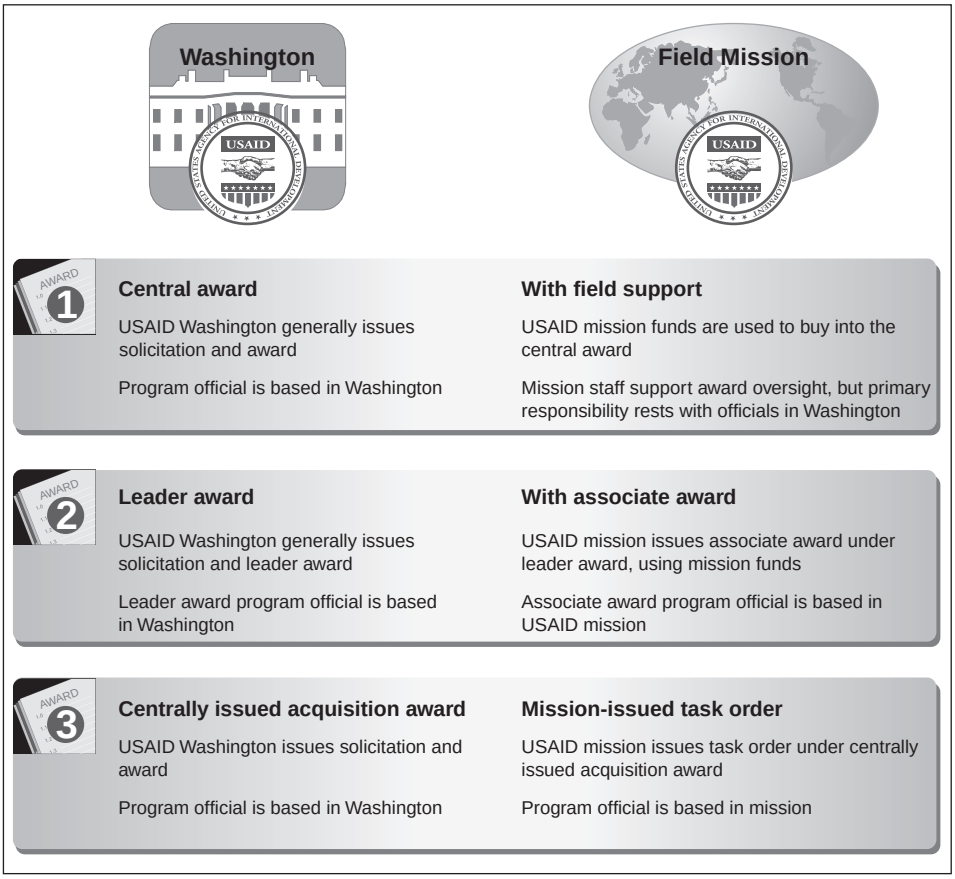
[41]USAID generally had justifications for waiving competition on the remaining assistance awards. Furthermore, for acquisition awards, USAID has waiver authority under 48 C.F.R. subpart 701.4 USAID also does not require competition for certain categories of assistance awards when a justification has been prepared based on specified exceptions. See ADS 303.3.6.5.

[42]USAID ADS 303.3.26 defines a leader award as an award that covers a specified worldwide activity. The leader award includes language that allows a mission or other office to award a separate grant to the leader award recipient without additional competition and in support of a distinct local or regional activity that fits within the terms and scope of the leader award; this is called an associate award.

[43]Central awards and field support can be assistance or acquisition awards. Leader with associate awards are assistance awards.

[44]Some USAID missions do not have in-house assistance and acquisition officials but instead rely on regional offices where assistance and acquisition officials assist several missions. USAID Namibia works with assistance and acquisition officials in the Regional Office for Southern Africa.

Figure 5: Types of USAID Awards Shared between Headquarters and Missions



Sources: GAO analysis of USAID data; Nova Development (clip art).

Notes: Central awards may be acquisition or assistance awards. Leader with associate awards are assistance awards.

Although we found that the agencies generally used competitive selection processes for awards that received funding in fiscal year 2008, we also found that USAID awards were frequently extended beyond their original time frame or increased over the amount originally planned.[45] For

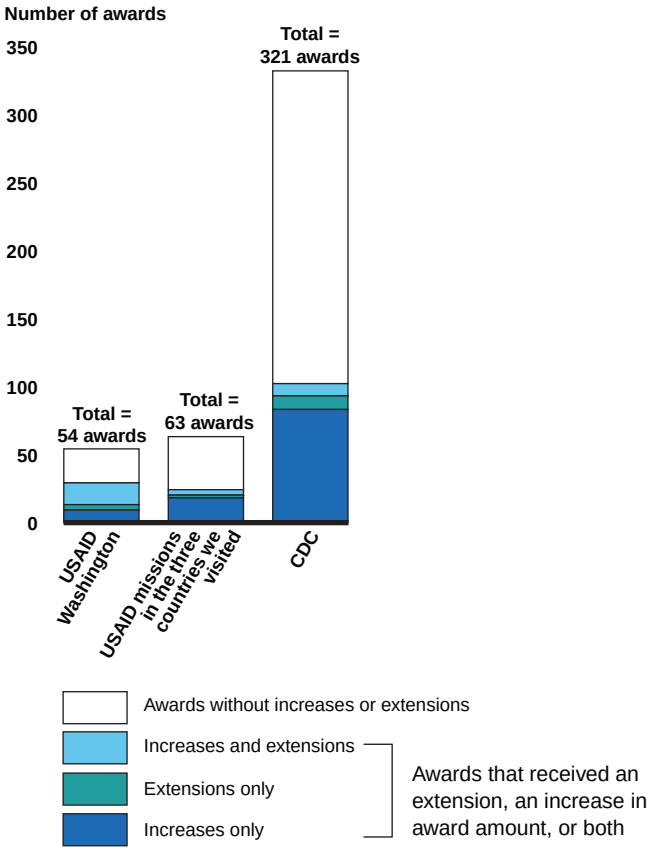
[45]Before initiating a contract modification, the contracting officer must determine if the proposed effort is within the scope of the existing contract or is a new acquisition outside of the scope. A new requirement outside of the scope of the existing contract must be processed as a new acquisition. We did not assess whether the modifications were within the scope of the original contracts. Various requirements apply to extensions of acquisition and assistance awards, and there are various exceptions to these requirements. We did not review or evaluate the appropriateness of any of these extensions.

instance, of 54 awards that received funding in fiscal year 2008 from USAID Washington, more than half received an extension, an increase in award amount, or both (see fig. 6).[46] USAID officials told us that OGAC was responsible for requesting extensions of most of the awards that received extensions.[47]

[46]FAR 17.207 (f) states, in part, that before exercising an option, the contracting officer must make a written determination for the contract file that exercise is in accordance with the terms of the option, the requirements of section FAR 17.207, and Part 6. To satisfy requirements of Part 6 regarding full and open competition, the option must have been evaluated as part of the initial competition and be exercisable at an amount specified in, or reasonably determinable from, the terms of the basic contract.

[47]In April 2008, senior officials at the PEPFAR implementing agencies extended some awards made in the first year of the PEPFAR program to fund treatment, prevention, and care. OGAC officials told us that this was intended to provide additional time for transition and ensure continuity of care and services. The end dates for four awards for ARV treatment, managed by CDC and HRSA and originally made in 2004, were extended from 2009 to 2012, for a total award length of 8 years. Awards made by USAID Washington and other agencies were extended by a lesser amount of 4 to 16 months. Various requirements apply to extensions of acquisition and assistance awards, and there are various exceptions to these requirements. We did not review or evaluate the appropriateness of any of these extensions.

Figure 6: PEPFAR Award Increases and Extensions at CDC and USAID as of September 30, 2008



Source: GAO analysis of CDC and USAID data.

Notes:

The awards that were extended or increased represent, for PEPFAR awards that received funding in fiscal year 2008, about 60 percent of all USAID Washington funds obligated; about 40 percent of GHAI/GHCS funds obligated in the USAID missions in Namibia, South Africa, and Zambia; and about 70 percent of GHAI/GHCS funds obligated by CDC for assistance awards. Acquisition awards represent a much smaller portion of obligations of PEPFAR funds ($18 million) than assistance awards at CDC ($2.5 billion).

The data that CDC provided on increases in assistance award amounts do not distinguish between (1) supplemental funding that increases awards beyond the amount that was originally planned and (2) supplemental funding that does not increase awards beyond the amount that was originally planned. CDC funds its awards on an annual basis. If CDC is not able to provide full funding of the planned award amount at the beginning of the year—for instance, owing to delays in receiving appropriations from Congress—it provides additional funding throughout the year as funds become available. The category of award increases represents both types of supplemental funds.

The data that USAID provided on award extensions do not distinguish between (1) administrative extensions granted by the program officials and (2) extensions that require a noncompetitive justification approved by the acquisition and assistance officials. For example, according to OGAC, program officials at USAID can extend task orders by 60 days with written notice to the acquisition official, and assistance awards can be extended for up to 12 months with notice to the assistance official. Our analysis excludes 10 awards from the USAID mission in South Africa because of errors found during our data verification process.

Agencies Evaluated Award Candidates' Technical, Management, and Financial Accountability Capacity

Our review of award documentation for the 10 assistance awards and 5 acquisition awards that received funding in fiscal year 2007 showed that in evaluating award proposals, the agencies generally considered candidates' technical capacity to achieve PEPFAR goals and candidates' management and financial capacities. The 2005 report on grant accountability characterizes preaward reviews of assistance awards, including management and financial reviews, as essential to reducing the government's risk when making assistance awards.[48] For acquisition awards, the FAR contains detailed requirements concerning source selection procedures, including a focus on offeror capabilities.[49]

- **Technical capacity.** CDC and USAID program officials evaluated candidates' technical capacity to achieve key PEPFAR goals of rapid expansion and sustainability. For the 14 awards we reviewed for which a solicitation was issued,[50] 10 solicitations[51] referenced the PEPFAR goal of long-term sustainability and 8 solicitations[52] referenced the goal of rapid expansion as criteria for evaluation. The agency program officials evaluated 10 of the proposals[53] against the criterion of capacity to meet the goal of long-term sustainability and 6 of the proposals[54] against the criterion of capacity to meet the goal of rapid expansion.

[48]Domestic Working Group, *Guide to Opportunities for Improving Grant Accountability.*

[49]See FAR Part 15. Many of the FAR requirements are based on statutory requirements. We did not assess adherence to FAR or statutory requirements.

[50]Although our sample comprised 15 awards, it included only 14 award solicitations because one of the proposals was unsolicited. All 5 acquisition awards in our sample were made under a solicitation.

[51]Seven of these solicitations were for assistance awards and three were for acquisition awards.

[52]Six of these solicitations were for assistance for awards and two were for acquisition awards.

[53]Seven of these proposals were for assistance awards and three were for acquisition awards.

[54]Five of these proposals were for assistance awards and one was for an acquisition award.

- **Management and financial capacity.** For 9 of 10 assistance awards and all 5 acquisition awards that we reviewed, CDC and USAID program officials considered candidates' capacity to manage proposed projects, evaluating factors such as institutional capacity, management plan or experience, and key personnel for management. In addition, we found that USAID assistance and acquisition officials evaluated, among other things, candidates' financial resources and ability to comply with award conditions.[55] Of the 12 USAID awards that we reviewed, 10 awards[56] were made to organizations with previous USAID awards; we found that USAID assistance and acquisition officials reviewed these candidates' past performance and determined that they were capable of meeting USAID requirements. For the remaining two awards,[57] because the candidates were new to USAID at the time the awards were made, USAID assistance and acquisition officials reviewed annual audits and conducted one preaward audit for an assistance award. In the case of the preaward audit for the assistance award, the responsible assistance official found that the candidate did not have sufficient procurement policies and procedures in place and, in response, placed conditions on the award requiring resolution of the weaknesses. As of April 2009, CDC assistance and acquisition officials told us CDC has not conducted preaward financial reviews or audits of PEPFAR partners.[58]

[55]See USAID ADS 303.3.9. USAID guidance requires that assistance and acquisition officials determine whether applicants have the capacity to carry out specified program activities; this evaluation may include a preaward financial audit. For organizations that previously have been USAID implementing partners, assistance and acquisition officials may review annual independent audits or the partners' past performance. For organizations new to USAID, assistance and acquisition officials may review partners' annual audits, internal policies and procedures, or conduct a preaward audit.

[56]These 10 awards comprised 7 assistance awards and 3 acquisition awards.

[57]The remaining two awards comprised one assistance award and one acquisition award.

[58]HHS guidance states that assistance and acquisition officials may conduct or arrange for preaward surveys of applicants' management systems when necessary (see Awarding Agency Grants Administration Manual, chapter 1.04.104). The CDC and USAID assistance and acquisition officials conference report from 2007 recommended conducting preaward audits but also noted that these audits are not always feasible because of compressed timeframes for making awards.

CDC and USAID Have Developed Oversight Practices, but Certain Gaps Limit Their Ability to Ensure Accountability for PEPFAR Funds

CDC and USAID have developed and implemented practices to provide accountability over PEPFAR awards, such as reviewing programmatic reports and financial data and providing technical assistance to partners. However, unfilled staff positions, unsynchronized reporting time frames, and weaknesses in implementing partners' internal controls, as well as unclear procedures at CDC for sharing and resolving audit findings, limit agencies' abilities to ensure accountability for PEPFAR funds.

CDC and USAID Have Established Practices for Overseeing PEPFAR Partners' Activities

Based on our review of 21 awards,[59] we found that CDC and USAID put in place a number of practices to oversee PEPFAR partners' activities.[60] First, CDC and USAID have monitored implementing partners' activities through required reports and requests for implementing partner expenditure data[61] as well as checklists for oversight visits.

- **Required reports.** For the 15 awards funded in fiscal year 2007 for which we reviewed documentation, CDC, HRSA, and USAID, in their award agreements, required their implementing partners to submit programmatic reports.[62] For 14 of these awards, the agencies also required financial reporting. For one of the awards (an acquisition award), the agency required the implementing partner to submit vouchers for goods and

[59]To assess CDC, HRSA, and USAID oversight of PEPFAR implementing partners, we analyzed 21 awards that received PEPFAR funds in fiscal year 2007. These awards included the 15 HRSA, CDC, and USAID awards for which we reviewed award documentation; 5 additional awards from CDC; and 1 additional award from USAID South Africa. See appendix I for more information regarding our methodology.

[60]Although one of the awards we reviewed was from HRSA, CDC staff in the field are responsible for day-to-day oversight of this award because HRSA does not operate overseas.

[61]OGAC COP guidance for 2008 and 2009 states that country teams should review partner programmatic and financial performance (i.e., pipeline analysis) to ensure the best use of resources and that partner spending is in accordance with work plans.

[62]To effectively oversee awards, U.S. agencies should track the financial status of awards, monitor performance, use implementing partner audit information, and monitor subpartner activities. See Domestic Working Group, *Guide to Opportunities for Improving Grant Accountability.*

services provided. CDC and USAID officials in Namibia, South Africa, and Zambia told us that they use these reports to oversee implementing partners' activities.

- **Expenditure data and work plans.** CDC and USAID officials in the three countries we visited told us they review expenditure data provided by implementing partners to ensure that they are carrying out project activities in accordance with partners' work plans.

- **Site visit checklists and reports.** USAID officials in Namibia, South Africa, and Zambia told us they use checklists when conducting site visits and meeting with implementing partner representatives; the checklists also are used to document the visits. These checklists included, for example, assessments of implement partner performance and data quality, checks to ensure property and materials were being used and stored properly, and monitoring of partners' management of PEPFAR funds. Although CDC officials in these three countries told us they did not use site visit checklists, they said they document their site visits and follow up on any issues raised during these meetings.

Second, CDC and USAID have allocated resources through direct provision of technical assistance, umbrella grants managers, awards with subawards, and third-party technical assistance providers, to improve local implementing partners' programmatic and management capacities.

- **Direct assistance.** CDC and USAID officials in the three countries we visited told us they work closely[63] with implementing partners, including private and public organizations based in PEPFAR countries, to improve these partners' programmatic and management capacities to provide HIV/AIDS prevention, treatment and care services.[64] According to CDC officials, CDC employees—whose offices may be in or near government agency facilities—work with host country officials on PEPFAR-funded program activities and, as such, provide on-the-job training and technical assistance to local health sector personnel.

[63]CDC officials told us the "substantial involvement" clause of cooperative agreements with implementing partners allows agency officials to provide input on programmatic and management of PEPFAR-funded projects.

[64]In 2005 PEPFAR launched the New Partners Initiative (NPI), which has aimed to increase the number of local organizations, including faith- and community-based organizations, receiving direct PEPFAR support. To date, PEPFAR agencies have made awards to 56 NPI implementing partners, many of which were previously PEPFAR subpartners.

- **Umbrella grants managers.** OGAC's 2008 and 2009 COP guidance notes that PEPFAR implementing agencies have used umbrella grants managers to provide expertise in accounting, management, and auditing to organizations based in PEPFAR countries. In South Africa, for example, CDC and USAID select the subpartners to be managed by the umbrella grants manager, approve the grants manager's oversight plans and tools, and occasionally accompany the grants manager on subpartner site visits. USAID officials in South Africa told us they consider umbrella grants managers to be a best practice for program implementation in South Africa.

- **Subawards.** Some HHS and USAID implementing partners, although not considered umbrella grants managers, also make subawards to local partners and, in doing so, assume primary responsibility for subpartner oversight, including technical assistance and training.[65] Of the 21 HHS and USAID partners in our sample of awards reviewed for oversight practices, 17 of these engaged one or more subpartners to implement PEPFAR programs. For example, in Zambia, two USAID implementing partners we reviewed oversee local private and public organizations' implementation of prevention, treatment, and care activities and provide technical assistance to these indigenous organizations. According to CDC and USAID officials in South Africa, CDC tends to be more involved in subpartners' day-to-day implementation of PEPFAR activities, especially in cases where CDC staff work on site with implementing partner and subpartner staff.

- **Third-party technical assistance providers.** CDC and USAID have made awards to third-party organizations to provide technical assistance to existing partners. For example, USAID Zambia recently used PEPFAR funds to award a cooperative agreement to a U.S.-based organization to provide technical assistance and training to local implementing partners in Zambia. Likewise, USAID and CDC have made awards to several U.S.-based organizations for the provision of technical assistance to NPI implementing partners.

[65]In 2008, the Center for Global Development analyzed fiscal year 2005 PEPFAR funding data and found that, on average, 30 percent of all PEPFAR funds was obligated to local implementing partners, with large variation among PEPFAR focus countries. In addition, the center found that, of the 19 percent of funding channeled through implementing partners to their subpartners, local organizations received 55 percent. See Center for Global Development, *The Numbers Behind the Stories: PEPFAR Funding for Fiscal Years 2004 to 2006* (Washington, D.C., 2008).

Although the results of technical assistance provided by CDC and USAID employees, umbrella grants managers, prime implementing partners, or third-party organizations remain to be seen, according to OGAC, these efforts aim to prepare local organizations to apply for direct funding from the U.S. government and to support local capacity development and program sustainability.

Several Factors Limit Agencies' Ability to Oversee Network of Partners and Subpartners

Although CDC and USAID have put in place award accountability practices, a number of factors limit their ability to oversee a complex network of implementing partners and subpartners.

CDC and USAID Positions Remain Unfilled

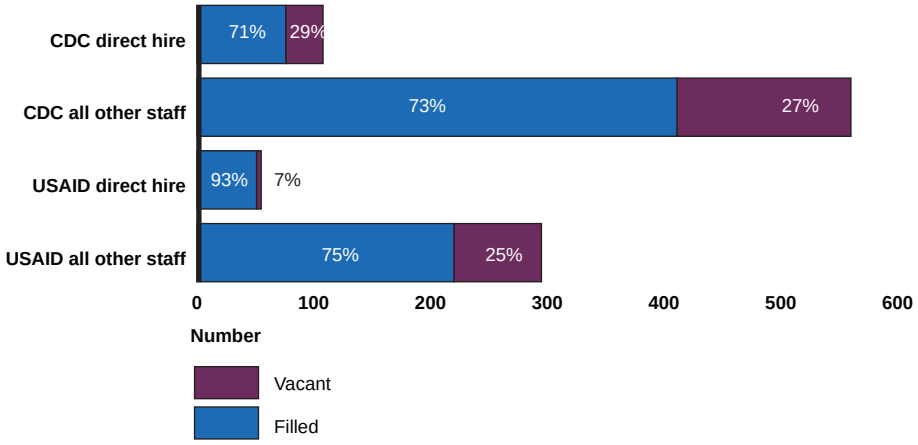
A number of CDC and USAID positions, including positions for program officials and assistance and acquisition officials with responsibility for overseeing PEPFAR activities, remained unfilled early in fiscal year 2009.[66] According to OGAC, planned staffing levels increased from 2004 to 2008; and as previously noted, funding for HIV/AIDS programs in the PEPFAR focus countries also increased significantly during this period. However, according to OGAC data, about 29 and 7 percent, respectively, of CDC and USAID direct-hire positions,[67] as well as about 27 and 25 percent, respectively, of other CDC and USAID positions,[68] remained unfilled as of November 2008 (see fig. 7).

[66] We analyzed full-time equivalent (FTE) data collected by OGAC for the 15 focus countries as of November 2008, including filled and unfilled FTEs for CDC and USAID position categories with direct award oversight responsibilities: contracting officers, financial/budget, management/leadership, public affairs/public diplomacy, technical advisors/nonmanagement, technical advisors/program managers/public health advisor, and technical leadership/management. Filled and vacant FTEs for legal advisors were not provided and thus are not included in our analysis.

[67] According to OGAC, direct-hire positions are U.S. government positions authorized for filling by federal employees appointed under U.S. government personnel employment authority. A civilian direct-hire position generally requires the controlling agency to allocate an FTE resource.

[68] According to OGAC, these positions include individuals hired under personal services contracts and personal services agreements, as well as individuals engaged through another contracting mechanism by a non-U.S. government organization that does not establish an employer/employee relationship with the U.S. government. Individuals hired under personal services contracts are hired through U.S. government contracting authority that generally establishes an employer/employee relationship. Individuals hired under personal services agreements are hired through specialized State contracting authority that establishes an employer/employee relationship.

Figure 7: Filled and Vacant PEPFAR FTE Positions, by Agency, Fiscal Year 2009



Source: GAO analysis of OGAC data.

Several reasons have been cited for the persistence of unfilled CDC and USAID positions. CDC and USAID officials in South Africa and Zambia told us that challenges associated with PEPFAR work[69] can make it difficult to recruit staff. USAID officials in Namibia told us that positions related to PEPFAR oversight can be difficult to fill because of a shortage of qualified candidates from local universities. In addition, a December 2007 PEPFAR award official conference report, noting a shortage of CDC and USAID assistance and acquisition officials in agency headquarters and field missions, cited a limited human resource pool, hiring competition across agencies and NGOs, lengthy recruitment periods, and office space limitations as barriers to increasing staff levels.[70] The report recommended

[69]In addition, a December 2007 report by the USAID Office of Inspector General found that NPI had increased mission workload, in part because USAID staff were devoting significant amounts of time and resources to assist partners, such as by familiarizing partners with administrative requirements and providing technical guidance. See USAID Office of Inspector General, *Audit of USAID's New Partners Initiative Created Under the President's Emergency Plan for AIDS Relief*, Report No. 9-000-08-002-P (Washington, D.C., 2007).

[70]In 2008, we reported that USAID lacked the capacity to develop and implement a strategic Acquisition and Assistance workforce plan because it lacked reliable data on overseas Acquisition and Assistance staffing levels and information on the competencies of these officials. See GAO, *USAID Acquisition and Assistance: Actions Needed to Develop and Implement a Strategic Workforce Plan*, GAO-08-1059 (Washington, D.C.: September 2008).

a needs assessment and development of staffing plans to address these shortages.[71]

Reporting Requirements Exacerbate Agencies' Reporting Burden, Reducing Time for Oversight Visits

CDC and USAID award reporting timeframes are not synchronized with reporting time frames required by PEPFAR guidance, obliging CDC and USAID to request additional information from their implementing partners and reducing time available for oversight activities. PEPFAR guidance on reporting requires PEPFAR country teams to submit semi-annual and annual data on key PEPFAR indicators, as well as on financial obligations made to CDC and USAID implementing partners; these reports follow the federal fiscal year.[72] On the other hand, CDC and USAID award agreements require implementing partners to submit periodic programmatic and financial reports according to the project period, which varies according to the date the award is made (see fig. 8).[73] A report by an OGAC task force on PEPFAR planning and reporting burden notes that reporting requirements also vary by content and use of formats.[74]

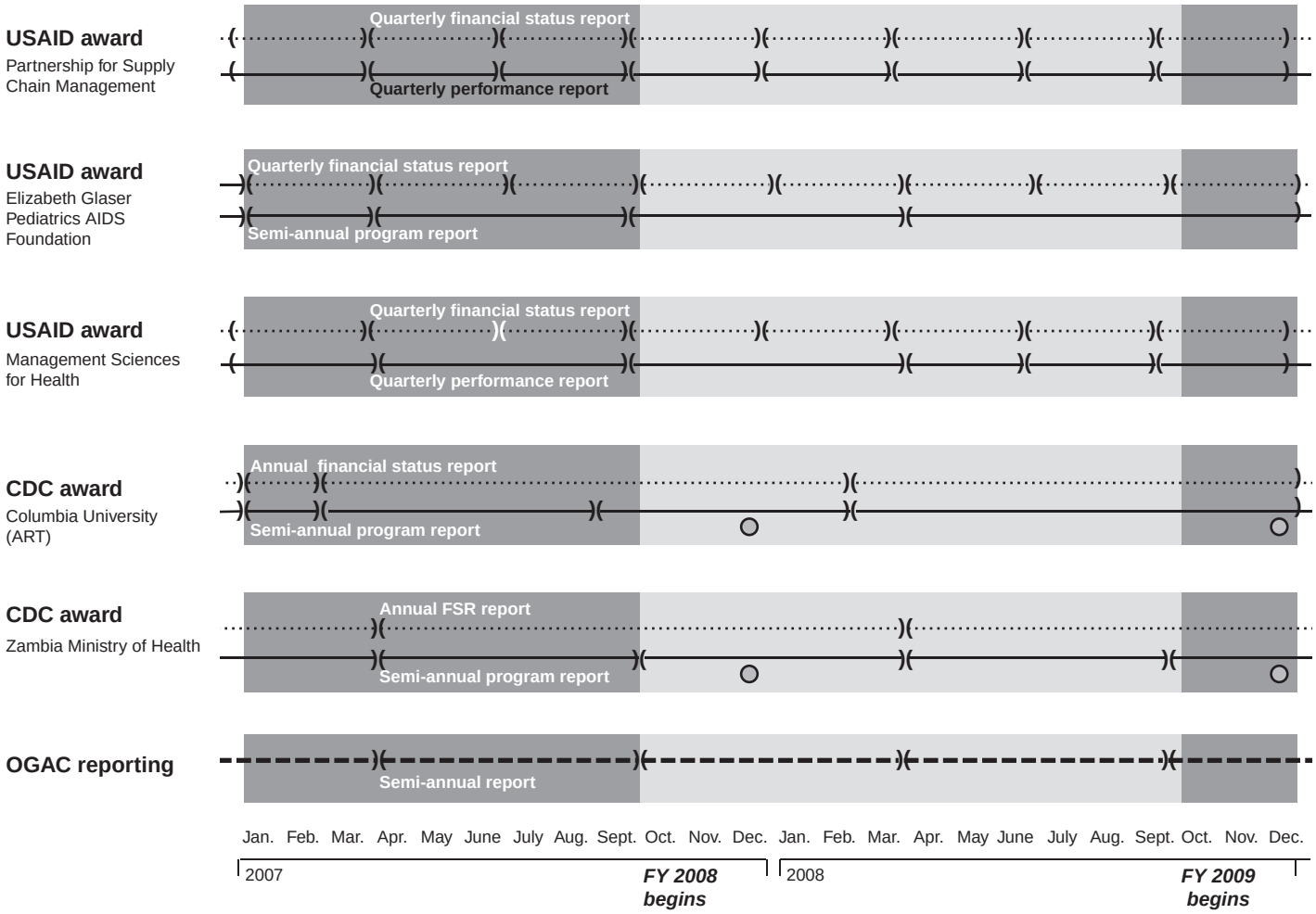
[71]*PEPFAR Contracting Officer Conference Report*, October 30-November 2, 2007, Pretoria, South Africa.

[72]According to a 2006 USAID Inspector General audit, USAID mission interpretation of OGAC guidance on reporting time frames varied by mission because OGAC guidance was not clear. The auditors also reported that the availability of reliable data from one reporting period to the next allows for the comparability of reporting results over time. Data comparisons across time can quickly alert emergency plan managers and other stakeholders of changes in performance, programmatic gaps to be filled, and whether targets are being met. Similarly, data comparisons across missions can lead to refined strategic planning and can be an important tool for policy development. See USAID, *Audit of USAID's Progress in Implementing the President's Emergency Plan for AIDS Relief*, Report No. 9-000-07-004-P (Washington, D.C., December 22, 2006).

[73]In its response to a USAID Office of Inspector General 2006 audit, USAID commented that the flow of funds to agencies, countries and implementing partners is dependent on the date Congress approves annual appropriations for PEPFAR. These dates vary by year, thus affecting the date USAID awards are made. See USAID, *Audit of USAID's Progress in Implementing the President's Emergency Plan for AIDS Relief*, Report No. 9-000-07-004-P (Washington, D.C., December 22, 2006).

[74]Office of the Global AIDS Coordinator, *Reporting Burden Task Force* (Washington, D.C., November 2005).

Figure 8: Examples of OGAC and Agency Award Reporting Timeframes, Fiscal Year 2008



Sources: GAO analysis of USAID and CDC data.

[a]Interim progress reports also serve as CDC partners' applications for funding for the coming year.

According to PEPFAR guidance on preparing the COP for fiscal years 2008 and 2009, COP reporting is essential for demonstrating program results and fiscal accountability; moreover, according to OGAC officials, the

public reporting of obligations data is important for enhancing transparency.[75] Likewise, CDC and USAID officials in Namibia, South Africa, and Zambia told us that their primary sources of information on implementing partner performance are award-specific programmatic and financial reports. CDC and USAID officials in Namibia and South Africa told us they also use OGAC reporting to engage implementing partners and monitor performance. However, because OGAC and award-specific reporting time frames are not synchronized, CDC and USAID must request and validate additional information, including financial data, from their implementing partners. In addition, to report financial obligations to OGAC, CDC and USAID told us that they must also use award obligations data from agency-specific systems and judgmentally enter this data by program area and country (for multicountry awards).

The time required to meet other agency- or mission-specific reporting requirements may further limit U.S. agency officials' ability to conduct site visits. For example, under the leadership of the U.S. Ambassador, each operating unit (e.g., USAID mission or CDC country team) delivering U.S. foreign assistance is required to compile an annual operational plan, performance plan, and performance report. Although only State and USAID officials currently report operational plan information using State's reporting systems, State originally expected the systems eventually to include data from the more than 25 other U.S. agencies involved in foreign assistance. In addition, State requires all U.S. overseas posts, regardless of whether they deliver U.S. foreign assistance funding, to submit a 3-year mission strategic plan. State is also developing 5-year country-specific strategies (a pilot project is currently underway) that aim to bring together all U.S. agencies' foreign assistance activities in a country, regardless of funding source.[76]

According to the OGAC task force report, PEPFAR officials spend a significant amount of time on reporting, which reduces officials' time for oversight of PEPFAR activities and assurance of program quality. Likewise, during our visits to South Africa, Namibia, and Zambia in December 2008, CDC and USAID officials in these countries told us that

[75]OGAC reports partner-level obligations data on the PEPFAR Web site. See www.pepfar.gov/partners.

[76]See GAO, *Foreign Aid Reform: Comprehensive Strategy, Interagency Coordination, and Operational Improvements Would Bolster Current Efforts*, GAO-09-192 (Washington, D.C.: Apr. 17, 2009).

the time spent collecting data and submitting country-level reports, including those required by OGAC, reduces available time for oversight activities,[77] including visits to implementing partner sites.[78] To address agency officials' limited ability to visit PEPFAR implementing partners, in South Africa, CDC and USAID recently worked together to make an acquisition award to a South Africa-based organization to conduct performance assessments and conduct site visits.

Implementing Partners and Subpartners Did Not Consistently Carry Out Established Financial Management Control Activities

Although the majority of implementing partners and subpartners we reviewed have designed internal controls to provide assurance that PEPFAR funds are used for intended purposes, we found that one partner and some subpartners were not operating according to these established controls, thereby limiting their ability to account for the use of PEPFAR funds. Our previous work has shown that the design and implementation of appropriate internal controls is a key factor in agencies' ability to efficiently and effectively achieve their missions and program results.[79]

The results of our limited reviews of internal controls at 18 implementing partner and subpartner sites[80] indicate that 14 sites had internal controls that, if implemented, may provide adequate assurance that PEPFAR funds are used for intended purposes; the other 4 subpartner sites had fundamental deficiencies in their internal control design. For example, at one of the subpartners, we identified a lack of proper segregation of accounting duties and, at another, we found such poor records

[77]A June 2008 report by the USAID Office of Inspector General also found that performance monitoring and data quality assessment was limited because of staffing shortages and competing priorities at USAID missions. USAID Office of Inspector General, *Audit of USAID's Implementation of the President's Emergency Plan for AIDS Relief*, Audit Report No. 9-000-08-008-P (Washington, D.C., 2008).

[78]COP guidance for 2008 and 2009 states that information from interagency on-site partner reviews should, whenever possible, augment information that agencies use to review partners' performance.

[79]Internal control comprises the plans, methods, and procedures used to meet missions, goals, and objectives and, in doing so, supports performance-based management. Internal control also serves as the first line of defense in safeguarding assets and preventing and detecting errors and fraud. See GAO, *Standards for Internal Control in the Federal Government*, GAO/AIMD-00-21.3.1 (Washington, D.C.: Nov. 1999).

[80]We conducted limited reviews of the design of internal controls at 18 PEPFAR implementing partner and subpartner sites, covering 15 of the 21 awards in our sample. One of these subpartners is also a prime implementing partner under a separate PEPFAR award. For a list of partners and subpartners included in this assessment, see appendix II.

maintenance that we were unable to determine the validity of the subpartner's use of PEPFAR funds it had received.

In our limited tests of internal controls implementation at 15 partner and subpartner sites,[81] we found 1 partner and 6 subpartners that did not always follow their own internal control polices and procedures. For example, although one partner in South Africa had established internal control procedures, our test of expenditures found that the majority of this partner's PEPFAR funds were paid to subpartners without validation to determine whether the funds were used appropriately or as intended. The partner's financial manager provided us with what he characterized as a typical example of a paid subpartner invoice for our examination. This invoice, totaling about $130,000, lacked supporting documentation that was sufficient for us to determine the validity of the transaction. For instance, one line item on the invoice indicated a charge of more than $18,000 for security, with no further explanation or supporting documentation. In response to our concerns about the lack of adequate support, the financial manager told us that this organization's program officials review random invoices during their subpartner site visits. However, we later interviewed a program official at this organization who told us that invoice reviews were not a part of programmatic site visits. Furthermore, in September 2007, the partner's chief operating officer presented the organization's board of directors the results of an ongoing assessment identifying the risk of fraudulent exploitation of PEPFAR funds by subcontractors and the need to mitigate this risk by verifying financial records against clinical records during site visits. Of the 6 subpartners that we determined did not always implement their own internal control policies and procedures, 5 had used PEPFAR funds to pay invoices without sufficient supporting documentation—such as purchase orders, purchase requisitions, receiving reports, and itemized receipts—that would have allowed us to determine the validity of the transaction. In some cases, the entire invoice package was missing.[82] At the remaining

[81]We conducted assessments of implementation of internal controls activities at 15 PEPFAR partner and subpartner sites, covering 11 of the 21 awards in our sample. One of these subpartners is also a prime implementing partner under a separate PEPFAR award. For a list of partners and subpartners included in this assessment, see appendix II.

[82]Our work was not designed to identify all instances of fraud, waste, or abuse of PEPFAR funds; therefore we cannot determine the extent of any fraudulent, wasteful, or abusive transactions. Rather, the examples described above serve to illustrate the effect of internal control weaknesses on CDC, USAID, and implementing partners' ability to oversee PEPFAR-funded activities.

subpartner site, we found that cash disbursements were made without required recipient signatures.

Moreover, CDC auditors reported on two cases of CDC partners with internal controls weaknesses in the PEPFAR focus countries. In 2007 and 2008, CDC auditors, in response to implementing partner staff allegations and CDC program officials' requests, conducted financial reviews of two implementing partners with CDC cooperative agreements in two PEPFAR countries.[83] The auditors reported that these partners had instances of weak internal controls, such as unreconciled bank accounts and inadequate support for transactions or expenditures. In one case, the auditors found that the implementing partner had charged more than $37,000 in unallowable costs to the CDC award, and they recommended that CDC initiate a process for reimbursement.[84]

CDC Procedures for Collecting Audit Information and Resolving Issues Are Not Clear

CDC does not have clear procedures for collecting required audit information or ensuring that audit findings are resolved, limiting CDC oversight officials' ability to effectively monitor partners' activities. In accordance with OMB requirements,[85] HHS agencies require implementing partners[86]—including U.S.- and non-U.S.-based organizations and foreign governmental agencies, such as ministries of health—to submit annual audits if they expended more than $500,000 in federal funding in a given fiscal year after December 31, 2003. According to HHS policy, CDC assistance and acquisition and program officials are responsible for

[83]These countries were not among the three that we visited in December 2008.

[84]In addition, a December 2007 USAID Inspector General audit of NPI partners found that although the initial 19 NPI partners did not, as a group, demonstrate that they had the capacity to comply with selected USAID administrative requirements, there were indications that the partners were making improvements to comply with some of those requirements. The auditors called for follow-up reviews of NPI partners' preaward audits, to ensure that the partners correct deficiencies and account for PEPFAR funds. The auditors also reported that partners needed additional guidance on written procedures for allowable costs. In addition, the auditors found that NPI partners did not maintain adequate support documentation for expenditures and that partners required additional guidance. See *Audit of USAID's New Partners Initiative Created Under the President's Emergency Plan for AIDS Relief*, Report No. 9-000-08-002-P2007 (Washington, D.C., December 12, 2007).

[85]This requirement is based on OMB Circular A-133.

[86]45 CFR 74.26(d) specifies HHS audit requirements. In its award agreements, CDC includes language addressing implementing partner audit requirements.

ensuring implementing partners submit audits and resolve any findings. [87] One CDC official in Atlanta began collecting and reviewing audits for 105 non-U.S.-based CDC implementing partners over the audit threshold in the fall of 2008. In addition, in South Africa, a CDC assistance and acquisition official[88] told us in December 2008 that audits for approximately 50 CDC implementing partners in South Africa were being collected. However, in December 2008, this official told us that only two audits had been submitted and that other partners' audits likely had not been conducted.

According to a CDC official, a large percentage of the audits collected to date contain significant internal control weaknesses. According to CDC, the HHS Inspector General, National External Audit Review Center recently agreed to review all international partners' audit reports. CDC assistance and acquisition officials in Atlanta and South Africa told us that they answer implementing partners' questions about audit requirements and the resolution of any findings. The CDC official in Atlanta also told us that CDC in-country oversight officials may become involved in ensuring that partners respond to audit findings and that these officials are notified about the resolution of audit findings. However, we found that audit information was not routinely shared and that CDC has not yet developed clear guidance—such as when to impose special award conditions[89]—for ensuring that audit findings are resolved. For example, a CDC partner in Namibia received an audit in 2005 that identified several weaknesses, including inaccurate reporting of subpartner expenses, late submission of financial status reports, and inadequate segregation of duties. Although the implementing partner had drafted a letter to CDC giving reasons for these weaknesses—citing, for example, insufficient staff—as of December 2008

[87]Previous GAO work has shown that award managers should ensure (1) that those responsible for award oversight have the financial information necessary to make an informed decision as to whether the partner may require more oversight or assistance in achieving its award objectives and (2) an adequate means of communicating back and forth with partners exists to assist them with meeting the goals and objectives of their awards. Ultimately, better program oversight can help to assure that resources are responsibly and effectively utilized and partners are in compliance with applicable laws and regulations. See GAO/AIMD-00-21.3.1.

[88]In 2008, as part of a pilot program, CDC placed assistance and acquisition officials in South Africa. These officials are responsible for assisting with oversight of CDC awards in South Africa, including collection of implementing partners' annual audits and financial reviews.

[89]To address audit findings, HHS policy permits CDC officials to place special award conditions in a partner's award agreement and designate the partner as high risk, for example.

the partner had not yet developed a strategy for implementing the audit recommendations. Without established procedures for sharing implementing partners' audit information and resolving issues, oversight officials have limited ability to implement accountability practices necessary to strengthen any identified weaknesses and effectively monitor implementing partners' activities.

Conclusions

During the first 5 years of PEPFAR, HHS and USAID generally engaged in accepted practices for making assistance and acquisition awards—the PEPFAR program's primary tool for achieving its goals—as well as in oversight practices to ensure that PEPFAR funds are used as intended. Assistance and acquisition award practices included planning for partner selection through assessment of program needs; using competition to select among candidates for PEPFAR awards; and evaluating candidates' technical, management, and financial capacities before making awards. Oversight practices included, for example, reviewing partners' programmatic reports and financial data and providing technical assistance to partners.

However, gaps in PEPFAR guidance on partner selection could limit OGAC's ability to use this process to meet program needs. Specifically, the guidance does not call for agency assistance and acquisition officials' involvement in PEPFAR planning for partner selection and has not been integrated with relevant agency guidance. Moreover, challenges related to CDC's and USAID's oversight of the awards limit the agencies' ability to provide accountability for the use of PEPFAR funds. These challenges include staffing shortages; mismatched reporting time frames; partners' financial management, or internal control, weaknesses; and CDC's lack of procedures for collecting partners' required audit information and ensuring that audit findings are resolved. Given that PEPFAR operates in some of the world's poorest and most high-risk environments, it is particularly important that CDC's and USAID's oversight addresses any weaknesses in their partners' and subpartner's implementation of financial controls.

Recommendations for Executive Action

To strengthen CDC's and USAID's ability to accomplish PEPFAR goals and ensure accountability for PEPFAR funds, we recommend that the Secretary of State direct OGAC to take the following six actions:

- Improve the process of partner selection by
  - ensuring that the annual guidance on preparing the COPs addresses the need to involve assistance and acquisition officials, and
  - working with HHS and USAID to clarify the relation between PEPFAR guidance on COP preparation and the agencies' guidance on assistance and acquisition awards.
- Strengthen oversight of PEPFAR implementing partners by
  - working with CDC and USAID to develop a strategy to address staffing shortages identified by OGAC, CDC, and USAID;
  - working with implementing agencies to develop a plan to reduce PEPFAR country teams' reporting burden through better alignment of OGAC and agency reporting time frames;
  - assessing and addressing the degree to which weaknesses in PEPFAR partners' and subpartners' implementation of financial controls negatively affect CDC's and USAID's ability to ensure that program funds are used for their intended purposes; and
  - working with CDC to establish procedures for collecting PEPFAR implementing partners' audit information and addressing audit findings.

Agency Comments and Our Evaluation

Responding jointly with HHS and USAID, State provided written comments on a draft of this report (see app. IV for a copy of these comments). In addition, State's OGAC, in coordination with HHS and USAID, provided technical comments, which we incorporated as appropriate.

In their written comments, the agencies generally acknowledged our recommendations regarding PEPFAR partner selection and oversight, noting several areas where they have begun to address our recommendations. For example, the agencies noted that the COP guidance for fiscal year 2010 directs the interagency teams to consult with assistance and acquisition officials during COP development and throughout implementation of their assistance and acquisition plans. The agencies also stated that the fiscal year 2010 COP guidance directs the teams to develop an action-oriented staffing plan that identifies all existing

vacant positions and that outlines a specific plan for filling them in a timely manner. In addition, the agencies stated that the interagency Procurement and Assistance Working Group has reviewed the fiscal year 2010 COP guidance to ensure alignment with assistance and acquisition principles. The agencies did not comment on our recommendation regarding working with implementing agencies to develop a plan to reduce PEPFAR country teams' reporting burden by better alignment of OGAC and agency reporting time frames.

In their written and technical comments, the agencies emphasized that the strategic planning function was served by the country-level 5-year strategy during the first phase of PEPFAR, and they observed that OGAC does not intend the COP to serve as a strategic planning document or a procurement plan. However, regarding planning for procurement, CDC officials told us that they use the COP as a strategic plan for PEPFAR partner selection.

We are sending copies of this report to the Secretary of State and the Global AIDS Coordinator. In addition, the report will be available at no charge on the GAO Web site at http://www.gao.gov.

If you or your staffs have any questions about this report, please contact me at (202) 512-3149 or gootnickd@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made major contributions to this report are listed in appendix V.

David Gootnick
Director, International Affairs and Trade

List of Committees

The Honorable Patrick Leahy
Chair
The Honorable Judd Gregg
Ranking Member
Subcommittee on State, Foreign Operations,
and Related Programs
Committee on Appropriations
United States Senate

The Honorable John Kerry
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The Honorable Richard Lugar
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Committee on Foreign Relations
United States Senate

The Honorable Nita Lowey
Chair
The Honorable Kay Granger
Ranking Member
Subcommittee on State, Foreign Operations,
and Related Programs
Committee on Appropriations
House of Representatives

The Honorable Howard Berman
Chair
The Honorable Ileana Ros-Lehtinen
Ranking Member
Committee on Foreign Affairs
House of Representatives

Appendix I: Scope and Methodology

To identify criteria for award selection and oversight, we reviewed internal agency guidance from the Department of Health and Human Services (HHS) and the U.S. Agency for International Development (USAID), as well as recent GAO reports on procurement processes, conducted interviews with assistance and acquisition officials at HHS and USAID, and held discussions with a GAO acquisitions and sourcing management expert. We also analyzed Office of the U.S. Global AIDS Coordinator (OGAC) guidance to President's Emergency Plan for AIDS Relief (PEPFAR) country teams for completing the country operational plans (COP) for fiscal years 2008 and 2009. In addition, we reviewed discussions of the interagency PEPFAR Procurement and Assistance Working Group and the report of the 2007 PEPFAR Contracting Officers Conference held in South Africa.

To analyze agency practices for competitive selection of implementing partners, we requested data on all awards that received funding in fiscal year 2008 from the Centers for Disease Control and Prevention (CDC), USAID Washington, and the USAID missions in the three countries we visited, a total of 444 awards.[1] To ensure consistent, complete, and accurate data entry by the agencies we developed a standard data collection instrument. In developing it, we conducted detailed discussions with agency officials on the applicability and definitions of specific variables. There were some differences in definitions across agencies and these were to tailor the instrument for each of the agencies and missions. For each award, CDC and USAID identified the award mechanism (assistance or acquisition award); whether the award was competitively bid; whether the award end date had been extended; and whether the award amount was increased over its initial ceiling. In addition, the USAID missions in the three countries we visited provided data on whether their awards were competed and funded by the missions or through field support or leader with associate awards.

We verified the data by comparing the data points to award files for about 5 percent of the awards. To verify these data, we took the following steps:

(1) interviewed officials at each agency on their methodology for collecting and entering the data we requested and checking for accuracy, completeness, and consistency in the data they provided;

[1]For CDC, we excluded acquisition awards that were for obtaining office supplies and for hiring personnel.

(2) performed electronic data testing on the data provided; and

(3) compared the data points provided with award files for about 5 percent of the awards.

Our verification efforts identified several limitations in the data that the agencies provided us. Despite these limitations, we determined that the data were sufficiently reliable for our intended analysis of key overall levels of the use of award mechanisms, data extensions, award amount increases, and competitive selection procedures.

For the CDC data on acquisition awards, we were unable to obtain supporting documentation to manually verify the obligations data. The contracts data represent a small proportion of overall obligations at CDC on PEPFAR; Global HIV/AIDS Initiative (GHAI)/PEPFAR obligations from the beginning of PEPFAR through the end of fiscal 2008 totaled about $18 million for contracts and about $2.5 billion for cooperative agreements. For the data that CDC provided on cooperative agreements, we identified inaccuracies in the variable on award increases for two of the five awards we examined. (The other variables for the cooperative agreements data did not contain inaccuracies.) However, our other tests of data reliability, through interviews and electronic testing, indicated that the agency had considered a number of factors in compiling the data and had procedures in place to ensure general reliability and accuracy. Our manual verification of the data provided by USAID Washington and the USAID mission in South Africa identified several inaccuracies in the South Africa mission data on award amount increases; as a result, we omitted 10 awards from our analysis. We were also unable to obtain supporting documentation to manually verify the obligations data from USAID South Africa. In addition, our review of data regarding competitive solicitation in fiscal year 2008 for one award from USAID Washington found inaccuracies resulting from the award's having been made prior to the initiation of the PEPFAR program. Our examination of other USAID Washington and mission data found reliable data collection, entry, and verification procedures. We rounded the data on obligations, and we did not provide specific counts of award increases and extensions.

To review both selection and oversight processes, we drew two judgmental samples of HHS and USAID awards. To select the first sample, we obtained lists of all CDC, HRSA, and USAID awards receiving PEPFAR

funding in fiscal year 2007 from the agencies.[2] We categorized these awards by agency and funding mechanism. Because USAID makes awards at its headquarters in Washington as well as out of the field missions, we considered awards from the field as a separate category, resulting in six agency categories: CDC, HRSA, USAID headquarters, and the USAID missions in Namibia, South Africa, and Zambia. We then categorized the lists of awards we received by whether they were acquisition awards (contracts) or assistance (grants or cooperative agreements). For USAID missions, we also distinguished between awards competed and funded by the missions and field support and leader with associate awards. We had a total of 405 awards in this universe. We selected the largest award from each category on the basis of total award amount.[3] Our sample included 15 awards: 2 from CDC, 1 from HRSA, 2 from USAID headquarters, 4 from the USAID mission in South Africa, and 3 each from the USAID missions in Namibia and Zambia.

To select the second sample, we identified major awards for antiretroviral (ARV) drug procurement in each of the three countries we visited by identifying partners who procured ARV drugs in fiscal year 2007. We calculated each partner's share of funding for ARV drugs within each country and selected awards made to the partners with the largest share of funding for ARV drugs. Where there was no one clear partner with the largest amount of funding, we selected the partners with the largest amounts. We identified one partner for Namibia, one for Zambia, and three for South Africa. In addition, we selected two additional awards in Zambia, to ensure that we reviewed both CDC and USAID oversight practices, and one additional award in South Africa, to ensure that we reviewed a major treatment partner for USAID in South Africa. Two awards were common to both samples, leading to a total of 21 distinct awards across both samples.

We then reviewed selection and oversight processes for the first sample of 15 awards by analyzing agency documentation of award selection for each award, including documentation of the solicitation, evaluation, agency decision, and the award agreement. To ensure consistent, complete, and accurate analysis of these files, we developed a standard data collection instrument. In developing it we conducted two rounds of testing in which

[2]We identified awards that received funding from the GHAI account. The 15 focus countries received most of their funding from this account.

[3]Awards were not made in all categories at the missions.

we selected two of our awards and entered the data into the draft instrument, noting any ambiguities in the definitions of specific variables. This effort resulted in numerous improvements to the instrument. The analysis involved two reviewers' coding each set of documents independently and then reaching consensus on their responses where they disagreed. Because it was outside the scope of our defined objectives, we did not assess or evaluate the scores that agencies gave the applications.

We reviewed oversight practices for both samples of awards by conducting interviews with award and program officials responsible for these awards, as well as with the partners and, in some instances, subpartners implementing the awards. We did not find any major differences in oversight of awards in our second sample, for ARV drug procurement, compared to the first sample, and so we reported on oversight for both samples together.

To understand how oversight of awards takes place, we conducted site visits to three countries: Namibia, South Africa, and Zambia. We selected countries based on their method of ARV drug procurement and the size of the PEPFAR program. We identified several categories of ARV drug procurement based on the procurer of ARV drugs in fiscal year 2007: the Partnership for Supply Chain Management through the Supply Chain Management Systems contract (exclusively or almost exclusively), large U.S.-based partners, local nongovernmental organizations (NGO), and ministries of health. ARV drugs were largely procured by the Ministry of Health in Namibia, by large U.S.-based partners and local NGOs in South Africa, and by the Partnership for Supply Chain Management in Zambia. In addition, we selected small, medium, and large PEPFAR programs. The three countries we selected represent 26.4 percent of budget allocations for PEPFAR focus countries for fiscal years 2006-2008.[4]

We conducted a limited review of CDC and USAID implementing partners' design and implementation of internal controls. We conducted these limited internal control assessments in Washington, D.C., and during our

[4]According to OGAC, Namibia, South Africa, and Zambia represent 38 percent of the people who received treatment, 30 percent of the orphans and vulnerable children who received services and care, and 22 percent of the pregnant women who received counseling and testing services in the 15 focus countries during fiscal years 2006-2008.

fieldwork in Namibia, South Africa, and Zambia.[5] By design, we mean whether an organization has defined the components of its internal control framework to include such basic control activities as written accounting policies and procedures and codes of conduct. By implementation, we mean whether an agency follows through on its established or designed controls.

To assess whether implementing partners and subpartners had designed internal controls, we interviewed CDC and USAID implementing partner and subpartner officials to obtain an understanding of their internal control framework. We used a standardized matrix work plan to determine whether these organizations had basic internal control tools, such as written accounting policies and procedures and a systematic way of tracking various sources of funding. Our site reviews were limited in scope and were not sufficient for expressing an opinion on the effectiveness of implementing partners and subpartners internal controls or compliance.

Similarly, to test the partners' and subpartners' implementation of their established internal controls, we conducted a limited review of transactions. The tests included the review of invoices, vendor lists, and general ledger details. We classified an expenditure as insufficiently supported if the expenditure was not supported by sufficient documentation to enable an objective third party to determine that it was a valid use of grant funds or if the expenditure was specifically prohibited by laws and regulations. Given the aforementioned constraints, we were not able to conduct transaction testing at all sites nor were we able to determine the degree to which these type issues may be systemic throughout the PEPFAR program.

[5]We were not able to assess design and implementation of internal controls at every partner and subpartner site because of logistical constraints such as limited time spent at the sites, lack of access to financial records, and unavailability of key staff.

Appendix II: Partners and Subpartners Selected for Review of Oversight Practices

As noted in appendix I, we judgmentally selected 21 Department of Health and Human Services (HHS) and U.S. Agency for International Development (USAID) awards receiving PEPFAR funding in fiscal year 2007 for our review of CDC and USAID oversight practices.

With data provided by Office of the U.S. Global AIDS Coordinator (OGAC), Health Resources and Services Administration (HRSA), Centers for Disease Control and Prevention (CDC), and USAID officials, we further identified these partners' subpartners, where applicable. To fully understand CDC and USAID oversight practices for these awards, we conducted reviews of some of these partners' and subpartners' financial management and internal controls practices in Namibia, South Africa, and Zambia.[1] We conducted these assessments during our field work in December 2008.

Table 1: PEPFAR Implementing Partners and Subpartners Selected for Review of Oversight Practices

Implementing partner	Agency	Subpartners
South Africa		
Partnership for Supply Chain Management[a]	USAID	John Snow International[a]
Management Sciences for Health[f]	USAID	
Family Health International[f, g]	USAID	Johannesburg Hospital
University Research Company	USAID	
Pact[f]	USAID	Absolute Return for Kids Children In Distress Network[f]
Reproductive Health and HIV Research Unit[f, g]	USAID	
South African Catholic Bishops Conference[b, f, g]	CDC	Hope for Life Clinic[g] Sisters of Mercy Clinic[g] St. Francis Clinic[g] St. Mary's Clinic
Aurum Health Institute[f, g]	CDC	MES[g] Reaction[g]
Catholic Relief Services[f]	HRSA/ CDC	South Africa Catholic Bishops Conference[b, f, g] Institute for Youth Development South Africa[f]
Columbia University International Center for AIDS Care and Treatment Programs[f]	CDC	

[1]In each country we visited, we selected at least one partner and at least one of its subpartners for our review of financial management and internal controls practices.

Implementing partner	Agency	Subpartners
Namibia		
Academy for Educational Development	USAID	
IntraHealth, Inc.	USAID	
Namibia Ministry of Health	CDC	
Pact[f, g]	USAID	
Zambia		
Research Triangle Institute	USAID	Family Health International[c, f] Zambia Health Education and Communications Trust[f, g]
Family Health International[d, f, g]	USAID	
Program for Appropriate Technology in Health[f, g]	USAID	
Partnership for Supply Chain Management[a]	USAID	John Snow International[a, f, g]
Zambia Ministry of Health	CDC	
Columbia University, University Technical Assistance Program	CDC	University Teaching Hospital[f, g]
Other[e]		
Elizabeth Glaser Pediatric AIDS Foundation[f]	USAID	

Source: GAO synthesis of data provided by OGAC, CDC, HRSA, and USAID, and interviews with officials at CDC, HRSA, and USAID.

[a]The Partnership for Supply Chain Management and its subpartner John Snow International operate in multiple PEPFAR countries, including South Africa and Zambia, under a USAID acquisition award.

[b]South Africa Catholic Bishops Conference is a CDC prime implementing partner and a subpartner under HRSA's cooperative agreement with Catholic Relief Services.

[c]Columbia University International Center for AIDS Care and Treatment Programs operates in multiple PEPFAR countries, including South Africa, under a CDC cooperative agreement.

[d]Family Health International is a prime USAID Zambia implementing partner and a subpartner under USAID Zambia's acquisition award with Research Triangle Institute.

[e]These implementing partners did not have activities in the three countries we visited at the time of our review.

[f]These 18 PEPFAR implementing partners and subpartners, covering 15 of the 21 awards in our sample, were included in our limited reviews of partners' internal controls design. One of these subpartners is also a prime implementing partner under a separate PEPFAR award.

[g]These 15 implementing partners and subpartners, covering 11 of the 21 awards in our sample, were included in our limited reviews of partners' internal controls implementation. One of these subpartners is also a prime implementing partner under a separate PEPFAR award.

Appendix III: HHS and USAID Guidance on Assistance and Acquisition Strategies

HHS Awarding Agency Grants Administration Manual 2.04.104A	USAID Automated Directives System 201.3.11.11

• Advance planning is essential to ensure that awarding offices
  • adequately consider the design of financial assistance programs and
  • allocate staff and other resources to make timely and high-quality awards.
• The annual procurement planning process should ensure
  • adequate consideration of the appropriate award instrument (contract, cooperative agreement, or grant) and
  • appropriate time frames for completing financial assistance activities.
	• Assistance objective teams must develop a comprehensive acquisition and assistance plan for their assistance objective.
	• Plans should describe plans for competition or for waivers of competition.
	• Plans should also discuss expected completion dates for all implementing instruments.
	• The implementation plan should
	  • identify the obligating instruments that will be used and
	  • outline a timeline for completion of procurement processes.

Source: GAO analysis of HHS Awarding Agency Grants Administration Manual and USAID Automated Directives System.

Appendix IV: Comments from the U.S. Department of State, Office of the Global AIDS Coordinator

Note: GAO comments supplementing those in the report text appear at the end of this appendix.

United States Department of State

Washington, D.C. 20520

Ms. Jacquelyn Williams-Bridgers
Managing Director
International Affairs and Trade
Government Accountability Office
441 G Street, N.W.
Washington, D.C. 20548-0001

Dear Ms. Williams-Bridgers:

We appreciate the opportunity to review your draft report, "PRESIDENT'S EMERGENCY PLAN FOR AIDS RELIEF: Partner Selection and Oversight Follow Accepted Practices but Would Benefit from Enhanced Planning and Accountability," GAO Job Code 320583.

The enclosed Department of State comments are provided for incorporation with this letter as an appendix to the final report.

If you have any questions concerning this response, please contact Rebecca Hooper, Director of Management and Budget, Office of the U.S. Global AIDS Coordinator at (202) 663-2339.

Sincerely,

James L. Millette

cc: GAO – Audrey Solis
S/GAC – Michele Moloney-Kitts
State/OIG – Mark Duda

Department of State, Department of Health and Human Services, and U.S. Agency for International Development Comments on GAO draft report

PRESIDENT'S EMERGENCY PLAN FOR AIDS RELIEF: Procurement and Oversight Follow Accepted Practices but Would Benefit from Steps to Enhance Planning and Accountability
(GAO-09-666, GAO Code 320583)

On behalf of the President's Emergency Plan for AIDS Relief (PEPFAR), the U.S. Departments of State (DOS) and Health and Human Services (HHS), and the U.S. Agency for International Development (USAID), I would like to express our appreciation for the opportunity to comment on the draft report from the Government Accountability Office (GAO) titled, "President's Emergency Plan for AIDS Relief: Procurement and Oversight Follow Accepted Practices but Would Benefit from Steps to Enhance Planning and Accountability" *(GAO-09-666)*.

We welcome the report's conclusion that the current partner selection and oversight processes of PEPFAR implementing agencies follow accepted best practices. Yet as the Institute of Medicine has noted, PEPFAR is a learning organization, and in that spirit we welcome the report's identification of areas in which PEPFAR partner selection and oversight could be strengthened. As PEPFAR enters its sixth year of operations, we agree that there are still lessons to learn and significant variation in how well recipients are able to implement and oversee PEPFAR funding. The report is timely, and we will take its recommendations into consideration during the development of the Five-Year PEPFAR strategy for fiscal years (FYs) 2009-2013.

We are particularly pleased to note that prior to the release of this final report, PEPFAR's own reviews of processes and guidance have addressed many of GAO's recommendations. PEPFAR has already worked to develop deeper linkages and opportunities for engagement between procurement and program staff. For example, during the FY 2009 Headquarters Operational Plan process, partner performance reviews involved procurement and program staff in a common task. In addition, we have improved the FY 2010 Country Operational Plan (COP) guidance by directing country teams that they must consult with acquisition and assistance officials in the process of developing their COP and throughout implementation of their acquisition and assistance plans. Further, the interagency Procurement and Assistance Working Group (PAWG) has reviewed the FY 2010 COP guidance to ensure alignment with acquisition and assistance principles.

2

See comment 1.

PEPFAR is committed to continue working through the PAWG and agency leadership to ensure alignment between the PEPFAR guidance and implementing agency guidance and regulations. The FY 2010 COP guidance also asks that country teams develop an action-oriented staffing plan that identifies all existing vacant positions and outlines a specific plan for filling them in a timely manner.

In addition to the actions described above, HHS is taking a number of steps to strengthen PEPFAR partner's implementation of financial controls by exploring options to provide additional training to field staff as well as implementing partners on proper project and financial oversight. The HHS Office of the Inspector General (OIG) also has agreed to process audits of foreign recipients, which will greatly strengthen our auditing capacity. The OIG has a system for tracking the receipt of audits and the resolution of audit findings by HHS's Centers for Disease Control and Prevention (CDC) and a process for identifying and following up on delinquent audits. CDC has followed those procedures for domestic audits and is now planning to utilize them for international audits.

USAID intends to recommend that USAID country teams hire a technical assistance contractor, if necessary, to oversee and monitor internal control rules and regulations that comply with GAO Standards for Internal Control in the Federal Government, GAO/AIMD-00-21.3.1 (Washington, D.C.: Nov. 1999).

The report outlines concerns about the procurement planning process in relation to the development of the annual COP and the timing of reporting. It is important to define clearly the purpose and function of the COP development process and database. Essentially, the COP development process is a comprehensive and rigorous assessment used to develop an annual plan based on strategies and approaches developed locally as well as programmatic guidance and technical considerations from headquarters. The Country Operational Planning and Reporting System (COPRS) database inventories detailed information about planned activities and results in a given country or region. Under the new Partnership Framework approach, the COP will describe annual U.S. government plans to operationalize PEPFAR's support for the partnership goals. Such a system is essential to link resource allocation to results and demonstrates program impact and fiscal accountability. The COP also serves as an important tool to communicate program advances from a technical and policy standpoint.

However, the COP is not a strategic planning document. The strategic planning function was served by the country-level Five-Year Strategy during the

3

See comment 1.

first phase of PEPFAR, and will be served by the Partnership Framework in the next phase. Further, the COP is not a procurement plan. Once PEPFAR senior leadership approve the annual planned activities via the COP, the country teams plan procurement and assistance actions to implement the COP based on the competitive rules and regulations of each implementing agency. PEPFAR relies on the interagency planning processes to coordinate the HIV/AIDS investment strategy by technical program area and allocate resources to the agencies within the country team that can support those technical allocations. At that point, the procurement or assistance awards become the responsibility of the agency receiving the allocation of funding per the grant and contracting operating procedures of that agency. Further, oversight is the responsibility of the agency that made the award.

The report highlights concern about the volume of approved staff positions that are currently vacant. We are working with our field staff and agency management offices to address issues affecting the recruitment and retention of staff dedicated to working on PEPFAR around the world.

In closing, we would like to again express our appreciation for GAO's examination of these important issues and the recommendations. We look forward to continuing to work to strengthen PEPFAR processes to ensure harmonized and accountable programs.

The following is our response to the joint written comments from the Department of State, the Department of Health and Human Services' Centers for Disease Control and Prevention (CDC), and the U.S. Agency for International Development.

GAO Comments

1. Responding to language in our draft report, the agencies note that they do not consider the country operational plan (COP) a strategic planning document, stressing that the strategic planning function was served by the country-level 5-year strategy during the first phase of the President's Emergency Plan for AIDS Relief (PEPFAR) and will be served by the partnership framework in the next phase. In addition, the agencies state that they do not consider the COP a procurement plan. However, as our report notes, CDC officials told us that they use the COPs as their strategic plan for PEPFAR partner selection. In response to OGAC's concerns about our characterizing the COP as a strategic planning document, we clarified some of the language of our findings—for example, describing the intended purpose of the COP development process.

Appendix V: GAO Contact and Staff Acknowledgments

GAO Contact

David Gootnick, (202) 512-3149 or gootnickd@gao.gov

Staff Acknowledgments

In addition to the contact named above, Audrey Solis (Assistant Director), Todd M. Anderson, Sunny Chang, Bonnie Derby, Pamela Davidson, David Dornisch, Etana Finkler, Lisa M. Galván-Treviño, Reid Lowe, Grace Lui, Kim McGatlin, Diahanna Post, Susan Ragland, Sylvia Schatz, John Sellers, William Woods, and Tom Zingale made key contributions to this report. Additional technical assistance was provided by Kathryn Bernet, Miriam Carroll, Chhandasi Pandya, Julia Roberts, Meredith Trauner, and Heather Whitehead.

Related GAO Products

Global HIV/AIDS: A More Country-Based Approach Could Improve Allocation of PEPFAR Funding. GAO-08-480. Washington, D.C.: April 2008.

Global Health: Global Fund to Fight AIDS, TB and Malaria Has Improved Its Documentation of Funding Decisions but Needs Standardized Oversight Expectations and Assessments. GAO-07-627. Washington, D.C.: May 2007.

Global Health: Spending Requirement Presents Challenges for Allocating Prevention Funding under the President's Emergency Plan for AIDS Relief. GAO-06-395. Washington, D.C.: April 2006.

Global Health: The Global Fund to Fight AIDS, TB and Malaria Is Responding to Challenges but Needs Better Information and Documentation for Performance-Based Funding. GAO-05-639. Washington, D.C.: June 2005.

Global Health: U.S. AIDS Coordinator Addressing Some Key Challenges to Expanding Treatment, but Others Remain. GAO-04-784. Washington, D.C.: June 2004.

Global Health: Global Fund to Fight AIDS, TB, and Malaria Has Advanced in Key Areas, but Difficult Challenges Remain. GAO-03-601. Washington, D.C.: May 2003.

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