



CDC's Country Monitoring and Accountability System II

Country Monitoring and Accountability System Visit to China – April 14-18, 2014 Summary of Key Findings and Recommendations

Introduction

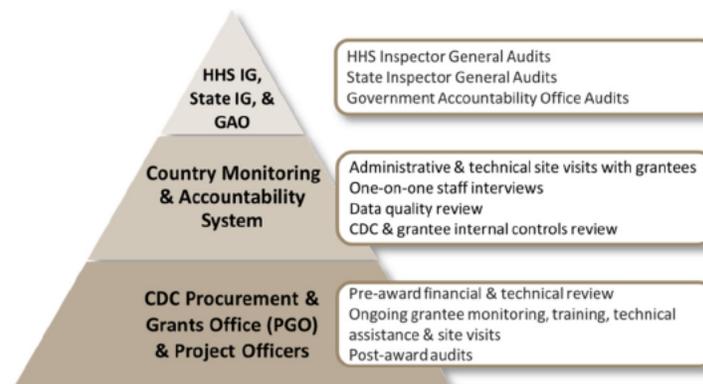
As the U.S. science-based public health and disease prevention agency, the Centers for Disease Control and Prevention (CDC) plays an important role in implementing the U.S. President's Emergency Plan for AIDS Relief (PEPFAR) under the direction of the Department of State's (DOS) Office of the U.S. Global AIDS Coordinator (OGAC). CDC uses its technical expertise in public health science and long-standing relationships with Ministries of Health (MOH) across the globe to work side-by-side with countries to build strong national programs and sustainable public health systems that can respond effectively to the global HIV/AIDS epidemic. CDC global HIV/AIDS PEPFAR-related activities are implemented by the Division of Global HIV/AIDS (DGHA) in CDC's Center for Global Health. PEPFAR activities represent the largest portfolio of global health activities at CDC.

CDC's Country Monitoring and Accountability System

CDC/DGHA launched the Country Monitoring and Accountability System (CMAS) in 2011 to identify challenges resulting from the rapid scale-up of complex CDC/PEPFAR programming as a part of CDC's commitment to transparency and accountability. This initiative serves as a basis for ongoing, monitored quality improvement of DGHA's programs and operations through internal programmatic and financial oversight. CMAS is a proactive response on the part of CDC to: 1) ensure accountability for global programs and proper stewardship of U.S. government resources by promoting explicit performance standards and defining expectations for bringing all components of program accountability up to the highest standards; 2) ensure DGHA is supporting DOS, OGAC, and the Presidential Initiatives; 3) serve as a basis for ongoing, monitored quality improvement; and 4) effectively prepare CDC for future oversight audits, congressional inquiries, and special data calls.

CDC Commitment to Accountability

Ensures optimal public health impact and fiscal responsibility



CDC also maintains a Global Management Council chaired by CDC's Chief of Staff which meets regularly to address cross-cutting issues related to the management and oversight of CDC's global programs.

The CMAS strategy was designed to systematically assess CDC's accountability and proper stewardship of U.S. government resources and provide feedback on key business and program operations in the following key areas:

- **Intramural Resources:** Ensuring proper management and stewardship of financial resources, property, and human resources within CDC's overseas offices
- **Extramural Funding:** Ensuring responsible and accurate management of financial and other resources external to CDC's overseas offices
- **Public Health Impact:** Ensuring the delivery of consistently high quality interventions and technical assistance that positively impact the populations the program serves

The first round of CMAS visits (formally known as Country Management and Support visits - CMS I) took place between February 2011 and March 2012 and assessed 35 country offices. A second round of CMAS visits (CMAS II) evaluated 30 country offices and one pilot. A few CMAS II visits were cancelled due to political unrest. CMAS II assessments occurred between June 2012 and June 2014 and increasingly emphasized supportive technical assistance to ensure continual quality improvement. In addition to the focus on CDC's PEPFAR program activities, CDC's Office of the Chief Financial Officer reviewed financial transactions for CDC's other global health programs.

Scope

CMAS II visits were designed to provide an overview of CDC country programs and identify good practices and areas for improvement. Financial management activities were assessed for all CDC programs in-country. The scope of this CMAS II visit was focused primarily on CDC/DGHA's activities implemented through PEPFAR; however, other CDC global health programs were assessed in countries where they have a significant presence. CMAS II visits were not considered comprehensive, nor were they intended to replace Inspector General audits.

Objectives

DGHA conducted a CMAS II visit to China from April 14-18, 2014. The principal objectives of this visit were to:

- Perform a CDC headquarters assessment of internal controls in the field to ensure the highest level of accountability;
- Review intramural and extramural resource management to ensure financial stewardship of U.S. government funds;
- Generate a multidisciplinary snapshot of how CDC country offices are performing regarding programmatic effectiveness in the areas of AIDS-Free Generation Strategy, site visits, and data driven programs to ensure DGHA is achieving the greatest public health impact; and
- Provide clear feedback and technical assistance to the country office to improve current internal controls.

Methodology

CDC headquarters in Atlanta assembled a multidisciplinary team of six CDC subject matter experts in the following areas to perform the CMAS II assessment: financial management, program budget and extramural

resources, grants management, country management and operations, and HIV program strategy.

The CMAS II team conducted a five-day visit to the CDC/DGHA office in China (U.S. CDC/China). In addition, CDC's Procurement and Grants Office provided grants management technical assistance to staff and grantees following the CMAS II visit. Team members reviewed financial and administrative documents at U.S. CDC/China and grantee offices and conducted administrative and technical grantee site visits, one-on-one meetings with staff, and data quality spot checks. Subject matter experts developed assessment tools and checklists at CDC headquarters in consultation with CDC field staff representatives. A standardized assessment instrument gauged performance using a four-level capability maturation scoring scale. Team members provided additional recommendations for quality improvement and noted good practices observed during the visit that will be shared across DGHA country programs. This methodology provides a "point-in-time" synopsis of U.S. CDC/China's operations.

Background on Country Program

The CDC and the Chinese government have collaborated on public health priorities that affect China, the United States, and the global community for more than 30 years. U.S. CDC/China focuses its work on HIV/AIDS, emerging and re-emerging infectious diseases, immunization, workforce development, non-communicable diseases, risk communication, emergency preparedness, and laboratory quality and safety. U.S. CDC/China's principal partners are the National Health and Family Planning Commission, the Chinese Center for Disease Control and Prevention (China CDC), and the World Health Organization. U.S. CDC/China's collaborative projects extend across the country to build strong bilateral relationships between China and the United States.

Summary of Key Findings and Recommendations

Accountability for Intramural Resources

DGHA Country Operations and Human Resource Management

Major Achievements

The management and leadership review of U.S. CDC/China involved 29 one-on-one interviews (12 of DGHA staff, and 27 of Division of Global Health Protection and Business Services Office staff) and an online survey of employee viewpoints. While there were many U.S. direct hire leadership staff transitions in the past year, office morale and functioning remained strong. Survey responses and interviews indicated that staff generally enjoy coming to work and feel like the U.S. CDC/China work environment is supportive and familial. There was a strong culture of mentorship and information sharing in the office, and there was a high level of mutual respect between staff and senior management. U.S. CDC/China staff felt supported by leadership and supervisors, and receive regular recognition and appreciation for a job well done.

The CMAS II review also documented strengths in all areas of administrative operations, consistent with the findings during the CMAS I assessment. Strengths included the fulfillment of inherently governmental functions by only U.S. direct hire staff; compliance of time and attendance and travel voucher processing with applicable

regulations; and maintenance of complete personnel records for locally employed staff. In addition, U.S. CDC/China staff identified improvements in office management and leadership following the CMAS I visit, including improvements in standard operating procedures and improvements in communication with U.S. CDC/China and CDC headquarters.

Major Challenges

The CMAS II team documented challenges related to staff training and professional development that were similar to the CMAS I visit. While the office finalized and distributed a new, comprehensive training policy to all staff in January 2014, interviews and survey responses suggested that staff would benefit from additional training and professional development opportunities to improve job performance, particularly given the model of technical collaboration under the PEPFAR program in China. Similarly, U.S. CDC/China staff identified needs for additional support from CDC headquarters, including increased interaction with their CDC headquarters counterparts; opportunities to share best practices, challenges, and lessons learned; and recommendations of relevant trainings for in-country staff.

Regarding administrative operations, the CMAS II team identified challenges in four areas. First, there was difficulty storing the staff's time and attendance files securely at the U.S. Embassy due to the limited amount of locked space. Second, in some cases travel voucher submission required additional the office clarity around the roles and responsibilities. Third, while most staff completed the Security Awareness Training and an orientation on information technology policies, there were incidents of non-compliance. Further, connectivity remained to be an issue for the U.S. CDC/China office due to a lack of direct connection to the CDC headquarters network and bandwidth for certain connections. Finally, the most recent formal office safety review was conducted in 2012, and the second exit route continued to be challenging.

Recommendations

- With the implementation of the new training policy, continue to assess opportunities for staff training and professional development, including linkages with counterparts and resources at CDC headquarters, in other countries, and across programs.
- Develop a process for securely archiving locally employed staff time and attendance files at the U.S. CDC/China office as appropriate.
- Review the voucher submission policy and discuss roles and responsibilities with all staff.
- Document when staff complete the information technology orientation, including a date of completion and a signature that indicates agreement to uphold the principles introduced in the orientation.
- Explore alternatives to current network connection arrangements and upgrade connections with limited bandwidth.
- Schedule an office safety review and evacuation drill.

Financial Resource Management

Major Achievements

CDC's Program Budget and Extramural Management Branch conducted a desk review of U.S. CDC/China's financial resource management. U.S. CDC/China's budget is detailed by object class code and includes post and CDC headquarters held transactions for all common accounting numbers (CAN). U.S. CDC/China has access to the U.S. Embassy financial reporting system (COAST) and receives the monthly status of funds report from the CDC financial reporting system (IRIS) through the CDC's Office of the Chief Financial Officer.

The budget was developed from detailed adjustments of the previous year's obligations and reconciled quarterly. U.S. CDC/China reconciled its Country Operational Plan to actual obligations.

The scope of CDC's Office of the Chief Financial Officer desk review primarily focused on post held funds and internal controls of financial activities occurring within U.S.CDC/China. This involved document sampling and a transaction-level detailed analysis of all funds cabled to post, as well as requesting supporting documentation from the field as needed. U.S. CDC/China also received a questionnaire to complete regarding fiscal activities at post.

Through the questionnaire and document review, CDC's Office of the Chief Financial Officer found that locally employed budget and financial staff members were very knowledgeable of both DOS and U.S. CDC/China procedures. The office demonstrated commitment to ensuring that adequate procedures are in place and sufficient documentation supports all financial transactions. U.S. CDC/China leadership was held responsible for confirming that all transactions are consistent with applicable policies, authorities, and regulations; and they were aware of current legislation and protocol by ensuring staff have completed the appropriate training.

U.S. CDC/China had sufficient staff in place to ensure a segregation of duties and overall regulatory compliance. Additionally, the office developed standard operating procedures for cooperative agreement management and established comprehensive policies which effectively guided the administrative operations and programmatic activities for the office. In addition, since DGHA used the U.S. CDC/China imprest fund managed by the Country Coordinating Office, a DGHA staff member was no longer designated as a sub-cashier, a change from the previous May 2012 CMAS I visit.

Major Challenges

Compared to the monthly standard, the status of funds report was only compiled and sent to the Deputy Director quarterly. This report included projections that are combined with commitments and obligations, but it was not possible to determine when projections become commitments and obligations. Post held unliquidated obligations were reviewed quarterly per an agreement with the U.S. Embassy. U.S. CDC/China stated that the U.S. Embassy suggested quarterly deobligations in case later adjustments were necessary. During the desk review, participants agreed to increase the frequency of deobligations during the third and fourth quarters of the fiscal year.

At the time of the visit, U.S. CDC/China budget staff did not have access to the CDC's financial reporting system (IRIS) and had not completed the associated training. In addition, one staff member had not completed Appropriations Law training. Also, U.S. CDC/China had a number of open unliquidated obligations for fiscal year 2013, despite having established procedures in place.

Recommendations

- Produce a reconciled budget monthly instead of quarterly.
- Separate commitments and obligations from projections in the reconciled status of funds report.
- Continue to routinely review unliquidated obligations periodically to identify invalid and/or aged (older than two years) obligations.
- Follow-up with the U.S. Embassy Financial Management Office staff to ensure appropriate action is taken to clear the transactions in a timely manner.
- Request access to the CDC financial reporting system (IRIS) for budget staff and ensure completion of Appropriations Law training.

Accountability for Extramural Resources

Grantee Management

Major Achievements

U.S. CDC/China continued to have dedicated and hard-working staff who have provided valuable assistance to the program and completed all required trainings associated with grantee management. Communication between the Cooperative Agreement Manager and Project Officer to the grantees and CDC headquarters staff proved to be proactive and frequent. U.S. CDC/China stored all cooperative agreement documents on an electronic database, which included excellent cooperative agreement documentation and a tracking system as well as comprehensive electronic files. These files were updated regularly, and the file structure and naming conventions was clear and well-organized. In addition, the cooperative agreement tracking system was thorough and updated regularly.

Major Challenges

Based on an interview with U.S. CDC/China cooperative agreement management staff, the review identified that some local cooperative agreement files are missing documents.

Recommendations

- Locate any missing files (1385's and technical reviews) from CDC's Program Budget and Extramural Management Branch cooperative agreement library on the SharePoint website and/or work with the Extramural Specialist to locate missing files.

Grantee Compliance

Major Achievements

CDC's Procurement and Grants Office visited two U.S. CDC/China grantees including the National Center for AIDS/STD Control and Prevention at Changping Campus in Beijing and the AIDS Care China in Kunming. Overall findings demonstrated efficient internal control procedures and documentation of expenditures. Grantees developed a China-U.S. Cooperation Global AIDS Program Management Manual. Using this internal controls policy, expenditures were traced from the award through receipts and logbook records. Detailed procedures were in place for all aspects of award management, administration, cost allocation, and procurement procedures. All awardees demonstrated use and proficiency of internal electronic accounting systems in addition to physical record-keeping. Both grantees were using Yong-You Accounting System.

Major Challenges

For one grantee, CDC's Procurement and Grants Office review identified some challenges related to completion of audits due to scheduling and cost. For another grantee, the CMAS II review documented three main challenges. First, the grantee did not track PEPFAR funds separately from other funding sources. Second, due to a lengthy process of establishing a fiduciary agent, the first year Federal Financial Report and progress report had not yet been submitted at the time of the review. Finally, the use and maintenance of accounts with U.S. federal electronic systems present challenges with the number of accounts needed, extensive online registrations, and the unreliability of electricity at times that often prevents submission of reporting requirements.

Additionally, if staff members changed or were unavailable, the office lacked an authorized back-up official to access accounts and perform submissions. Both grantees had challenges with ensuring regular drawdowns and expenditures as program activities occurred and were completed.

Recommendations

- Confirm that the grantee follows up on audit challenges and ensure that audits are based on the calendar year (January 1-December 31).
- Ensure that the grantee submits the Federal Financial Report and progress reports in a timely manner.
- Verify that the grantee creates a procedure manual kept secure by only authorized employees, documenting the systems and accounts that are used to meet U.S. federal requirements. This manual should include account usernames, passwords, and account maintenance schedules for each.
- Ensure that both grantees review strategies that foster regular drawdowns and expenditures as program activities occur and are completed.

Accountability for Public Health Impact

Major Achievements

Based on site visits, discussions with key stakeholders, meetings with staff, and reviews of key documents and

systems, the CMAS II team documented notable accomplishments in the area of strategic programming. U.S. CDC/China's technical support and collaboration with the National Center for AIDS/STD Prevention and Control had a significant impact on the national HIV program. U.S. CDC/China provided key advice to help China expand national prevention of mother-to-child transmission of HIV services and select Option B to prevent vertical transmission from HIV-infected pregnant mothers. U.S. CDC/China technically supported the development of the National Center for AIDS/STD Prevention and Control's model for directly-observed methadone maintenance therapy for people who inject drugs with linkages to HIV prevention, care and treatment services. These efforts contributed to declining HIV incidence among people who inject drugs. In addition, U.S. CDC/China created and implemented an innovative web-based platform for budget, expenditure, and results tracking for cooperative agreement grantees.

These accomplishments illustrated the strong communicative and collaborative relationship between the U.S. CDC/China and the China CDC/National Center for AIDS/STD Prevention and Control as counterparts in China's HIV/AIDS response. In addition to the relationship with the National Center for AIDS/STD Prevention and Control, the newly developed partnership with the Chinese non-governmental organization AIDS Care China also contributed to positive alignment of the program with public health strategy, through support for high quality HIV services for marginalized populations.

Major Challenges

Despite these accomplishments, challenges remained for China's HIV response. At the time of the review, HIV-related mortality was increasing, likely linked to the delayed diagnosis of those in care and was increasing in hidden populations, particularly men who have sex with men and low-fee sex workers; there was also an increasing proportion of reported heterosexual transmission.

In light of these issues, the CMAS II team documented several challenges related to strategic programming. The program did not conduct a strategic programming review to link PEPFAR program activities to desired outcomes of reduction in HIV incidence and mortality. In addition, while the program supports innovative pilot programs, these were not always focused on key indicators such as the proportion of people living with HIV who were tested and received their results, the proportion of eligible people living with HIV who receive antiretroviral treatment, the percentage of those retained in care after 12 months on antiretroviral treatment, or the proportion of people living with HIV with viral suppression. Furthermore, existing custom indicators were process and not outcome in nature, and thus did not demonstrate the impact of PEPFAR-funded pilot programs on the national HIV response.

The CMAS II team also documented several challenges in the operationalization of DGHA U.S. CDC/China PEPFAR program strategy. First, the program did not have clear documentation of how it ensures the quality of data reported to PEPFAR, or a plan for PEPFAR-supported evaluations. Second, although there was not a dedicated Associate Director for Science or designated staff member, there was administrative support to fulfill Science Office functions. Finally, while staff were proactive about contributions to scientific literature, program success stories were not concisely documented and widely disseminated to broader audiences.

Recommendations

- Conduct a strategic program review at least annually.
- Clarify the linkages between PEPFAR program activities and anticipated reductions in HIV incidence and mortality.
- Focus pilot programs on national HIV program indicators that need improvement, including HIV diagnosis rate, provision of cotrimoxazole, antiretroviral treatment uptake and retention in care, or viral suppression.
- Adapt custom indicators to demonstrate the impact of PEPFAR-funded pilot programs on the national HIV program.
- Document the process for ensuring the quality of grantee data reported to PEPFAR.
- Develop an evaluation plan based on guidance from CDC headquarters.
- Ensure that the incoming U.S. CDC/China Country Director receives an orientation from the CDC/DGHA Associate Director for Science and that the Associate Director for Science functions are assigned appropriately once the Director is on site in Beijing.
- Document and disseminate success stories from the U.S. CDC/China PEPFAR program and the overarching collaboration in China.

Center for Global Health

CDC's Center for Global Health also joined the CMAS II visit. The Center for Global Health provides leadership and implementation guidance for several cross-cutting CDC program and policy initiatives, and it participated in the CMAS II visit to: assess the level to which all CDC programs are integrated in-country; obtain information on Center for Global Health-managed initiatives to contribute to transparency, accountability, and adherence to U.S. Department of Health and Human Services and DOS regulations; acquire information on policy initiatives or best practices affecting the country office; and work with CDC and U.S. Embassy staff to provide technical assistance and guidance on operations and financial management.

Please note the following section pertains to all U.S. CDC/China in-country programs; however, the previous sections primarily focused on DGHA programming only.

Major Achievements

Interviews conducted with other CDC program and administrative staff in the U.S. CDC/China office demonstrated that staff continue to have a high level of morale and feel great pride and satisfaction in the work they are doing, in spite of the locally employed staff wage freeze and recent transitions in U.S. direct hire leadership positions. These leadership transitions had been challenging for the office, but daily operations remained strong, particularly the administrative and logistics support provided by staff in the U.S. CDC/China Business Services Office. Furthermore, staff continue to have a high level of respect for U.S. CDC/China leadership and feel that there is mutual respect for them in turn.

Interviews conducted with external stakeholders demonstrate that U.S. CDC/China had strong positive

relationships with the U.S. government and U.S. Embassy community, as well as with host country partners. Several U.S. Embassy stakeholders expressed appreciation for U.S. CDC/China's friendly, competent, and sound leadership during a turbulent period of staff transitions. In addition, U.S. CDC/China staff and external stakeholders both perceived that U.S. CDC/China is supportive and familial.

Major Challenges

In the area of management and leadership, the Center for Global Health CMAS II participants identified several cross-cutting challenges. First, the leadership transitions referenced above have had an impact on staff, particularly those who have had to take on additional responsibilities during the transition and would benefit from additional guidance and clarity around these roles and responsibilities. In addition, certain activities such as participation in U.S. Embassy committees or evacuation drills lapsed. Staff interviews also identified a perception that programmatic information was not always shared across organizational boundaries, both within the U.S. CDC/China office and with CDC headquarters. The review found that the U.S. Embassy's Human Resources Office would like to do more to support recruitment for hard-to-fill technical vacancies, but needs more engagement with U.S. CDC/China office in order to provide this support.

Recommendations

- Clarify staff roles and responsibilities when U.S. direct hire positions are fully staffed and consider developing and instituting standard handover procedures for key U.S. CDC/China office positions.
- As new leadership and U.S. direct hires come on board, ensure full CDC participation in all relevant U.S. Embassy committees (International Cooperative Administrative Support Services Council and Budget Committee, Joint Post Awards Committee, Emergency Action Committee, Housing Board, etc.) and re-visit standard operating procedures and policies to ensure full and consistent compliance.
- Schedule an all-hands meeting to introduce new staff, but also consider additional cross-program activities, as well as opportunities to increase exposure to headquarters operational policies, procedures, and organizational structure.
- Increase communication with the Human Resources Office about recruitment for hard-to-fill technical positions.

Next Steps

The CMAS II team shared their key findings and recommendations with the U.S. CDC/China office and CDC headquarters. The team also developed a scorecard for internal management use. The scorecard lists all of the issues identified during the visit, recommendations and due dates for their implementation, and primary point of contact for each issue. CDC headquarters will work with the CDC country office to create a plan and timeline to address and correct issues.