

AUDIT REPORT

# Global Fund Grants in the Republic of Cameroon

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GF-OIG-21-015  
3 December 2021  
Geneva, Switzerland

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# 1. Executive Summary

## 1.1 Opinion

Cameroon is achieving good progress in terms of prevention, diagnosis and treatment coverage for the three diseases. The COVID-19 pandemic has had limited impact on grant implementation, other than for HIV community-based interventions, thanks to timely Global Fund financial support to Principal Recipients.

Grant implementation arrangements for the 2020-2022 allocation period adequately address most key challenges, particularly around grant governance and coordination at the Ministry of Health, mass distribution of long-lasting insecticidal nets, and linkage of HIV testing to anti-retroviral treatment coverage. Mitigation measures will need close monitoring, however. In contrast, measures to ensure malaria care at community level remain insufficient, as they do not fully address the critical issue of ensuring regular drug supplies to Community Health Workers. Similarly, the delayed appointment of a humanitarian sub-recipient is adversely affecting the delivery of malaria health care at community level in the two regions in crisis. Mitigation measures to address key issues that affected grant implementation during 2017-2019 allocation period are only **partially effective**.

The Global Fund provided Cameroon with EUR 15 million in additional financing to support the national response to COVID-19, initially for a period of 11 months to 30 June 2021. Most COVID-related activities, including the development of tools, communication and capacity building, were completed in a timely manner. The main challenge was around timely procurement of commodities and equipment, which represented 86% of the C19RM grant amount. Some laboratory testing products were delivered only in the last three months of the grant, and 36% of planned procurements had still not been delivered at the grant-end period. This was mainly due to delayed contracting with vendors. Processes for ensuring timely and effective implementation of COVID-19 investments **need significant improvement**.

This audit builds on initial audit work which started in early 2020 but which was suspended due to COVID-19. While that review was not completed, OIG observations were shared with the Secretariat at the time to ensure prompt actions were taken. Audit work performed in mid-2021 takes into consideration the mitigation measures to address key issues previously identified across the portfolio.

## 1.2 Key Achievements and Good Practices

### Significant progress achieved against HIV and malaria

Cameroon's performance against key HIV<sup>1</sup> indicators remains consistently above average for the West and Central Africa (WCA) region. From 2010 to 2020, new HIV infections and HIV-related mortality declined by 57% and 47% respectively, compared to 37% and 43% in WCA as a whole. As of December 2020, 78% of people living with HIV knew their status and 74% of diagnosed patients were receiving anti-retroviral treatment. Estimated malaria deaths<sup>2</sup> declined by 12% from 2010 to 2019.

### Enhanced grant governance and oversight at the Ministry of Health

The Ministry of Health (MOH) manages 88% of Global Fund-financed activities in Cameroon. In the previous allocation period (2017-2019), STBP<sup>3</sup>, the Ministry of Health (MOH) entity responsible for overseeing and coordinating grant implementation, was hampered by various challenges including inadequate staffing, a too-narrow scope of work, and limited ownership from MOH; this was identified both through OIG work and Secretariat assessment. For the ongoing implementation period, a new Programme Coordination Unit (UCS-FM) was set up to replace STBP in the oversight and coordination role. UCS-FM has an adequate scope of work, a clear reporting line, and is well resourced to enhance coordination and oversight over grant implementation at the MOH. The Global

<sup>1</sup> See [www.unaids.org/fr/regionscountries/countries/cameroon](http://www.unaids.org/fr/regionscountries/countries/cameroon) and <https://aidsinfo.unaids.org/> (fact sheet – WCA 2020)

<sup>2</sup> Malaria World report 2020

<sup>3</sup> Secretariat Technique du Bénéficiaire Principal

Fund Secretariat, together with the Ministry of Health, does however need to define performance indicators for monitoring the new coordination unit.

### 1.3 Key Issues and Risks

#### Risk of delayed distribution of Long-Lasting Insecticidal Nets

In the previous allocation period (2017-2019), the distribution of Long-Lasting Insecticidal Nets (LLINs) was delayed by between six and 18 months in specific regions. Distribution campaigns planned for 2019 in the two regions assigned to a government counterpart are still pending. Regarding the next LLIN mass campaign in 2022-2023, while adequate mitigation measures exist to ensure timely distribution in the eight regions covered by the Global Fund grant, there is a high risk of delay in the two regions covered by government funding, due to time-consuming national procurement processes.

#### Delayed delivery of COVID-19 commodities

Procurements of essential health products and equipment account for 86% of the COVID-19 funding (C19RM). Key commodities, including laboratory testing reagents and personal protective equipment (PPE) for medical staff, were ordered early and delivered during the grant implementation period. However, a significant portion of planned procurements (representing 36% of the procurement budget) had not been delivered by the use-by deadline of 30 June for C19RM 2020, owing to delays in contracting with vendors. These include PPE for outreach workers and vulnerable populations, and medical equipment for COVID-19 healthcare centres.

#### Delayed recruitment of a sub-recipient has affected malaria case management at community level in the two regions in crisis

In response to challenges in the North West and South West regions, MOH Principal Recipients planned to recruit a humanitarian sub-recipient (SR) to support community-based interventions. At the time of the audit, the recruitment had not been completed due to programmatic and financial capacity gaps at the selected SR. The delay resulted in the non-payment of allowances to Community Health Workers (CHWs) operating in the two regions. This has affected the provision of malaria healthcare in those regions, with the number of CHW-notified malaria cases falling by 50% (North West region) and 39% (South West region) from February to May 2021. This decline is particularly concerning as it contrasts with an increasing number of cases (up 56%) notified by health facilities in the two regions in the same period, and suggests that several people suffering from malaria in communities might not be diagnosed and treated.

#### Insufficient mitigation measures to ensure the provision of health products to Community Health Workers

For the ongoing implementation period (2021 – 2023), targets for CHWs were re-adjusted to take account of the proximity of health facilities. However, no measures were taken to ensure CHWs were supplied regularly with health products, a key factor in ensuring they can effectively deliver services to patients.

### 1.4 Objectives, Ratings and Scope

The audit’s overall objective was to provide reasonable assurance on the adequacy, effectiveness, and efficiency of Global Fund Grants in Cameroon. Specifically, the audit assessed:

Objective	Rating	Scope
Adequacy of mitigation measures to address key issues that affected grant implementation in the 2017-2019 allocation period: <ul style="list-style-type: none"> <li>Governance</li> <li>In-country supply chain</li> <li>HIV and malaria programmatic areas</li> </ul>	Partially Effective	<ul style="list-style-type: none"> <li><b>Audit period:</b> January 2018 – June 2021</li> <li><b>Grants and implementers:</b> NFM2 and NFM3 grants by Ministry of Health (MOH) and CAMNAFAW</li> <li><b>Scope exclusion:</b> diagnosis and HIV treatment, diagnosis and TB treatment, financial management</li> </ul>
Processes in place to ensure timely and effective implementation of COVID-19 investments.	Needs significant improvement	

Details about the general audit rating classification can be found in Annex A.

## 2. Background and Context

### 2.1 Overall Context

▶ Population	27 million
▶ GDP per capita	US\$1,499 (2020)
▶ Transparency International Corruption Perception Index	149 of 180 (2020)
▶ UNDP Human Development Index	153 of 189 (2020)
▶ Percentage of GDP spent on health	3.5% (2018)



A bilingual (French and English) and lower-middle-income country, Cameroon is the largest economy in the Central African Economic and Monetary Community, a region experiencing economic crisis due to declining oil prices.

At the time of writing, national stability was affected by recurring attacks by terrorist groups in the Far Northern region, and secessionist conflicts in two anglophone regions. Resultant high insecurity is affecting the implementation of disease programmes in the affected regions, due to the lack of medical staff, population displacements, destruction of health infrastructure and restricted access to health sites.

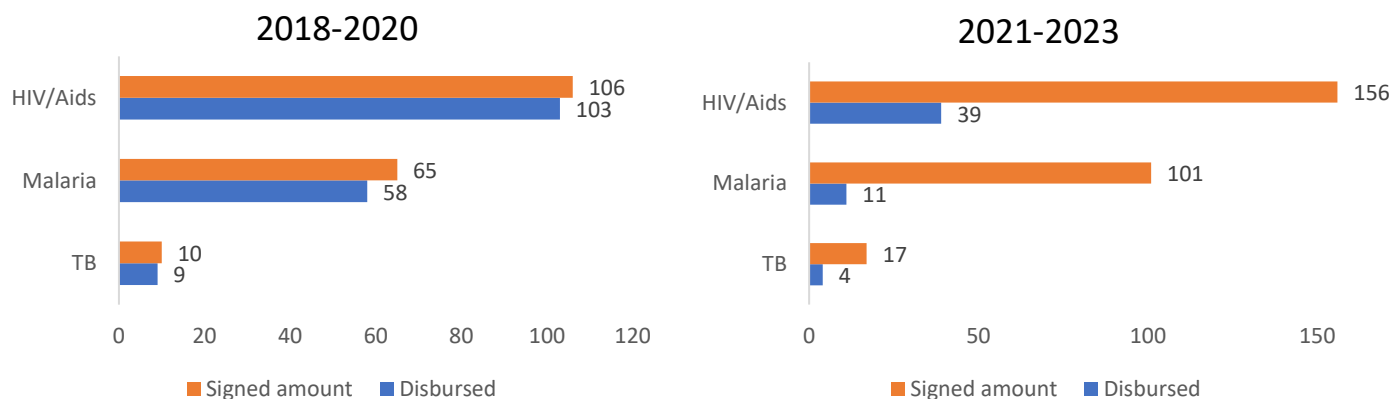
Cameroon is made up of 10 administrative regions. There are 189 Health Districts with 5,617 health facilities nationwide, supported by over 5,000 Community Health Workers. Household contribution to health expenditure is one the highest in Africa, with 75% out of pocket expenditure<sup>4</sup> in 2018 (compared with 33% for Sub-Saharan Africa as a whole).

As of 30 June 2021, Cameroon had recorded 80,858 COVID-19 cases and 1,324 deaths from COVID-19.<sup>5</sup>

### 2.2 Global Fund Grants in Cameroon

Since 2003, the Global Fund has disbursed roughly EUR 608 million<sup>6</sup> to Cameroon, of which EUR 167 million and EUR 54 million were for the 2018-2020 and 2021-2023 implementation periods respectively.<sup>7</sup> For both the 2018-2020 and 2021-2023 cycles, two Principal Recipients manage Global Fund grants: the Ministry of Health through its three national disease programs, and a local Civil Society Organization (CAMNAFAW) for HIV/TB community-based interventions.

Figure 1: Funding allocation in million euros, prior and current funding cycles (as of June 2021)



Source: Global Fund Data Explorer

<sup>4</sup> Out of pocket expenditure refer to the healthcare cost that households pay out of their own cash reserves.

<sup>5</sup> <https://www.worldometers.info/coronavirus/country/cameroon/>

<sup>6</sup> Disbursement is US\$761 million. Converted to EUR using an average rate of 0.8.

<sup>7</sup> Full details on the Cameroon grants can be found at the [Global Fund's Data Explorer website](#).

## 2.3 The Three Diseases

### HIV/AIDS



**500,000 people living with HIV**, of whom 78% know their status. 74% of identified PLHIV were on treatment in 2020.

**Annual infections have decreased by 57%** since 2010, with 15,000 new infections in 2020.

**AIDS-related deaths fell by 47%** from 2010 to 2020.

**Prevalence rate in 2020** for general population (adults 15-49) is 3%.<sup>8</sup>

### MALARIA



**Incidence rate** increased from 79.5/1,000 in 2015 to 101.2/1,000 in 2020.

The number of **reported confirmed cases** ranged between 1.8 to 2.6 million per year from 2015 to 2020.

91.48% of **suspected cases were tested** in 2020. 85% of confirmed cases were treated with ACT.

**4,121 deaths** in 2020 due to malaria.<sup>9</sup>

### TUBERCULOSIS



**24,740 TB cases notified** in 2019 against an estimated 46,000 TB cases. The number has remained stable since 2010.

**Treatment coverage** is 53%.

**The treatment success rate** has improved over the years, reaching 84% in 2019 (new and relapse cases).

**Mortality rate decreased** from 60/100,000 in 2000 to 29/100,000 in 2019<sup>10</sup>.

<sup>8</sup> <https://www.unaids.org/fr/regionscountries/countries/cameroon>

<sup>9</sup> NMCP Cameroon epidemiological situation for year 2020 and World malaria report 2020

<sup>10</sup> [https://worldhealthorg.shinyapps.io/tb\\_profiles/?\\_inputs\\_&entity\\_type=%22country%22&lan=%22EN%22&iso2=%22CM%22](https://worldhealthorg.shinyapps.io/tb_profiles/?_inputs_&entity_type=%22country%22&lan=%22EN%22&iso2=%22CM%22)

## 3. Portfolio Risk and Performance Snapshot

### 3.1 Portfolio Performance

Historically, Global Fund grants in Cameroon have performed well against targets, as shown below.

GLOBAL FUND GRANTS IN CAMEROON							GRANT RATING					
Component	Grant	Principal Recipient	Grant Start Date	Grant End Date	Grant Signed Amount (EUR)	Absorption June 2020 (%)	Jun. 2018	Dec. 2018	Jun. 2019	Dec. 2019	Jun. 2020	Dec. 2020
HIV/AIDS	CMR-H-MOH	Ministry of Public Health	01.01.18	31.12.20	84,761,900	91.5%	B1	B1	B1	B1	B1	B1
HIV/AIDS	CMR-H-CMF	Cameroon Natl Asso for Family Welfare	01.01.18	31.12.20	21,762,188	91.9%	B2	B2	A1	A2	B1	A1
TB	CMR-T-MOH	Ministry of Public Health	01.01.18	31.12.20	9,985,155	99.8%	B1	B1	B1	B1	B1	B1
Malaria	CMR-M-MOH	Ministry of Public Health	01.01.18	31.12.20	65,454,364	88.7%	B2	B1	B1	B1	B1	B1
<b>TOTAL</b>					<b>181,963,607</b>							

### 3.2 Risk Appetite

The OIG compared the Secretariat's aggregated assessed risk levels of the key risk categories covered in the audit objectives for the Cameroon portfolio with the residual risk that exists based on OIG's assessment, mapping risks to specific audit findings. The full risk appetite methodology and explanation of differences are detailed in Annex B of this report.

Audit areas	Risk category	Secretariat aggregated assessed risk level	Assessed residual risk, based on audit results	Relevant audit issues
1. Supply chain arrangements	In-country supply chain	High	High	Findings 4.2, 4.4
2. Program management and quality of services	Program governance and grant oversight	High	High	Finding 4.1
	Program quality	High	High	Findings 4.3, 4.4

## 4. Findings

### 4.1 Coordination and oversight mechanisms at Ministry of Health grants have improved, but continuous close monitoring is needed

The Programme Coordination Unit (UCS-FM) at the MOH is well designed and resourced to address oversight and coordination challenges, however KPIs to monitor its performance are yet to be defined. Governance challenges at the Civil Society Principal Recipient are hindering grant implementation.

During the previous allocation period (2017-2019), oversight and coordination of Global Fund grants at the Ministry of Health (MOH) were weak. The Global Fund Secretariat's peer review report for Cameroon in 2020 highlighted that STBP (Secretariat Technique du Bénéficiaire Principal), the body responsible for ensuring oversight and coordination over MOH grants, could not effectively discharge its mandate due to the following challenges:

- **Inadequate staffing, limited ownership of MOH:** STBP was not adequately staffed to provide oversight on programmatic aspects, and lacked sufficient health expertise to provide effective program reporting to the MOH. STBP's mandate was not officially defined and there was a lack of clarity around its staffing, roles and responsibilities.
- **Weak coordination capacity:** STBP had limited connection with other MOH directorates and with regional health directorates because roles and responsibilities were not defined. This made it difficult to coordinate and to address implementation challenges.

Insufficient coordination and oversight at STBP created a number of issues, such as delayed clearance of health commodities received at ports, uncoordinated responses to the two regions in crisis, and delays in implementing activities aimed at building resilient and sustainable systems for health at regional and central level.

For the ongoing implementation period (2020-2023), a Programme Coordination Unit (UCS-FM) has been created to replace STBP and take over the role of coordination and oversight. UCS-FM's governance design is adequate for achieving this aim. Its scope of work, which includes monitoring and evaluation, procurement management, coordination and fiduciary control, is in line with grant coordination and oversight requirements. UCS-FM is part of the MOH structure, with a reporting line to the MOH Permanent Secretary, and its roles and responsibilities are clearly defined in the ministerial decision related to its creation. It is also well resourced, with staff profiles aligned to their duties.

The Global Fund Secretariat, together with the Ministry of Health, has yet to define Key Performance Indicators (KPI) for the new coordination unit. At the time of the audit, identification of KPIs was still under discussion between the Secretariat and UCS-FM. KPIs will be critical in monitoring UCS-FM's performance and for proposing adjustments to increase its effectiveness.

#### **Governance challenges at CAMNAFAW are preventing the timely implementation of grant activities**

CAMNAFAW is the Principal Recipient (PR) responsible for implementing HIV/TB interventions in the community, with a grant of EUR 31.6 million. In February 2021, the Global Fund Secretariat assessed the recruitment of its Executive Director as non-compliant based on grant rules and regulations. The CAMNAFAW Executive Board is in disagreement with this assessment and this issue, along with multiple reports of alleged corrupt and fraudulent practices, are currently included in the scope of an ongoing investigation facilitated by IPPF<sup>11</sup> with OIG providing oversight."

In light of the above governance challenges, the Secretariat has introduced mitigating measures to ensure grant risks are limited, first reducing and then freezing disbursement amounts, then appointing an interim administrator

<sup>11</sup> CAMNAFAW is part of the International Planned Parenthood Federation (IPPF) network.



and ensuring spot checks are conducted by the LFA. As a consequence of reduced disbursement, grant implementation was affected. Planned activities such as onsite data verification, technical assistance to strengthen community-based interventions, scale-up of HIV prophylaxis drugs (PrEP) in two new cities, and training outreach workers on HIV self-testing could not be achieved due to limited cash available at the PR level.

At the time of drafting this report (September 2021), disbursement to CAMNAFAW has resumed, with a focus on delivery of essential services to key populations.

#### **Agreed Management Action 1**

The Global Fund Secretariat in coordination with the Ministry of Health and the Country Coordinating Mechanism will finalize the Key Performance Indicators (KPIs) to measure the performance of the grant coordination unit (UCS-FM), and agree on the frequency of the performance assessment of the USG-FM. The KPIs should cover following core responsibilities of UCS: grants implementation oversight, fiduciary control, procurement and coordination.

OWNER: Head, Grant Management Division

DUE DATE: 31 December 2022



## 4.2 A supply chain transformation plan is on track to provide sustainable solutions to persistent challenges

Recurring stock-outs, inadequate coordination, storage capacity and inventory management have dogged the supply chain for years. A transformation project aimed at addressing these challenges is back on track after two years of inactivity.

Delivering quality-assured drugs to patients on a timely basis is critical for the success of Global Fund programs in Cameroon. Persistent issues have dogged the supply chain in the country for a number of years:

- **Recurring stock-outs of key health products**, especially for malaria and TB, across the supply chain. For example, since May 2021 there have been stock-outs of malaria rapid diagnostic tests (mRDTs) at the central level and at three of the eight regional warehouses supplied by the Global Fund; the next delivery of mRDTs is planned in November 2021. At peripheral level, 9% of health facilities<sup>12</sup> were reporting stock-outs of mRDTs in May 2021, and seven of ten regional warehouses had less than one month of stock available for anti-TB first line drug (RHZE) in April 2021. In both cases, drugs were to be procured by government co-financing. Root causes for the stock-outs include delayed disbursement of government funding, delayed ordering of commodities, and delayed distribution from regional warehouses/districts to health facilities.
- **Insufficient supply chain coordination**: The Principal Recipient for the TB grant took eight months (August 2019 – February 2020) to obtain customs clearance from the Ministry of Finance for a shipment of TB first-line drugs (RHZE), during which time 59% of TB clinics were reporting stock-outs of RHZE. Similarly, it took 45 days (July – August 2019) to obtain customs clearance from the Pharmacy Directorate for first-line severe malaria drugs, with stock-outs of these products reported at central and regional level.
- **Inadequate and insufficient storage capacity**: while the storage capacity of the central medical store (CENAME) has been extended thanks to Global Fund support, all regional warehouses and health facilities lack sufficient storage to keep health products in suitable conditions.<sup>13</sup> The Government committed to using the amount of US\$0.85 million, intended to refund the loss of malaria drugs, to strengthen storage capacity for health structures, however that commitment is yet to be materialized.
- **Inadequate inventory management**: COVID-19 related commodities delivered to CENAME in December 2020 had not been recorded in the electronic inventory management system as of June 2021, due to insufficient staffing at CENAME. A similar issue was flagged in the 2016 OIG audit.<sup>14</sup>

In response to these challenges, a transformation plan, covering key components of the supply chain, was initiated in 2018. However, there was no meaningful progress in the following two years, mainly due to non-functioning steering committees and sub-committees, and the limited involvement of the national drugs regulator (DPML).

The transformation project was revamped at the end of 2020 with the development of a costed and time-bound plan and recommendations for setting up new steering committees and sub-committees. Under the new plan, DPML will play a central role, sitting on the steering committee and chairing the project Secretariat. Close monitoring of the project will be necessary to ensure timely completion of key milestones.

### Agreed Management Action 2

The Global Fund Secretariat in conjunction with relevant in-country stakeholders will support the Ministry of Health to establish of a SteerCo and technical committees focused on oversight, planning, coordination, and monitoring capacity to implement prioritized supply chain strategies.


OWNER: Head, Supply Operations

DUE DATE: 31 March 2023

<sup>12</sup> These refer to 381 health facilities out of 4,172 which reported on the stock availability indicator for mRDT in DHIS2 in May 2021

<sup>13</sup> Etats des lieux (stockage) – Plan de transformation de la chaine d’approvisionnement

<sup>14</sup> Audit Report - Global Fund Grants to the Republic of Cameroon (GF-OIG-16-020)



### 4.3 Adequate mitigation measures have been taken to address key programmatic issues, but remain insufficient in some instances

A number of challenges affected malaria and HIV community-based interventions during the previous allocation period (2017 – 2019). In most cases, appropriate mitigation measures have been taken to improve grant performance.

#### **Delayed payments to Community Health Workers have slowed down malaria care provision in crisis-hit regions**

In Cameroon's North-West and South-West regions, which have been in military and political crisis since 2016, limited numbers of medical staff, high insecurity and damaged health infrastructure are preventing the effective delivery of health services. In the previous allocation period (2017 – 2019), the three national disease programmes did not coordinate their response to the crisis in the two regions, leading to inefficiencies and limited synergies on common activities (e.g. supervision, supply chain). In the current implementation period (201 – 2023) however, the three disease programmes have developed an integrated contingency plan for the two regions.

A humanitarian sub-recipient (SR) was planned to be appointed to coordinate the provision of community-level health services in the two regions from January 2021. While the SR has been selected, a contract is yet to be signed due to the SR's insufficient capacity in financial and programme management. This has resulted in the non-payment of allowances to Community Health Workers operating in these two regions, which in turn has affected the provision of malaria healthcare, with a decline in CHW-notified malaria cases of 50% (North West region) and 39% (South West region) between February and May 2021. This is concerning because the decline contrasts with the increased number of malaria cases (56% in the North West and 19% in the South West region) notified by health facilities in these two regions in the same period, suggesting that some people suffering from malaria in communities are not being diagnosed and treated.

#### **Untimely contracting and procurements have led to significantly delayed LLIN mass campaigns**

The mass distribution of Long-Lasting Insecticidal Nets (LLINs) forms the main part of Cameroon's preventive strategy to tackle malaria, and accounts for 52% of current malaria grant funding. In the previous allocation period (2017– 19), there were significant delays (ranging from 2 to 18 months) in completing LLIN distribution campaigns. As of June 2021, the distribution of LLINs in the two regions (Centre and South-West) assigned to a government counterpart had still not been achieved, despite the activity being scheduled for the last quarter of 2019.

Root causes for the above include poor planning, evidenced by recurring changes to the distribution planning, delayed transportation contracting due to complex and time-consuming national procurement processes, delayed LLIN procurement via the Global Fund's online procurement platform (Wambo.org) due to insufficient capacity of Principal Recipient staff to properly use the platform, issues on the quality of distribution<sup>15</sup>, and, for the two regions highlighted above, high insecurity and delays in government co-financing and LLIN procurements.

The next mass LLIN distribution is planned to start in April 2022. For the eight regions covered by the Global Fund grant, adequate mitigation measures are in place to ensure timely distribution. These include improved procurement arrangements for LLIN transportation, with direct contracting with the previous vendor, the selection of a communication agency, and LLIN order placements for the first two phases of the campaign.

In the two regions (Centre and South) covered by the Government of Cameroon, however, there is little assurance that campaigns will be completed on time, despite funds for the campaign in the South region having already been secured. LLIN orders were supposed to be placed in August 2021, but the Principal Recipient has just started a tendering process, which may take at least six months to complete.

#### **Irregular supplies to Community Health Workers is hindering malaria healthcare provision at community level**

In the previous allocation period (2017-2019), the performance of Community Health Workers (CHWs) was low compared to targets. In 2019, only 18% and 31% of the target number of malaria cases to be tested and confirmed

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<sup>15</sup> Some examples are the lack of sharing instruction for use of LLIN to beneficiaries, lack of communication on the campaign (no leaflets on distribution site), LLIN distributed to people with no voucher...

were achieved. Similar performance was observed in 2020, with 22% and 37% performance against target for tested and confirmed malaria cases at community level, respectively. The low performance is mainly due to two factors:

- Irregular supplies of health commodities to CHWs. This is due to the reluctance of health facilities to supply CHWs and to insufficient availability of commodities at health facilities.
- The distribution of CHWs and their respective targets do not take account of the urban context, where health facilities are available and patients do not therefore need to access CHW services. CHW arrangements stem from a national strategy to have multiskilled CHWs covering more than one disease.

In response to these issues, CHW targets for confirmed malaria cases have been revised downwards by 35%, from 1.62 million cases in the previous 2017 – 2019 allocation period to 1.05 million. However, no specific mitigation measure has been taken to ensure regular and timely supplies to CHWs, meaning that the risk that CHWs may not reach populations in need persists.

### **Persistent inaccurate diagnosis of malaria results in overconsumption of severe malaria drugs**

The reported proportion of severe malaria has been consistently high (around 48% in 2019 and 2020) compared to other high malaria burden countries, which typically record less than 15% of severe cases among confirmed malaria cases.<sup>16</sup> There are recurring shortages or stock-outs of drugs for severe malaria, due to their widespread use in treating uncomplicated malaria cases, as a result of:

- insufficient knowledge of malaria treatment guidelines, resulting in inadequate diagnosis;
- enforcement of a cost recovery policy in health facilities, compelling health facilities to focus on costly treatments like severe malaria to increase their revenue.

The national malaria disease programme (PNLP) has considered four mitigation measures to reduce the proportion of severe malaria cases from 48% to 15%: capacity building of medical staff; a communication campaign; close monitoring and increased supervision on severe malaria; and incentivizing the appropriate diagnosis of malaria through a performance-based financing approach. These measures appear well designed to address the root causes for the high proportion of severe cases, but their close monitoring will be needed to ensure the required impact.

### **Low HIV testing linkage to ARV treatment for Key populations (KP)<sup>17</sup>**

Less than 60% of key populations testing positive for HIV by CAMNAFAW were placed on anti-retroviral (ART) treatment in the previous 2017-2019 allocation period, as shown below:

<b>Linkage to ARV treatment rate (%)</b>			
<b>Key Populations covered by CAMNAFAW</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Men who have sex with men	58%	48%	67%
Female sex workers	45%	54%	46%

The Principal Recipient responsible for covering key populations has limited access to information related to ARV treatment after referring HIV-positive patients to HIV clinics. In response, across the country peer navigators have been appointed and trained to actively follow up referred cases, in coordination with HIV counsellors in health facilities. As HIV testing linkage to ARV treatment is not part of contractual performance indicators, close Global Fund monitoring will be needed to ensure the follow-up of referred HIV positive cases to HIV care clinics improves.

### **Agreed Management Action 3**

The Global Fund Secretariat will engage with relevant stakeholders including the Ministry of Health, PRs and technical partners to agree on mitigation measures to i) reinforce the regular supply of commodities to CHWs; ii) strengthen the linkage to antiretroviral therapy (ART) for Key Populations and iii) ensure timely payment of CHWs operating in the two regions in crisis. Mitigation measures will be monitored by the Global Fund Secretariat.

OWNER: 31 December 2022

DUE DATE: Head, Grant Management Division

<sup>16</sup> Based on PMI and NMCP reports: Cote d’Ivoire (2% in 2018), Burkina Faso (4% in 2020), Democratic Republic of Congo (11% in 2016).

<sup>17</sup> Principal Recipient CAMNAFAW database from 2018 - 2020



## 4.4 Delays to procurements of key COVID-19 related items, due to delayed contracting with suppliers

Many urgently needed commodities, including personal protective equipment and medical equipment, could not be delivered before the end of utilization of the COVID-19 financing period due to delayed contracting with vendors.

Aside from HIV community-based interventions, which were seriously disrupted in the first half of 2020, the COVID-19 pandemic had limited impact on grant implementation in 2020. This was partly due to the flexibilities provided to grant Principal Recipients to quickly respond to COVID-19 challenges. The numbers of malaria confirmed/tested cases remained stable from 2019 to 2020, with only a 2% decrease in tested cases. The number of notified TB cases declined by 6% in the same period, while the TB treatment success rate increased to 86%. Coverage of People Living with HIV under antiretroviral treatment (ART) reached 69%, exceeding the 2020 ART coverage target by 2%.

In addition to grant flexibilities, in August 2020 the Global Fund allocated an additional award of EUR 14.9 million for the period ending 30 June 2021 to support Cameroon's response to COVID-19. Of this, 86% (or EUR 12.86 million) was allocated to purchasing commodities and equipment (e.g. laboratory reagents for COVID testing, personal protective equipment, hospital beds, oxygen masks, IT equipment).

The COVID-19 award (C19RM) has recorded some good achievements. Most programmatic activities (e.g. training, communication, development of tools) planned across the three main intervention areas<sup>18</sup> were completed. Local Fund Agent review of financial transactions and in-country procurements did not reveal significant anomalies. The OIG successfully traced delivered items to the records and supporting documents at the primary delivery points (national laboratory and central medical warehouse).

However, there were challenges in achieving the timely procurement of planned commodities and equipment. This resulted in a low financial absorption rate of 49% by the use-by deadline of 30 June 2021. Issues included:

- None of the items (contract amount: US\$3.9 million) ordered through one third-party supplier in March 2021 (eight months after C19RM notification) had been delivered by the end of the C19RM utilization period. The ordered items include IT equipment for laboratories, hospital beds and oxygen masks. Procurement was delayed because protracted negotiations around contract costs delayed the disbursement to the vendor. With a delivery lead time of six months on average, the items could not be delivered by the end of the C19RM period.
- The COVID-19 allocation (C19RM) included a procurement of personal protective equipment (PPE) worth EUR 1.4 million for outreach workers and vulnerable populations. The PPE had not been ordered at the end of the C19RM utilization period due to delayed contracting with the sub-recipient (CAMNAFAW) and a governance issue (see Finding 4.1) which prevented CAMNAFAW from ordering from the selected supplier. As a result, outreach workers were operating without PPE or using their own means of protection, increasing their risk of infection.
- Some laboratory items (COVID RDT, PCR reagents...) ordered through Wambo, the Global Fund pooled procurement platform, were only delivered in the last three months of the C19RM utilization period, due to a second batch of orders only being placed during December 2020 and January 2021. The impact was however limited; the national laboratory (LNSP) did not report stock-outs of testing reagents during this period.

Regarding the new COVID-19 grant for the period ending 2023, mitigation measures have been considered for the timely procurement of commodities. The country is required to complete purchase orders in Wambo for essential items within 10 days of the allocation notification. In addition, the Secretariat has defined KPIs in relation to the timely procurement of commodities and absorption for the new C19RM. No Agreed Management Action is needed for that reason.

<sup>18</sup> The COVID-19 allocation covers three main interventions: (i) Strengthen the national COVID-19 laboratories network (ii) Protect medical staff and other stakeholders (iii) Strengthen communities systems and involvement in the response to COVID-19

## Annex A: Audit rating classification and methodology

<b>Effective</b>	<b>No issues or few minor issues noted.</b> Internal controls, governance and risk management processes are adequately designed, consistently well implemented, and effective to provide reasonable assurance that the objectives will be met.
<b>Partially Effective</b>	<b>Moderate issues noted.</b> Internal controls, governance and risk management practices are adequately designed, generally well implemented, but one or a limited number of issues were identified that may present a moderate risk to the achievement of the objectives.
<b>Needs significant improvement</b>	<b>One or few significant issues noted.</b> Internal controls, governance and risk management practices have some weaknesses in design or operating effectiveness such that, until they are addressed, there is not yet reasonable assurance that the objectives are likely to be met.
<b>Ineffective</b>	<b>Multiple significant and/or (a) material issue(s) noted.</b> Internal controls, governance and risk management processes are not adequately designed and/or are not generally effective. The nature of these issues is such that the achievement of objectives is seriously compromised.

The OIG audits in accordance with the Global Institute of Internal Auditors' definition of internal auditing, international standards for the professional practice of internal auditing and code of ethics. These standards help ensure the quality and professionalism of the OIG's work. The principles and details of the OIG's audit approach are described in its Charter, Audit Manual, Code of Conduct and specific terms of reference for each engagement. These documents help safeguard the independence of the OIG's auditors and the integrity of its work.

The scope of OIG audits may be specific or broad, depending on the context, and covers risk management, governance and internal controls. Audits test and evaluate supervisory and control systems to determine whether risk is managed appropriately. Detailed testing is used to provide specific assessments of these different areas. Other sources of evidence, such as the work of other auditors/assurance providers, are also used to support the conclusions.

OIG audits typically involve an examination of programs, operations, management systems and procedures of bodies and institutions that manage Global Fund funds, to assess whether they are achieving economy, efficiency and effectiveness in the use of those resources. They may include a review of inputs (financial, human, material, organizational or regulatory means needed for the implementation of the program), outputs (deliverables of the program), results (immediate effects of the program on beneficiaries) and impacts (long-term changes in society that are attributable to Global Fund support).

Audits cover a wide range of topics with a particular focus on issues related to the impact of Global Fund investments, procurement and supply chain management, change management, and key financial and fiduciary controls.

## Annex B: Risk appetite and risk ratings

In 2018, the Global Fund operationalized a Risk Appetite Framework, setting recommended risk appetite levels for eight key risks affecting Global Fund grants, formed by aggregating 20 sub-risks. Each sub-risk is rated for each grant in a country, using a standardized set of root causes and combining likelihood and severity scores to rate the risk as Very High, High, Moderate or Low. Individual grant risk ratings are weighted by the grant signed amounts to yield an aggregate Current Risk Level for a country portfolio. A cut-off methodology on high risks is applied (the riskiest 50% of grants are selected) to arrive at a country risk rating.

OIG incorporates risk appetite considerations into its assurance model. Key audit objectives are generally calibrated at broad grant or program levels but OIG ratings also consider the extent to which individual risks are being effectively assessed and mitigated.

OIG's assessed residual risks are compared against the Secretariat's assessed risk levels at an aggregated level for those of the eight key risks which fall within the audit's scope. In addition, a narrative explanation is provided every time the OIG and the Secretariat's sub-risk ratings differ. For risk categories where the organization has not set formal risk appetite or levels, OIG opines on the design and effectiveness of the Secretariat's overall processes for assessing and managing those risks.