



THE OFFICE OF THE INSPECTOR GENERAL



The Global Fund to Fight AIDS, Tuberculosis and Malaria

Audit of Global Fund Grants to Zanzibar

Annexes

GF-OIG-12-006
23 October 2012

Audit of Global Fund Grants to Zanzibar

ANNEXES

Annex 1: Abbreviations

ACT	Artemisinin-based Combination Therapy
ART	Antiretroviral Therapy
ARV	Antiretroviral
CAG	Controller and Auditor General
CMS	Central Medical Stores
CTC	Care and Treatment Clinic/Center
FSW	Female Sex Worker
HMIS	Health Management Information System
IDU	Injecting Drug Users
KP	Key Population
LFA	Local Fund Agent
MOHSW	Ministry of Health and Social Welfare
MOU	Memorandum of Understanding
mRDT	Malaria Rapid Diagnostic Test
MSD	Medical Stores Department
MSM	Men Having Sex with Men
OI	Opportunistic Infection
OIG	Office of the Inspector General
PHCU/C	Primary Health Care Unit/Center
PITC	Provider Initiated Testing and Counseling
PLHIV	People Living with HIV/AIDS
PMTCT	Prevention of Mother to Child Transmission (of HIV)
PMI	U.S. President's Malaria Initiative
PMU	Procurement Management Unit
PR	Principal Recipient
PSM	Procurement and Supply Chain Management
PU/DR	Progress Update and Disbursement Request
RCH	Reproductive Child Health
RDT	Rapid Diagnostic Test
SR	Sub-Recipient
STI	Sexually Transmitted Infection
TB	Tuberculosis
TOR	Terms of Reference
VCT	Voluntary Counseling and Testing
VPP	Voluntary Pooled Procurement
ZACP	Zanzibar AIDS Control Program
ZAPHA+	Zanzibar people living with HIV and AIDS
ZFDB	Zanzibar Food and Drug Board
ZGFCCM	Zanzibar Global Fund Country Coordinating Mechanism
ZMCP	Zanzibar Malaria Control Program

Audit of Global Fund Grants to Zanzibar

Annex 2: Summary of Global Fund Grants to Zanzibar

Disease & Round	Principal Recipient	Grant Number	Grant Amount (USD)	Amount Disbursed (USD)
Malaria Round 1	Ministry of Health and Social Welfare (MOHSW)	ZAN-102-G01-M-00	1,153,080	1,153,080
HIV/AIDS Round 2	Zanzibar AIDS Commission (ZAC)	ZAN-202-G02-H-00	1,432,275	1,432,275
TB Round 3	Ministry of Health and Social Welfare (MOHSW)	ZAN-304-G03-T	1,110,134	1,110,134
Malaria Round 4	Ministry of Health and Social Welfare (MOHSW)	ZAN-404-G04-M	8,438,788	8,438,788
HIV/AIDS Round 6	Ministry of Health and Social Welfare (MOHSW)	ZAN-607-G05-H	3,394,651	2,093,974
HIV/AIDS Round 6	Zanzibar AIDS Commission (ZAC)	ZAN-607-G06-H	135,695	135,695
Malaria Round 8	Ministry of Health and Social Welfare (MOHSW)	ZAN-809-G07-M	5,421,452	2,910,638
Total			23,936,963	17,274,584

(Global Fund website, 6 July 2012)

Annex 3: Background

Profile of malaria epidemic and the response

In Zanzibar, malaria continues to be a communicable disease of public health importance. There was a continuing circulation of parasites in the population and the presence of malaria vectors in a favorable tropical environment, both of which support a high malaria transmission potential. An effective malaria control program had reduced the malaria burden to the current low case load with limited annual seasonal increase.

The malaria infection rate at community level had declined from more than 10% in 2005 to less than 1% in 2010. Incidence of new malaria episodes had reduced from 16/1000 to 2/1000 in children under-five and from 4/1000 to 2/1000 in the age groups above five years. The absolute number of confirmed malaria cases in all age groups had declined from 7,013 to 2,715 cases and from 247 deaths in 2005 to no reported deaths in 2010.⁴

The malaria program was implemented with support from two main sources, namely the Global Fund grants for Rounds 1, 4 and 8, and PMI. The synergy of this support together with the efforts of ZMCP resulted in an impressive programmatic impact with the malaria test positivity rate (microscopy and RDT) falling from 40% in 2003 at the beginning of the Global Fund grants to a low of 0.36% as at 2009.

The Ministry of Health introduced free ACT in 2003. There was a rapid increase in the consumption of ACTs with a peak reached during the second semester of 2004.

Prompt, effective, anti-malarial treatment

Annual district comprehensive plans, including malaria case management, were developed in collaboration with District Health Management Teams and health facility staff. They included training, supportive supervision and supplies management.

At community level, malaria case management was provided by the PHCUs. The Malaria Indicators Survey (2011) indicated increased health care seeking. Community health committees had been trained on malaria control to address issues relating to self-medication, the importance of prompt treatment and effective referral.

The number of confirmed cases had declined from a peak of 19,000 in 2004, to 2,951 in 2011 in children over five and adults, while the number of cases among children under five dropped from 2,458 in 2007 to 610 in 2011. A total of 609,000 tests (microscopy and RDT) were performed during the five years from 2007 to 2011.⁵

Treatment seeking behavior in children under five

The 2010 Malaria Indicator Survey showed that more than half of the caregivers of children under five years with febrile illness (60%) sought treatment within 24hrs from the onset of fever. About twenty percent bought drugs in pharmacies and other shops, while the remaining twenty percent started treatment at home with left over drugs or local remedies.⁶

The indicators for case management were generally good and showed a real public health impact, which translated into no malaria deaths in the years 2009 and 2010.

⁴ ZMCP community-based malaria survey 2007 and MIS 2010

⁵ ZMCP, personal communication

⁶ ZMCP, Malaria Indicator Survey 2010, preliminary report, September 2010

Profile of HIV epidemic and the response

HIV infection in Zanzibar was considered a concentrated HIV epidemic. The mean prevalence rate among the general population was 0.6% with higher prevalence rates among the key populations (KPs). The documented HIV prevalence in urban areas was significantly higher compared with rural areas. Women, especially those in the age group 15-49 years, had higher HIV infection rates (0.9%) than men (0.2%). About 8,000 Zanzibaris were estimated to be living with HIV/AIDS.

KPs in Zanzibar were difficult to measure. ZACP estimated that there were 5,000 IDUs, 16% being HIV+; 2,157 MSM, 12.3% being HIV+ and 3,958 FSWs, 10.8% being HIV+.

Another high prevalence sub-group was TB patients with a prevalence rate of 15.2% (83 among 546 recorded TB patients), out of which 18 (21.6%) were under treatment.

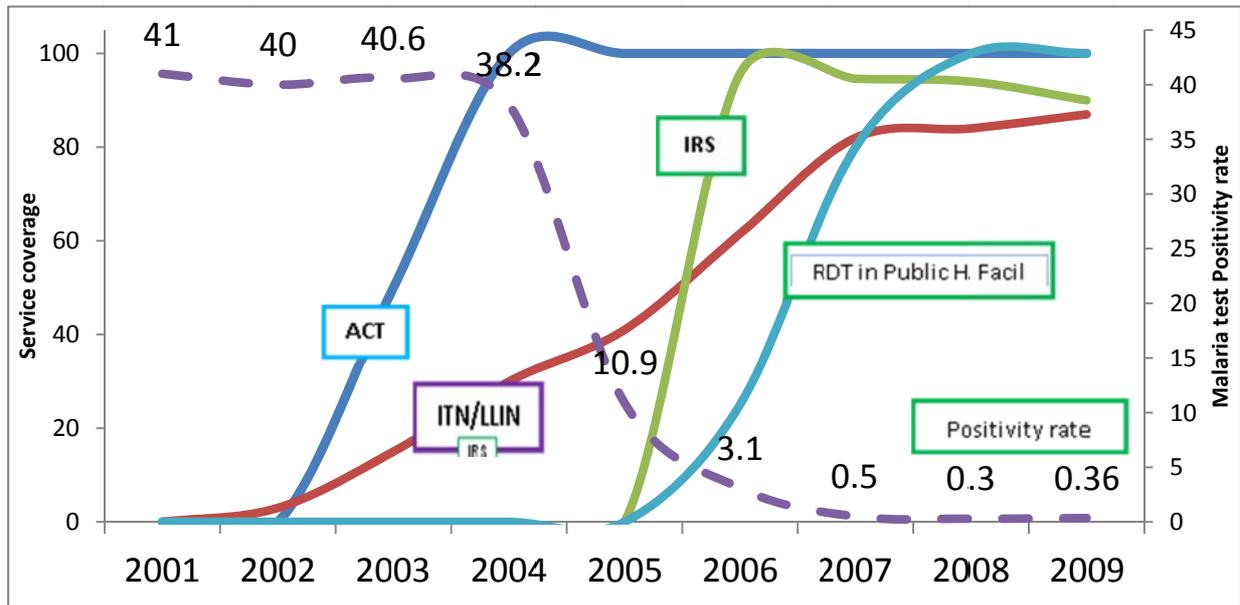
HIV Care and Treatment Clinics

There were ten health facilities providing HIV care and treatment services in Zanzibar, six of which were on Unguja and four on Pemba Island. These services were provided in public, military (one hospital) and private (one clinic) health facilities. By the end of 2011, a total of 5,923 HIV positive clients were enrolled in HIV Care and Treatment Clinics in these health facilities and among them 3,172 (53%) were on ARVs.

The majority of the patients on care and on ART (88%) were receiving HIV care and treatment services in Unguja. This was in line with HIV prevalence rates in Zanzibar with HIV prevalence more than two times higher in Unguja than in Pemba.

Within Unguja, the bulk of the patients (78% of those on care and 80% of those on treatment) were cared for at Mnazi Mmoja hospital. In Pemba, most of the patients (61% of those on care and 59% of those on ARVs) receive care and treatment services at Chake-Chake hospital.

Annex 4: Malaria control intervention coverage vs. impact on positivity rate



Malaria Early Epidemiological Data Survey (MEEDS) weekly reporting ZMCP (December 2011)

Annex 5: Recommendations and Management Action Plan

Section	Recommendation	Response and Action Plan		Responsible Parties	Due Date
		Global Fund Secretariat (Responsible for ensuring that the recommendation is implemented)	Country Coordinating Mechanism and Principal Recipients (Responsible for the actual implementation of the recommendation)		
Oversight	<p>Recommendation 1 (Critical) The ZGFCCM urgently needs to improve its operations. In particular it should:</p> <p>(a) Reconstitute the oversight committee and adopt the oversight plan. Consideration should also be made for other technical working groups that may be required to further support the ZGFCCM’s oversight functions;</p> <p>(b) Ensure meetings are held regularly and decision points are followed through. The ZGFCCM may consider including a provision in the by-laws to replace any members who consistently fail to attend meetings;</p> <p>(c) Seek operating funds and opportunities for technical capacity building to strengthen</p>	<p>The CCM has been generally weak with the Secretariat poorly resourced. There is a recognized need to improve the CCM functioning through overarching reforms that include reconstitution of membership and setting up working committees. The Global Fund referred the ZGFCCM to OGAC (Office of the U.S. Global AIDS Coordinator) to get technical assistance for the CCM. The CCM was asked by OGAC to apply, but to date this has not happened.</p> <p>Moving forward the Global Fund Secretariat will hold a dedicated meeting where decisions would be made to reform the CCM and its Secretariat. Technical assistance will be sought from the partners: GIZ, USG or UNAIDS, each of which has specific experience in</p>	<p>(a)The ZGFCC is now in the process of reconstituting the oversight committee. Committee members who are no longer ZGFCCM members will be removed and nominating new members who are capable to carry out the oversight function.</p> <p>(b)The ZGFCCM will ensure that meeting are regularly held and appropriate actions are taken against members who fail to attend the meetings as per the CCM bylaws. ZGFCCM will also ensure that all decision points made in its meetings are followed through.</p> <p>(c)Efforts have been taken to solicit funds and opportunities for technical capacity building to strengthen the ZGFCCM</p>	<p>ZGFCCM & Secretariat</p> <p>ZGFCCM& Secretary</p> <p>ZGFCCM/Secretariat</p>	<p>12/10/2012</p> <p>12/10/2012</p> <p>31 December, 2012</p>

Audit of Global Fund Grants to Zanzibar

Section	Recommendation	Response and Action Plan		Responsible Parties	Due Date
		Global Fund Secretariat (Responsible for ensuring that the recommendation is implemented)	Country Coordinating Mechanism and Principal Recipients (Responsible for the actual implementation of the recommendation)		
	<p>the ZGFCCM Secretariat. The Secretariat staff should include an administrative/accounts assistant charged with accounting responsibilities;</p> <p>(d) Ensure that proper records for ZGFCCM expenditure are maintained. Supporting documents not availed to the OIG should be located and financial reports submitted to the Global Fund to enable the ZGFCCM to access further funding for its activities. Unless documented, the unsupported expenditure of USD 15,430 should be refunded;</p> <p>(e) Ensure that the PR routinely provides the ZGFCCM with grant information, e.g., PU/DRs and external audit reports; and</p> <p>(f) Update the ZGFCCM policy manuals to reflect Global Fund policy changes. Consideration should be made</p>	<p>working with governance issues and strengthening oversight including Conflict of Interest. It is expected that by March 2013 the new CCM will be re-elected and that the oversight committee will be formed.</p> <p>In addition, the country team will endeavor to foster linkages between the Tanzania National Coordinating Mechanism and the ZGFCCM.</p>	<p>Secretariat. ZGFCCM will recruit permanent Secretariat staffs to include administrative/accounts assistance with accounting responsibilities ZGFCCM will ensure that permanent Secretariat staffs recruited and the capacity of secretariat staff members enhanced.</p> <p>(d) ZGFCCM will ensure that records for its expenditure are properly kept and can easily be availed when needed for inspection and verification. The supporting documents for the ZGFCCM expenditures of USD 15,430 have been located and the financial reports will be submitted to the Global Fund.</p> <p>(e) ZGFCCM will ensure that PRs routinely provide grant information, e.g PU/DRs and external audit reports Meetings with PRs will be organized to</p>	<p>ZGFCCM/Secretariat</p> <p>ZGFCCM/Secretariat/PRs/SRPs</p>	<p>15 October</p> <p>10 September, 2012 onwards</p>

Audit of Global Fund Grants to Zanzibar

Section	Recommendation	Response and Action Plan		Responsible Parties	Due Date
		Global Fund Secretariat (Responsible for ensuring that the recommendation is implemented)	Country Coordinating Mechanism and Principal Recipients (Responsible for the actual implementation of the recommendation)		
	for consolidation of the various guidelines (operational and governance manuals) into a single manual.		discuss issues related to communication and sharing of information. The outcome of these meetings will be used to review the existing communication protocol (f) ZGFCCM will take serious actions to update/review the existing ZGFCCM policy manuals. In the process, consideration will be made to consolidate the Governance and Operational manuals into a single manual. Technical assistance will be sought to support the review process.	ZGFCCM/Secretariat	31 December, 2013
	Recommendation 2 (Critical) The PR should ensure that: (a) The grant start up and closure process is properly managed to minimize the risk of misuse of grant funds; (b) The external auditor	The grant closure processes for the grants that have ended, or are about to end, already started and are expected to be completed before end-2012. The Secretariat will actively follow	Noted with appreciations. a) The PR will ensure that start up and closure process is properly managed. PR will start and fully involve and inform the ZGFCCM in all steps of the start and closure of the grants (start of R10 and closure of R6 closure)	PR, ZGFCCM, LFA	March, 2013

Audit of Global Fund Grants to Zanzibar

Section	Recommendation	Response and Action Plan		Responsible Parties	Due Date
		Global Fund Secretariat (Responsible for ensuring that the recommendation is implemented)	Country Coordinating Mechanism and Principal Recipients (Responsible for the actual implementation of the recommendation)		
	<p>selection and development of audit terms of reference (TOR) is done at the Ministry level in consultation with the office of the CAG instead of the programs to enhance independence. Further, the external auditor and its TOR should be approved by the Global Fund Secretariat;</p> <p>(c) The PR prepares and submits an audit plan for approval; and</p> <p>(d) The PR prepares and implements action plans to address the areas of weakness identified by the external auditors. Progress in implementation should be tracked and reported on by the LFA.</p>	<p>the implementation of recommendations (b) to (c).</p>	<p>b) PR will abide with the recommendation and will make sure that in future, before undertaking an audit exercise to the grant funds, parties concerned are fully involved</p> <p>c) PR will submit an audit plan and seek prior approval from LFA timely.</p> <p>d) Action plans to address identified issues/concerns raised by external auditors will be submitted and reported as well to LFA</p>		
	<p>Recommendation 3 (Important)</p> <p>The PR should ensure that its internal audit function is independent and performs</p>	<p>The PR would be required to develop an internal audit plan for approval by the Global Fund and</p>	<p>PR through the MoH will liaise with the ZGFCCM to ensure that the internal audit function is</p>	<p>PR, ZGFCCM</p>	<p>Nov, 2013</p>

Audit of Global Fund Grants to Zanzibar

Section	Recommendation	Response and Action Plan		Responsible Parties	Due Date
		Global Fund Secretariat (Responsible for ensuring that the recommendation is implemented)	Country Coordinating Mechanism and Principal Recipients (Responsible for the actual implementation of the recommendation)		
	regular internal audits to strengthen internal controls over the grant programs. Audits should be risk-based and include grant compliance.	report as part of the progress updates on the implementation of audit recommendations.	independent the audits are risk based		
Procurement and Supply Management	Recommendation 4 (Critical) The PR should update the Round 8 PSM plan reflect current consumption data. This will result in procurement savings, which present an opportunity for reprogramming to address unmet program needs.	Agreed and will be implemented during the Round 8 malaria grant negotiations.	PSM plan shall be updated to address current malaria commodities utilization.	PR, ZMCP, CMS	Nov – Dec 12
	Recommendation 5 (Critical) The PR should ensure that: (a) Immediate stock reconciliation with CMS and health facilities is carried out to verify quantities in stock and	The Principal Recipient will be requested to follow through the audit recommendations with set timelines to address all issues related to the procurement and supply management of health products for HIV, TB and	a) PR using recruited logistic expert and staff from the health facilities will make close follow up on the level of stock in CMS and health facilities	PR, CMS	March, 2013

Audit of Global Fund Grants to Zanzibar

Section	Recommendation	Response and Action Plan		Responsible Parties	Due Date
		Global Fund Secretariat (Responsible for ensuring that the recommendation is implemented)	Country Coordinating Mechanism and Principal Recipients (Responsible for the actual implementation of the recommendation)		
	<p>quantities on order and redistribute stock, taking into account the remaining shelf life;</p> <p>(b) Re-order levels based on consumption patterns are established and a mechanism put in place to ensure that replenishment orders are made when stocks reach the pre-determined re-order levels; and</p> <p>(c) Regular joint meetings (e.g., quarterly) between CMS and program coordinators are held to discuss stock status (quantity and validity). Meeting minutes should document pending actions and the responsible parties, whenever there are issues</p>	<p>Malaria. There should be a follow up report on the actions undertaken within 3 months of the date of publication of the OIG report. We recommend that TB medicines' PSM, though missing in the OIG report, should be included in the actionable items to ensure adequate coverage of all health products.</p>	<p>b) Logistician shall assist the CMS on this area. Managers of the grant will follow this up regularly through the quarterly meetings. c) Regular quarterly meeting will be strengthened by involving all grants implementers and use this opportunity to share the status of stock at CMC and health facilities with program staff</p>	<p>PR</p>	<p>March, 2013</p>

Audit of Global Fund Grants to Zanzibar

Section	Recommendation	Response and Action Plan		Responsible Parties	Due Date
		Global Fund Secretariat (Responsible for ensuring that the recommendation is implemented)	Country Coordinating Mechanism and Principal Recipients (Responsible for the actual implementation of the recommendation)		
	to be addressed.				
	<p>Recommendation 6 (Important) The PR should:</p> <p>(a) Review and expedite finalization of the Standard Operating Procedures for storage and distribution at CMS. Ideally, these need to be implemented before migration into the new warehouse in Maruhubi due for completion in August 2012;</p> <p>(b) Establish a computerized inventory system for the new warehouse. CMS Management should initiate training for its staff in computerized inventory management;</p> <p>(c) Centralize all issues and distributions through the</p>	<p>The SOPs addressing this recommendation have been received and are currently being reviewed by the Secretariat.</p>	<p>a) PR in collaboration with CMS will make follow up on the finalization of the SOPs for storage and distribution</p> <p>b) The PR has made all necessary arrangement for the establishment of computerized inventory system in the new warehouse in Maruhubi. Total of 4 staff has been invited and attended the inventory management system training in ESAMI Arusha last month.</p> <p>c) All distribution issues will be centralized through new warehouse in Unguja and Sub ware house in Pemba Island for Pemba facilities.</p>	<p>PR, CMS</p> <p>PR, CMS</p> <p>PR, CMS</p>	<p>December, 2012</p> <p>Oct, 2012</p> <p>March, 2013</p> <p>March, 2013</p>

Audit of Global Fund Grants to Zanzibar

Section	Recommendation	Response and Action Plan		Responsible Parties	Due Date
		Global Fund Secretariat (Responsible for ensuring that the recommendation is implemented)	Country Coordinating Mechanism and Principal Recipients (Responsible for the actual implementation of the recommendation)		
	new warehouse; and (d) Maintain a proper filing system, e.g., using product movement sheets, to track and account for all products issued for distribution. The filing system adopted should allow for full reconciliation at the central level (CMS).		d)Through trained staff, PR is planning to train more staff to manage inventory, filling system for full reconciliation	PR, CMS	
	Recommendation 7 (Critical) The PR should ensure that: (a) In the medium term, the ZFDB carries out its role to quality assure pharmaceutical products. In the short term, options such as the Tanzania Food and Drug Authority and Ifakara Laboratories on the Tanzania mainland should be considered for quality assurance services; and	Agreed. Please refer to the Secretariat's comments for Recommendation 5 (Critical) above.	ZFDB will ensure that Medicines circulating in the market of Zanzibar are safe, efficacious and of acceptable standards.	ZFDB,CMS&T FDA	Dec 2012

Audit of Global Fund Grants to Zanzibar

Section	Recommendation	Response and Action Plan		Responsible Parties	Due Date
		Global Fund Secretariat (Responsible for ensuring that the recommendation is implemented)	Country Coordinating Mechanism and Principal Recipients (Responsible for the actual implementation of the recommendation)		
	(b) Batch tracking of all medicines and other health products is instituted.				
	<p>Recommendation 8 (Important)</p> <p>The PR should ensure that:</p> <p>(a) Provisions of the grant agreement for procurement of commodities are adhered to. Exceptions should be approved by the Global Fund before commitments are made;</p> <p>(b) The technical specifications and descriptions of the health commodities are sufficiently general to allow all suppliers who meet Global Fund requirements to participate in tenders; and</p> <p>(c) Procurement orders made take into account available</p>	<p>Agreed. The Secretariat will follow up through active grant management and report to the OIG periodically as per the mutually agreed timelines.</p>	<p>Noted action will be taken in the future procurements</p>	<p>PR</p>	<p>June, 2012</p>

Audit of Global Fund Grants to Zanzibar

Section	Recommendation	Response and Action Plan		Responsible Parties	Due Date
		Global Fund Secretariat (Responsible for ensuring that the recommendation is implemented)	Country Coordinating Mechanism and Principal Recipients (Responsible for the actual implementation of the recommendation)		
	stock and pipeline orders, if any.				
	<p>Recommendation 9 (Critical) The PR should ensure that:</p> <p>(a) Procurement planning and contract management responsibilities for the programs, PMU and CMS are clearly defined;</p> <p>(b) Supplier agreements specify procurement needs with clearly defined timelines;</p> <p>(c) Payment terms are better negotiated, e.g., avoiding, as far as possible, making 100% advance payments, renegotiating service charges and</p> <p>(d) Advances paid to procurement agencies are monitored with verification</p>	<p>Agreed. The Secretariat will follow up through active grant management and will adjust the scope of work of the LFA to ensure compliance.</p>	<p>The concern raised has been noted, PR will make sure that in the future there is full involvement of the legal Unit within the Ministry of health in preparing and signing of any contractual legal documents with suppliers, individuals, entities etc dealing with procurement ; and inclusion of obligations in the Agreement for the two parties shall take consideration of all aspects of arbitration as governed by the Laws of Zanzibar</p>	PR, MoH	June, 2013

Audit of Global Fund Grants to Zanzibar

Section	Recommendation	Response and Action Plan		Responsible Parties	Due Date
		Global Fund Secretariat (Responsible for ensuring that the recommendation is implemented)	Country Coordinating Mechanism and Principal Recipients (Responsible for the actual implementation of the recommendation)		
	carried out for all deliveries (quantity and quality as per specifications) prior to acceptance by the PR.				
	<p>Recommendation 10 (Critical)</p> <p>The PR should ensure that:</p> <p>(a) Logisticians are trained to have in-house capacity to conduct accurate quantification of health commodities and facilitate the implementation of the pull system under the Integrated Logistics System across Zanzibar;</p> <p>(b) Capacity building support focuses on the forecasting, quantification, storage and distribution activities for all health commodities; and</p> <p>(c) Long term capacity</p>	<p>There was a Condition Precedent under Phase 1 of Round 8 malaria grant to hire a Logistic Officer. To date the PR was unable to hire a qualified Logistic Officer and the CP will be carried forward to Phase 2. The position is being funded by the USG.</p>	<p>Based on the assessment done by different partners among the gap identified is human resources capacity within Central Medical Store Department, hence MOH has received technical assistance from USG Supported Partners regarding strengthen Health Commodity Supply Chain Management System. In doing that MOH is expecting to work in close collaboration with partners to ensure that the capacity of CMS is strengthened. In addition to that, ZACP is in the process to recruit a logistic expert who will oversee health products and commodities not only HIV related but also for TB and Malaria</p>	PR, CMS	June, 2013

Audit of Global Fund Grants to Zanzibar

Section	Recommendation	Response and Action Plan		Responsible Parties	Due Date
		Global Fund Secretariat (Responsible for ensuring that the recommendation is implemented)	Country Coordinating Mechanism and Principal Recipients (Responsible for the actual implementation of the recommendation)		
	building partnerships/programs rather than short term technical assistance engagements are sought.		program		
	<p>Recommendation 11 (Critical)</p> <p>The PR should ensure that:</p> <p>(a) The MOU clause requiring a minimum remaining shelf life of 80% for all drugs and reagents procured is enforced;</p> <p>(b) A stock ledger that tracks supplies received and issued including their value (cost) and remaining shelf life is established;</p> <p>(c) The First Expiring First Out (FEFO) system is applied consistently and regular assessments of remaining commodities are</p>	<p>Agreed. The LFA will be tasked during the regular, planned procurement review to verify that the recommendation has been followed.</p>	<p>In consistence with above management response, MOH with partners agreed in several key area of collaboration that include activities of Warehousing and distribution, Information management Systems, supply management chain ,human resource capacity building, supply planning, coordination and monitoring</p>	PR, CMS	June, 2013

Audit of Global Fund Grants to Zanzibar

Section	Recommendation	Response and Action Plan		Responsible Parties	Due Date
		Global Fund Secretariat (Responsible for ensuring that the recommendation is implemented)	Country Coordinating Mechanism and Principal Recipients (Responsible for the actual implementation of the recommendation)		
	<p>conducted to verify their validity for use; and</p> <p>(d) Usage of stock at health facility level is monitored and, where necessary, redistributed to other health facilities or the CMS.</p>				
	<p>Recommendation 12 (Critical)</p> <p>The PR should ensure that:</p> <p>(a) The grant start up and closure process is properly managed to minimize the risk of misuse of grant funds; and</p> <p>(b) Accounting records are updated to reflect the actual position for the grants.</p>	<p>Agreed and will be followed up by the Secretariat for all pending grant closures.</p>	<p>a) PR will ensure that grant start up and closure adheres to the Global Fund regulations and requirements</p> <p>b) PR will update accounting records accordingly</p>	PR, ZGFCCM	March, 2013
Financial Management and Controls	<p>Recommendation 13 (Important)</p> <p>The PR should ensure that:</p> <p>(a) Budget monitoring reports</p>	<p>Agreed. The Country Team will work with the PR to clarify what is expected from this</p>	<p>a) PR concur with the recommendations, budget control will be closely monitored in order</p>	PR	March, 2013

Audit of Global Fund Grants to Zanzibar

Section	Recommendation	Response and Action Plan		Responsible Parties	Due Date
		Global Fund Secretariat (Responsible for ensuring that the recommendation is implemented)	Country Coordinating Mechanism and Principal Recipients (Responsible for the actual implementation of the recommendation)		
	<p>are prepared periodically and significant variances followed up;</p> <p>(b) Implementation of activities and expenditure for funds transferred to other units of the MOHSW, e.g., the College of Health Sciences are monitored; and</p> <p>(c) The HR budget is reviewed and revised in light of complementary resources.</p>	<p>recommendation both in terms of methodology, format, content and quality of reporting.</p>	<p>to reduce significant variances.</p> <p>b) PR will make close follow up on implementation of activities and expenditure of funds transferred to other units</p>		
	<p>Recommendation 14 (Critical)</p> <p>The PR should ensure that:</p> <p>(a) A petty cash book is introduced to record all cash withdrawals from the bank, payments and receipts. This should be balanced on a daily basis and undergo periodic spot</p>	<p>Agreed. The Secretariat will follow up through active grant management and report to the OIG periodically as per the mutually agreed timelines.</p>	<p>Noted with appreciation. In this respect more effort is required to strengthen the system since this is being implemented but not to the maximum satisfaction</p>	<p>PR</p>	<p>June, 2013</p>

Audit of Global Fund Grants to Zanzibar

Section	Recommendation	Response and Action Plan		Responsible Parties	Due Date
		Global Fund Secretariat (Responsible for ensuring that the recommendation is implemented)	Country Coordinating Mechanism and Principal Recipients (Responsible for the actual implementation of the recommendation)		
	<p>checks to ascertain that the recorded cash balance matches with the physical cash in the safe;</p> <p>(b) All cash advances are signed for by the receiving officer. These should be recorded as an advance against the receiving officer until proper accountability has been received;</p> <p>(c) Cash payments are minimized by identifying transactions that can be settled by check/bank transfer. For instance, all major supplies could be procured centrally through approved suppliers. This should include payment for training and other venues, to the extent practicable;</p> <p>(d) Supporting documents for</p>				

Audit of Global Fund Grants to Zanzibar

Section	Recommendation	Response and Action Plan		Responsible Parties	Due Date
		Global Fund Secretariat (Responsible for ensuring that the recommendation is implemented)	Country Coordinating Mechanism and Principal Recipients (Responsible for the actual implementation of the recommendation)		
	<p>expenditure are complete prior to approval of accountability; and</p> <p>(e) There is effective segregation of duties so as to mitigate the risk of error and/or fraud.</p>				
	<p>Recommendation 15 (Critical)</p> <p>The PR should ensure that:</p> <p>(a) Agreements are signed with the major fuel vendors used. The agreements should include clauses with respect to payment modalities (by check/bank transfer) and provision of monthly statements for fuel procured and issued to different vehicles. This should include fuel procurement at the Pemba sub-office; and</p>	<p>Agreed. The LFA will be tasked during the regular PUDR verifications to include this recommendation in their scope of work.</p>	<p>Information noted.</p> <p>a)The PR will strengthen this system as per the recommendation</p> <p>b)Logbooks will be maintained to track fuel consumption</p>	PR	March, 2013

Audit of Global Fund Grants to Zanzibar

Section	Recommendation	Response and Action Plan		Responsible Parties	Due Date
		Global Fund Secretariat (Responsible for ensuring that the recommendation is implemented)	Country Coordinating Mechanism and Principal Recipients (Responsible for the actual implementation of the recommendation)		
	(b) Vehicle log books are maintained to track fuel consumption by purpose/activity supported.				
	<p>Recommendation 16 (Important)</p> <p>The PR should ensure that:</p> <p>(a) Books of accounts are maintained in the main spending currency (Tanzania Shillings) and translated into USD at an actual or average rate as defined in the Global Fund Guidelines for reporting purposes; and</p> <p>(b) The exchange loss, as currently reflected, is corrected.</p>	<p>Agreed. The LFA will be tasked during the regular PUDR verifications to include this recommendation in their scope of work.</p>	<p>PR concurs with the recommendation. However, the observations were the results of guidance by LFA to PR</p>	<p>PR</p>	<p>March, 2013</p>

Audit of Global Fund Grants to Zanzibar

Section	Recommendation	Response and Action Plan		Responsible Parties	Due Date
		Global Fund Secretariat (Responsible for ensuring that the recommendation is implemented)	Country Coordinating Mechanism and Principal Recipients (Responsible for the actual implementation of the recommendation)		
	<p>Recommendation 17 (Critical)</p> <p>The PR should ensure that:</p> <p>(a) Payments to staff are in accordance with established policy guidelines;</p> <p>(b) A top up allowance policy is established and submitted to the ZGFCCM for approval. This should specify the rates to be paid and the specific positions entitled to the top-up allowances; and</p> <p>(c) Top-up and other allowances are paid through employees' bank accounts to reduce cash payments and provide a better audit trail for payments made.</p>	<p>Agreed. The LFA will be tasked during the regular PUDR verifications to include this recommendation in their scope of work.</p> <p>The Secretariat will follow up with the ZGFCCM the resolution regarding the allowance and top-up policy.</p>	<p>a&b) Payment of staff including top up allowances are in line with the government/Ministry's guidelines</p> <p>c) PR concur with the recommendations and in the future will pay top-up and other allowances through employees' bank accounts</p>	<p>PR</p>	<p>March, 2013</p>

Audit of Global Fund Grants to Zanzibar

Section	Recommendation	Response and Action Plan		Responsible Parties	Due Date
		Global Fund Secretariat (Responsible for ensuring that the recommendation is implemented)	Country Coordinating Mechanism and Principal Recipients (Responsible for the actual implementation of the recommendation)		
	<p>Recommendation 18 (Critical)</p> <p>(a) The PR should ensure that all payments are properly justified and within the approved workplan and budget; and</p> <p>(b) The Global Fund Secretariat should assess the ineligible and undocumented amounts listed in Tables A and B and seek refund where deemed appropriate.</p>	<p>Agreed. The LFA will be tasked during the regular PUDR verifications to include this recommendation in their scope of work.</p>	<p>a) All payments have been made in line with budget breakdown, qualifications, national DSA/professional fees and expertise and within the approved budget and work plan</p> <p>b) PR will communicate with SR to verify expenditure of USD 2,166 and 2,013 as this was not reported by the auditors to the PR during the auditing period⁷</p>	PR	March, 2013
Program Review: The Malaria Program	<p>Recommendation 19 (Important)</p> <p>The PR should implement a system:</p> <p>(a) Of external quality</p>	<p>Agreed. This recommendation will be operationalized during the upcoming Phase 2 grant</p>	<p>a) Diagnostic Unit of ZMCP through Zanzibar Malaria Reference Laboratory (ZMRL)</p>	PR	July, 2013

⁷ The amounts had not been initially reported during the debriefs. They are based on additional information provided by the SRs at the end of the field visit, which needed further review. On review, these were considered ineligible and unsupported, respectively. Detailed analyses of these transactions have subsequently been provided to the PR for follow-up.

Audit of Global Fund Grants to Zanzibar

Section	Recommendation	Response and Action Plan		Responsible Parties	Due Date
		Global Fund Secretariat (Responsible for ensuring that the recommendation is implemented)	Country Coordinating Mechanism and Principal Recipients (Responsible for the actual implementation of the recommendation)		
	<p>assurance whereby laboratories receive pre-confirmed slides from the Central Lab and are asked to verify both positive and negative slides; and</p> <p>(b) To periodically countercheck the mRDT results against microscopy results and, considering the low test positivity rates, ensure that health workers are regularly trained to recognize positive results.</p>	negotiations.	<p>has already reviewed its supervisory checklist which adopted from Malaria Diagnostic Testing Operational Manual of WHO. In the new Checklist for supervision of laboratories performing malaria testing precise number of reference slides (preconfirmed) provided by validator (ZMRL) and read by individual microscopists in the laboratory presence in the day of visit has been concerned.</p> <p>b) mRDT results countercheck against microscopy results was not exist but The PR will strengthen this system as per the recommendation</p>		
	<p>Recommendation 20 (Important) The PR should ensure that: (a) As Zanzibar moves from control toward elimination, there is a more proactive case detection activity, e.g. by using a detailed</p>	<p>Agreed. This will be followed up through active grant management.</p>	<p>In May 2011, the PR has piloted the Pro-Active Detection as choice of intervention based on the current malaria transmission. In August 2012, the Malaria Case Notification has been introduced that allows investigating all</p>	PR	On-going

Audit of Global Fund Grants to Zanzibar

Section	Recommendation	Response and Action Plan		Responsible Parties	Due Date
		Global Fund Secretariat (Responsible for ensuring that the recommendation is implemented)	Country Coordinating Mechanism and Principal Recipients (Responsible for the actual implementation of the recommendation)		
	<p>Geographical Information System, which would survey all grouped cases and facilitate early intervention; and</p> <p>(b) High-risk malaria zones are identified for vector control as well as for potential outbreak intervention (mapping). Contingency plans (e.g., cleaning campaigns, treatment of mosquito breeding grounds) need to be developed and implemented in concert with the affected communities.</p>		<p>individual malaria case reported through Passive detection. The objective of this investigation is pro-detect all/asymptomatic cases available in the community. During field visit, information on household characteristics such as # of residents, net availability and usage and Geographic coordinates to facilitate the stratification and mapping. The next step will include high risk areas identification and development of contingency plans to accommodate the need.</p>		
Program Review: The HIV/AIDS Program	<p>Recommendation 21 (Important) The PR should: (a) Revise the national HIV testing guidelines to</p>	<p>The current grant comes to an end on 30 November 2012. The Secretariat will follow up with the</p>	<p>PR concurs with the recommendation though most of the recommendations have been</p>	PR	Implemented

Audit of Global Fund Grants to Zanzibar

Section	Recommendation	Response and Action Plan		Responsible Parties	Due Date
		Global Fund Secretariat (Responsible for ensuring that the recommendation is implemented)	Country Coordinating Mechanism and Principal Recipients (Responsible for the actual implementation of the recommendation)		
	<p>include pediatric HIV, VCT and key populations;</p> <p>(b) Advocate for the respect and confidentiality of HIV patients at the counseling and testing centers. Health care workers should be trained and sensitized on patient (PLHIV) rights; and</p> <p>(c) Explore possibilities of replicating good practices in other health facilities, e.g., the late afternoon clinic at the Mnazi Mmoja hospital which makes it easier for KP members to access health services.</p>	PR and partners.	addressed by the PR to a large extent in the current guideline. In addition, other issues like pediatric HIV have been covered in other guidelines, particularly, PMTCT and ART guidelines		
	<p>Recommendation 22 (Important) The PR should:</p> <p>(a) Strengthen linkages between RCH personnel and PLHIV, e.g., through joint training sessions to discuss the issue of access</p>	The current grant comes to an end on 30 November 2012. The Secretariat will follow up with the PR and partners.	PR concurs with the recommendation. Some of the actions have already been carried out for instance PR coordinate a quarterly meeting with CTC, RCH	PR	Implemented

Audit of Global Fund Grants to Zanzibar

Section	Recommendation	Response and Action Plan		Responsible Parties	Due Date
		Global Fund Secretariat (Responsible for ensuring that the recommendation is implemented)	Country Coordinating Mechanism and Principal Recipients (Responsible for the actual implementation of the recommendation)		
	to care for pregnant women and <i>(b)</i> Establish a peer support system across Zanzibar to ensure access to care for pregnant women who discover their seropositivity.		and PLHIV where different issues are discussed		
	<u>Recommendation 23 (Important)</u> The PR should involve KPs and organizations dealing with them, e.g., ZAPHA+ in the communication and development of strategies to ensure that their specific needs are addressed.	The current grant comes to an end on 30 November 2012. The Secretariat will follow up with the PR and partners.	PR concurs with recommendation. This has been implemented though need to be strengthened	PR	Implemented
	<u>Recommendation 24 (Important)</u> The PR should ensure that: <i>(a)</i> Test kits are regularly available so that all TB	This recommendation can and will be followed up as integral to Round 10 TB grant management.	PR concurs with the recommendation. However, most of the time lack of test kits is caused by a long process of	PR, PMU	On-going

Audit of Global Fund Grants to Zanzibar

Section	Recommendation	Response and Action Plan		Responsible Parties	Due Date
		Global Fund Secretariat (Responsible for ensuring that the recommendation is implemented)	Country Coordinating Mechanism and Principal Recipients (Responsible for the actual implementation of the recommendation)		
	<p>patients are tested for HIV. Considering the low number of patients, 100% testing should be an achievable goal;</p> <p>(b) HIV patients are screened for TB; and</p> <p>(c) Culture tests are done consistently for TB diagnosis and where there are confirmed cases people in close contact with the patients, such as the immediate family or surrounding community, are screened.</p>		<p>fulfilling procurement procedures. Nevertheless PR will strive to make sure that we avoid stock out of HIV kits</p>		