The Global Fund
To Fight AIDS, Tuberculosis and Malaria

Office of the Inspector General

Audit of Global Fund Grants to the Republic of the Congo

GF-OIG-13-009
8 May 2013

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A. EXECUTIVE SUMMARY

Audit was carried out in the last quarter of 2012

1. As part of its 2012 workplan, the Office of the Inspector General (OIG) carried out an audit of Global Fund grants to the Republic of the Congo from 05 November to 14 December 2012. A planning mission was conducted from 10 to 16 October 2012.

Five grants audited:
- USD 82.2 million approved
- USD 47.9 million disbursed

2. The audit covered five Global Fund grants to the Republic of the Congo,[1] totaling USD 82.2 million, of which USD 47.9 million had been disbursed at 31 October 2012.[2] The Principal Recipients audited were the Secrétariat exécutif permanent du Conseil national de lutte contre le VIH et le SIDA, the Ministry of Health and Population of the Republic of the Congo and the nongovernmental organization Médecins d'Afrique.

Audit did not cover one low risk PR

3. The audit did not cover the grant to the French Red Cross due to the small size and relatively low risk profile of the grant.[3]

A.1 Key Findings

Transition required to a more strategic public health approach for all disease programs:
- No integrated vector control for malaria
- No TB contact tracing or community involvement
- No HIV primary prevention

4. The Malaria Strategic Plan 2008-2012 of the Ministry of Health and Population had not been implemented as articulated in the Round 8 proposal and did not employ a comprehensive public health approach: the proposal approved by the Technical Review Panel and its implementation lacked an integrated vector control component to maximize the impact of grant funds.

5. The National Tuberculosis Program followed a standardized, clinical approach which provided reliable care and treatment to known patients. However, the disease was not addressed holistically: there was no tuberculosis contact tracing or community involvement, and there was little knowledge among service providers of multi-drug-resistant tuberculosis and HIV/tuberculosis co-infection.

6. For HIV, no activities for primary prevention or community action were included in the Global Fund grant after Round 5. There were weaknesses in the collection and reporting of patient data.

Lack of coordination between funders of medicines

7. Despite repeated attempts by the Global Fund Secretariat to gather these data, there was a lack of available information on the quantity of medicines purchased by Congolese Government. This has resulted in a lack of coordination between the relevant stakeholders which, when coupled with a lack of reliable consumption and distribution data at national level, has contributed to frequent stock-outs of medicines and diagnostic tests for all diseases.

Lack of quality assurance or pharmacovigilance activities

8. No quality control or pharmacovigilance activities were performed at any point in the health products supply chain in 2012. Pharmaceutical management tools used were inconsistent between programs, and the World Health Organization's Model Quality Assurance System interagency guidelines on good pharmaceutical

[1] Grants covered in this review were COG-506-G01-H, COG-810-G02-T, COG-810-G03-M, COG-810-G04-M and COG-911-G06-H.
[2] For the purpose of this report, all amounts have been translated from EUR to USD at the rate prevailing on 30 November 2012 (EUR 1 = USD 1. 29655).
[3] French Red Cross grant, COG-911-G05-H, committed: USD 2.3 million, disbursed: USD 1.4 million.

practices had not been implemented.[4]

Malaria diagnosed for most fevers

Stock-outs and inaccurate data

9. There is an absence of accurate data on prevalence and incidence in the Republic of the Congo. Malaria treatment is given for most fevers without testing; this has resulted in stock-outs of malaria medicines. There was a lack of awareness of therapeutic guidelines for uncomplicated malaria cases among prescribers and pharmacy managers, which may further compromise data quality and can lead to drug resistance.

Lack of transparency in non-health procurement

10. A lack of transparency in non-health procurement was noted, affecting USD 1.4 million[2] of expenses for the grants to the Conseil national and to the Ministry of Health and Population. The audit documented non-compliance with procurement procedures, the absence of an annual procurement plan, a lack of documentation of the selection processes and inconsistencies in record keeping related to procurement.

Improvement required in financial controls

11. There is scope for improvement in basic financial controls at all Principal Recipients audited, particularly concerning record keeping and accounting for expenses. The retention of supporting documentation for expenses was poor, particularly at Sub-recipient level.

USD 3.7 m in expenses without supporting documentation

12. This report includes a table in Annex 3 that documents expenses totaling USD 3.7 million[2] for which no supporting documents were available. The Global Fund Secretariat should determine what amounts should be recovered.

Eleven recommendations, two of which are critical to ensure impact

13. The OIG offers 11 recommendations, of which two are rated "Very High", requiring that urgent action is taken to ensure that the 2013-17 national malaria strategic plan incorporates measures to maximize impact, and to ensure better coordination on medicines purchases between key stakeholders.

14. All other recommendations have a "High" priority. The audit team worked closely with the Global Fund Secretariat in drafting and finalizing this report.

A.2 Conclusion

Significant control weaknesses in management of grants

15. The OIG concludes that the management and implementation of Global Fund grants in the Republic of the Congo is **not satisfactory**. This means that "Controls evaluated are not adequate, appropriate, or effective to provide reasonable assurance that risks are being managed and the Global Fund's strategic objectives should be met."

16. The issues identified around the procurement of non-health products have been referred to the OIG Investigations Unit for follow up.

A.3 Actions Subsequent to the Audit

Mitigating actions taken by key stakeholders

17. A number of actions have already been taken by the Global Fund Secretariat to address risks to the grant. These include:

- Provisions have been made in the 2013 LFA cost proposal to

[4] A Model Quality Assurance System: www.who.int/medicines/publications/ModelQualityAssurance.pdf.

ensure adequate focus on risk management, non-health procurement processes and Sub-recipient reviews;

- The Global Fund Secretariat has requested the submission of procurement plans for the two Round 9 HIV grants for the period up to the end of Phase 1;
- Recommendations from the draft audit report were taken into consideration during the grant renewal processes for the Round 8 TB grant and the two Round 8 malaria grants. This included a Board Condition in relation to the development of a national strategic plan for TB by December 2013 (Recommendation 5) as well as the inclusion of Conditions Precedent to strengthen financial controls for the TB program (Recommendation 11); and
- In-country discussions were held by the Global Fund Secretariat with various stakeholders to reflect on the preliminary findings of the OIG during country missions in December 2012 and January 2013.

B. MESSAGE FROM THE EXECUTIVE DIRECTOR OF THE GLOBAL FUND

The Global Fund
To Fight AIDS, Tuberculosis and Malaria

Mark Dybul, Executive Director

Mark.Dybul@theglobalfund.org
www.theglobalfund.org

T +41 58 791 1115
F +41 58 791 1701

Chemin de Blandonnet 8
1214 Vernier, Geneva
Switzerland

Our Ref: OED/MD/CK/DM/2013.05.08 Congo

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MESSAGE FROM THE EXECUTIVE DIRECTOR

I would like to thank the Office of the Inspector General for its thorough and insightful work on the audit of Global Fund grants to the Republic of Congo.

The audit, carried out from 5 November to 14 November 2012, covered five Global Fund grants totalling US$82.2 million, of which US$47.9 million had been disbursed by 31 October 2012. The Principal Recipients audited were the Secretariat Executif Permanent du Conseil national de lutte contre le VIH et le SIDA, the Ministry of Health and a non-governmental organization, Médecins d'Afrique.

The Officer of the Inspector General concluded that the management and implementation of Global Fund grants in the Republic of Congo is not satisfactory and that controls evaluated are not adequate, appropriate or effective to provide reasonable assurance that risks are being well managed.

The audit found expenses of US$3.7 million for which no supporting documents were available and has asked the Global Fund Secretariat to determine what amounts should be recovered.

The Ministry of Health's strategic plan for malaria had not been implemented as articulated in the Round 8 proposal and did not employ a comprehensive public health approach, the audit found. Malaria treatment is given for most fevers without testing, contributing to stock-outs for malaria medicines. An absence of accurate data on incidence and prevalence was also noted.

The national tuberculosis program provided reliable care to known patients but the audit found the disease was not being dealt with in a holistic way and there was little knowledge among service providers of multi-drug-resistant tuberculosis and HIV/tuberculosis co-infection.

The audit noted a lack of transparency in non-health procurement affecting US$1.4 million of expenses for grants to the Conseil national and the Ministry of Health. Non-compliance with procurement procedures was found, there was no annual procurement plan and documentation of selection processes was lacking. Inconsistencies were also found in record-keeping related to procurement.

The Office of the Inspector General made 11 recommendations, two of which are rated very high, calling for urgent action to be taken to ensure that the national strategic plan for malaria for 2013-17 incorporates measures to maximize impact and to ensure better coordination between key stakeholders in relation to purchases of medicines.

The Global Fund Secretariat has taken a number of steps to address risks to the grants that include making provisions in the 2012 Local Fund Agent cost proposal to ensure an adequate focus on risk management, non-health procurement processes and Sub-recipient reviews.

The Secretariat has also requested submission of procurement plans for the two Round 9 HIV grants for the period up to the end of phase 1 of the grants. Recommendations from the draft audit report were taken into account during the grant renewal processes for the Round 8 TB grant and the two Round 8 malaria grants. One of the actions currently under consideration by the Secretariat is to recommend to the Board a 'no-go' decision for Phase 2 of the Round 8 malaria grants.

The Secretariat has also held in-country discussions with various stakeholders in the Republic of Congo to reflect on the preliminary audit findings during country missions in December 2012 and January 2013.

Audits by the Office of the Inspector General are an essential form of quality control for the Global Fund. The Office of the Inspector General plays an indispensable role in helping us all achieve our mission of effectively investing the world's money to save lives.

Yours sincerely

C. AUDIT OBJECTIVES AND SCOPE

C.1 Audit Objectives

Audit assessed adequacy and effectiveness of controls

18. The objectives of this audit were to assess the adequacy and effectiveness of the controls in place to ensure:

- Value for money from funds spent;
- The achievement of programmatic objectives;
- Compliance with Global Fund grant agreements, policies and procedures, and with relevant laws and regulations;
- The safeguarding of grant assets against loss or misuse; and that
- Risks were effectively managed.

19. An important focus of this audit was to identify opportunities to strengthen grant management.

Multi-skilled team deployed in Brazzaville and on field visits

20. The OIG deployed a multi-skilled team comprising financial auditors, a public health specialist, and a procurement and supply management specialist. The team conducted visits to a sample of program sites in four regions of the Republic of the Congo: Plateau, Cuvette, Pointe-Noire and Brazzaville.

C.2 Audit Scope

Audit examined operations of main grant stakeholders

21. The audit focused on the operations of the Principal Recipients (PRs), a sample of Sub-recipients (SRs), the Country Coordinating Mechanism (CCM), the Local Fund Agent (LFA) and the Global Fund Secretariat.

22. The Principal Recipients audited were the Secrétariat exécutif permanent du Conseil national de lutte contre le VIH et le SIDA (SEP/CNLS), the Ministry of Health and Population of the Republic of the Congo (MOHP) and Médecins d'Afrique.

Five grants audited
- USD 47.9 million disbursed
- USD 82.2 million approved

23. The audit covered the following five Global Fund grants to the Republic of the Congo, totaling USD 82.2 million, of which USD 47.9 million had been disbursed at 31 October 2012.[5]

Principal Recipient	Round and Component	Grant Agreement	Amount Committed (USD)	Amount Disbursed (USD)
SEP/CNLS	Round 5 HIV	COG-506-G01-H	42,936,624	27,947,187
MOHP	Round 8 TB	COG-810-G02-T	2,657,526	1,063,046
	Round 8 Malaria	COG-810-G03-M	8,505,100	1,547,394
Médecins d'Afrique	Round 8 Malaria	COG-810-G04-M	18,851,688	12,612,786
SEP/CNLS	Round 9 HIV	COG-911-G06-H	9,201,495	4,746,824
		Total	**82,152,433**	**47,917,237**

French Red Cross grant was not audited

24. The audit did not cover the grant to the French Red Cross due to the small size and relatively low risk profile of the grant.[6]

[5] Amounts per the Global Fund website www.theglobalfund.org.
[6] French Red Cross grant, COG-911-G05-H, committed: USD 2.4 million; disbursed: USD 1.4 million.

25. The in-country stakeholders were notified of the audit on 07 September 2012. A planning mission was conducted from 10 to 16 October. The field work for the audit took place from 05 November to 14 December 2012. The report was sent for formal comments and management action on the 15 March 2013.

D. OVERVIEW

D.1 Background to the Grants

Country context:

- Government funds drug purchases
- Infrastructure inconsistent in rural areas
- Majority live in Brazzaville and Pointe-Noire
- "Lower middle income" per World Bank
- Politically and socially stable

26. The Congolese Government is active in the fight against AIDS, TB and Malaria (including financing the purchase of antiretrovirals (ARVs), anti-malarial drugs and anti-tuberculosis drugs), and declared 2012 as a "Year of Health". Although this has resulted in significant investments in health infrastructure, challenges remain. The following points are important to bear in mind when reading this report:

- Infrastructure in the Republic of the Congo is relatively poor, particularly in rural areas; the majority of the population lives in the main cities of Brazzaville and Pointe-Noire, often resulting in overcrowded urban health facilities;
- The Republic of the Congo is classified lower middle income by the World Bank;[7]
- Despite significant conflict since independence in 1960, the Republic of the Congo has experienced political and social stability over the past decade; and
- A number of key implementing partners and other key stakeholders, including WHO and UNAIDS, are based in the country.

D.2 Actions Subsequent to the Audit

Mitigating actions taken by Secretariat and in-country stakeholders

27. A summary of recommendations was provided to PRs and SRs at the time of the exit meeting in Brazzaville in December 2012 in order to facilitate timely implementation of the audit recommendations, with the understanding that a comprehensive report with recommendations would be issued in the near future.

28. A number of actions have already been taken by the Global Fund Secretariat to address risks to the grants. These include:

- Provisions have been made in the 2013 LFA cost proposal to ensure adequate focus on risk management, non-health procurement processes and Sub-recipient reviews;
- The Global Fund Secretariat has requested the submission of procurement plans for the two Round 9 HIV grants for the period up to the end of Phase 1;
- Recommendations from the draft audit report were taken into consideration during grant renewals processes for the Round 8 TB grant and the two Round 8 malaria grants. This included a Board Condition in relation to the development of a national strategic plan for TB by December 2013 (Recommendation 5) as well as the inclusion of Conditions Precedent to strengthen financial controls for the TB

[7] http://data.worldbank.org/about/country-classifications/country-and-lending-groups#Lower_middle_income.

program (Recommendation 11); and

- In-country discussions were held by the Global Fund Secretariat with various stakeholders to reflect on the preliminary findings of the OIG, during country missions in December 2012 and January 2013.

E. GOVERNANCE AND OVERSIGHT

Major Improvement Needed	There is a need to improve governance and oversight, particularly around enhancing the make-up of the CCM's Oversight Committee and improving the management of conflict of interest.

CCM oversees the grant funded programs

LFA verifies grant program implementation

29. As part of the Global Fund grant architecture, a Country Coordinating Mechanism (CCM) oversees the Global Fund-supported programs and a Local Fund Agent (LFA) verifies grant program implementation for the Global Fund Secretariat; these oversight measures are critical to good fiduciary and program management.

E.1 Country Coordinating Mechanism

30. The CCM is a country-level public-private partnership that coordinates the development of grant proposals based on national priorities and needs, and nominates and monitors appropriate organizations to act as PR for Global Fund grant programs.

E.1.1 Governance

Oversight Committee lacks independence and subject matter experts

31. The CCM for the Republic of the Congo has established an Oversight Committee to follow the implementation of the grants more closely. However, there was a lack of independent members and technical experts on the committee.[8] Despite the presence of a conflict of interest policy, declarations were not routinely disclosed or discussed by the Oversight Committee or the CCM.

Recommendation 1 (High)
The Country Coordinating Mechanism should engage technical assistance (e.g., from Grant Management Support) to enhance the membership of the Oversight Committee with appropriate independent expertise. In addition there is a need to improve the management of (potential) conflict of interest by ensuring that declarations are routinely disclosed and discussed.

E.1.2 Oversight

32. The audit team reviewed the mechanisms used by the CCM and its Oversight Committee to oversee grant implementation. Although improvements have been made (including the introduction of a "dashboard" in August 2011), the review team noted a number of areas for improvement:

CCM could make better use of management information and assurance

- There was a lack of effective management information to monitor grant outcomes and bottlenecks, which would ensure that critical issues were escalated and to anticipate and prevent future problems; and
- The CCM did not review the internal and external audit reports of the PRs, and did not provide feedback to the PRs for future work.

33. The CCM was not able to produce background documentation

[8] Half of the members of the Oversight Committee were Sub-recipients.

to support the selection of PRs for the Round 8 TB and Malaria grants.

E.2 Local Fund Agent

34. The LFA is designed to be the 'eyes and ears' of the Global Fund in country. It plays a crucial role in assessing the PR both before grant signing and at other key stages during grant implementation, providing ongoing independent oversight of grant recipients and carrying out programmatic and financial data verification.

LFA should adopt a more proactive, risk-based approach

35. PricewaterhouseCoopers has provided LFA services to the grants in the Republic of the Congo since their inception. The audit found that the LFA should adopt a more proactive, risk-based approach to reviewing grant activities and expenses.

Recommendation 2 (High)
The Global Fund Secretariat should review the LFA's scope of work to ensure that key risk areas are adequately addressed going forward. This should include:

- *Focusing on non-health procurement processes;*
- *Continuing to refine the risk-based approach employed for reviewing expenses, including an increase in the scope of Sub-recipient reviews; and*
- *Ensuring the timely submission of reports to the Global Fund through early notification of delays and bottlenecks.*

F. PROGRAM IMPLEMENTATION

Major Improvement Needed	Both National HIV and TB Programs have performed adequately in terms of care and treatment; however, improvements are required in training and implementation for HIV/TB collaborative activities. There is a need to move to a more strategic public health approach (targeting key interventions and high risk populations) to maximize the impact on all diseases; this is particularly important for the malaria program, which should establish a 2013-17 National Strategic Plan to incorporate measures to maximize impact.

Audit focused on adequacy and effectiveness of key controls to maximize impact

36. The program audit focused on reviewing the adequacy and effectiveness of key controls in place to ensure that grants disbursed have maximized the impact on the three diseases. While the OIG did not perform a technical program evaluation, it reviewed the controls in place to ensure that programmatic objectives would be achieved.

F.1 Malaria Program

37. The audit covered two Round 8 Malaria grants totaling USD 27.4 million committed and USD 14.2 million disbursed as at 31 October 2012. The PRs for these grants were the Ministry of Health and Population for the Republic of the Congo and Médecins d'Afrique.

Malaria is biggest killer of children under five

38. According to the 2012 World Malaria Report, 100% of the Congolese population is considered at "high risk" of contracting malaria.[9] Although there was a lack of reliable data, malaria is considered the biggest killer of children under five in the Republic of the Congo, and accounts for over one quarter of all infant deaths.[10]

F.1.1 Lack of Integrated Public Health Approach

Malaria program lacks integrated public health approach

39. According to the World Health Organization, "Malaria control requires an integrated approach, including prevention (primarily vector control) and prompt treatment with effective antimalarials".[11] The 2008-2012 National Strategic Plan of the Ministry of Health and Population had not been implemented as articulated in the Round 8 proposal and did not employ an integrated, strategic public health approach. The proposal then approved by the Global Fund's Technical Review Panel lacked an integrated vector control component to maximize the impact of grant funds on the fight against the disease.

No program implementation by MOHP to date

40. The grant managed by the Ministry of Health and Population was signed on 14 April 2010 and officially started on 1 January 2011; however, at the time of the audit, the grant recipients had not implemented the program activities in the workplan.

LLIN distribution by Medicins d'Afrique was inconsistent, and

41. Although there was a mass distribution of LLINs by Médecins d'Afrique in 2012, it was not carried out effectively, which led to

[9] *http://www.who.int/malaria/publications/world_malaria_report_2012/en/index.html*
[10] Republic of the Congo Health profile, *www.who.int/gho/countries/cog.pdf*
[11] WHO Guidelines for the treatment of malaria, 2nd edition.
http://whqlibdoc.who.int/publications/2010/9789241547925_eng.pdf

no follow-up activities conducted

insufficient quantities of LLINs, delays in distribution and poor coverage. In addition, the mass distribution was not accompanied by routine distribution of LLINs to vulnerable populations and did not include community activities for behavior change.

Recommendation 3 (Very High)
The National Malaria Control Program should work with technical partners to establish a National Strategic Plan for 2013-2017 to incorporate strategic measures to maximize impact (e.g., this should include an integrated vector control component, community awareness and the targeting of vulnerable populations).

F.1.2 Diagnosis and Treatment

Malaria is diagnosed for most fevers without testing, resulting in stock-outs

42. In the Republic of the Congo, malaria is diagnosed for most fevers clinically, i.e., without testing through thick blood smear or a rapid diagnostic test (RDT); this has resulted in stock-outs and inaccurate data on prevalence, and may lead to drug resistance. A recent study estimated that under similar circumstances around 60% of drugs are wasted.[12]

Recommendation 4 (High)
The Principal Recipient should scale up testing prior to malaria treatment, e.g., through staff training and supportive supervision, in order to bring it in line with WHO treatment guidelines.

F.2 Tuberculosis Program

TB prevalence is high in region

43. The audit covered the Round 8 grant to the Ministry of Health and Population totaling USD 2.7 million committed and USD 1.1 million disbursed. Tuberculosis prevalence in the Republic of the Congo is high compared to other countries in Central Africa, with 473 cases per 100,000 people.[13]

F.2.1 Greater Focus Required on Prevention Activities

Well-equipped centers and well-trained clinicians

Insufficient approach to treatment and prevention:

- No follow-up of contact cases
- DOT not consistent
- Lack of MDR-TB training

44. The treatment centers visited were well-equipped, and clinicians were well-trained. The National TB Program followed a standardized clinical approach, which provided reliable care and treatment to known patients. However, this has resulted in a clinical approach to tackling the disease, rather than a comprehensive public health approach that includes prevention, as well as care and treatment. In particular:

- Follow-up of TB contact cases was not practiced at all in the Republic of the Congo;
- Directly Observed Treatment (DOT) was followed in TB treatment centers but not in communities; and
- The National TB Program did not have an Multi-drug resistant tuberculosis (MDR-TB) component and thus no training for MDR-TB diagnosis and treatment had been conducted;

[12] E. Bissagnené, et al., *Approche actuelle du diagnostic et du traitement du Paludisme*, UFR des Sciences Médicales, Université de Cocody, Côte d'Ivoire.
[13] WHO Global tuberculosis report 2012, http://www.who.int/tb/publications/global_report/gtbr12_annex4.pdf

- Lack of HIV rapid diagnostic tests
- No quality control for sputum slides

- 31% of TB patients in the Republic of the Congo are co-infected with HIV;[14] however, there was a lack of HIV rapid diagnostic tests in TB facilities. Only 20% of patients tested had their test results properly recorded; and
- There was no laboratory quality control over sputum slides in 2012.

Recommendation 5 (High)
The National TB Program should work with technical partners to review and revise the National Strategic TB Plan for 2013-17 to incorporate measures to maximize impact. This should include:

- *Contact tracing and community involvement;*
- *MDR-TB activities including training in the diagnosis and treatment of MDR-TB patients;*
- *Defined quality control activities for sputum slides; and*
- *Joint activities with the National HIV Program to implement and scale up HIV/TB collaboration.*[15]

F.3 HIV Program

45. According to UNAIDS, the number of people living with HIV in the Republic of the Congo has steadily increased since 1990 and is currently estimated at around 83,000.[16] The PR for the Round 9 HIV program is the Conseil national de lutte contre le Sida (the overall grant is shared with the French Red Cross, which was not covered in this audit).

Treatment personnel and facilities are well distributed

Program generally followed national guidelines and protocols

46. Treatment personnel and facilities were distributed appropriately across the country, and clinical staff were well-trained. The program generally adhered to national guidelines and protocols. We surveyed six HIV care and treatment centers and found trained doctors who followed national guidelines and were able to discuss treatment alternatives and the role of second-line regimens. HIV nurses had good knowledge of the disease and took an active role in treatment.

F.3.1 Program Coverage

Lack of strategic interventions:

- TB/HIV co-infection not well managed
- No planned PMTCT activities after Round 5
- PMTCT efforts severely hampered by shortage of tests

47. The HIV program has, however, been hampered by the lack of strategic interventions to maximize the impact of grant funds on the disease. In particular:

- TB/HIV co-infection was not well understood or prioritized by clinicians, and there was a lack of coordination between the two programs;
- There were no planned activities for primary prevention (including PMTCT) or community mobilization after Round 5; and
- PMTCT efforts had been severely hampered by the shortage of RDTs and lack of prevention activities. There was no planned activity for primary prevention of HIV and

[14] *WHO Global Tuberculosis Report 2012*, http://www.who.int/tb/publications/global_report/en/index.html
[15] This should include the 12 components of the WHO policy on collaborative TB/HIV activities http://whqlibdoc.who.int/publications/2012/9789241503006_eng.pdf.
[16] http://www.unaids.org/en/regionscountries/countries/congo/.

community activities in the Round 9 grant.

Recommendation 6 (High)
The Principal Recipients should work with the National HIV Program and technical partners to ensure that strategic interventions are implemented to maximize the impact of grant funds on the disease burden; in particular, this should include PMTCT activities, community mobilization and work with the National TB program to implement and scale up HIV/TB collaborative activities. This may require a proactive approach to solicit additional funding to support this.[15]

F.3.2 Patient Data

Quality and completeness of patient files inconsistent

48. The quality and completeness of patient files was inconsistent; this was largely due to doctors not completing records for patients whose clinical course they were well-acquainted with. The two patient registers[17] were not harmonized and therefore meaningful analysis was difficult and could not be performed efficiently.

Risk of double counting patients

49. There is a risk that patients are double counted due to the lack of a satisfactory unique patient identification system. There was no clear definition of patients that had defaulted on their treatment, or those that were lost to follow-up; this has resulted in further inaccuracies and inconsistencies within the number of patients under care and treatment (the active file).

Audit of patient files commissioned for early 2013

50. Although not performed at the date of the review, an independent audit of the active patient file in the Republic of the Congo led by the National HIV program was performed in February 2013.

Recommendation 7 (High)
The National HIV Program should work with partners to improve data collection and reporting for HIV patients by:

- *Harmonizing patient records, registries and databases (Santia and ESOPE) to ensure that stored data can be merged to facilitate analysis;*
- *Clearly defining "treatment defaulters" and patients lost to follow-up, and communicating these definitions to relevant stakeholders; and*
- *Completing its audit of the active patient files to determine the actual number of patients receiving ARVs.*

[17] "Santia" is used by Red Cross centers (Pointe-Noire and Brazzaville) and "ESOPE" in rural areas.

G .PROCUREMENT AND SUPPLY MANAGEMENT

Not Satisfactory	Weaknesses in health procurement and supply chain management were noted in all PRs audited. Improvement is required on quality assurance, drug supply and compliance with national rules and the WHO's Model Quality Assurance System.[4] The coordination of procurement between the Global Fund and government requires significant improvement. For non-health procurement, controls evaluated were not adequate, appropriate, or effective, and could expose the grants to the risk of fraud and corruption.

G.1 Health Procurement

Audit reviewed health and non-health procurement

51. The audit included a review of the internal controls in place in relation to health and non-health purchases, and the supply and distribution of health commodities funded by the Global Fund.

VPP for ARVs and LLINs

52. In 2010, Voluntary Pooled Procurement was introduced for ARVs and LLINs for the Republic of the Congo grants. In addition, a number of encouraging practices were noted during the review of health product procurement, including:

Good practices noted included government financed medicines purchases and clean, organized pharmacies

- Strong government support for medicines purchases which, combined with technical assistance on medicines quantification, could lead to improvements over time;
- All products purchased and used were WHO-prequalified; and
- Pharmacies visited were generally clean, organized and well-secured.

G.1.1 Quantification and Forecasting

No adequate national drug management system

53. There was no adequate national drug management system in place in the Republic of the Congo.

No reliable information regarding government-funded medicines

54. The Congolese Government provided much-needed medicines to the effort to fight the three diseases (Global Fund grants in the period under review only financed the purchase of ARVs). However, despite repeated requests from the Global Fund Secretariat, no reliable information regarding the quantity of these medicines was made available. In addition, the government-funded drug procurements did not involve all relevant stakeholders (including the Global Fund, development partners and the Central Medical Stores), making it impossible to coordinate activities to ensure an accurate and uninterrupted supply of health products.

Shortcomings in the "push" and "pull" systems led to stock-outs and irrational use

55. The National HIV and TB Programs used a procurement pull system, based on the demand for medicines at health facilities. The availability of drugs for both programs was better in Pointe-Noire and Brazzaville than in remote areas where there had been delays in transmitting data and distributing orders.[18]

[18] During visits to health facilities, we noted that TB medicines availability in central medical stores (COMEG), Brazzaville and Pointe Noire was 83%, with levels lower in rural areas (HB Gambona – 50%, HB Oyo – 67%, CSI Owando 2 – 50%).

56. The National Malaria Program, which used a push system not related to demand, had even lower availability of medicines in both regional and urban centers.[19] The Directorate of Pharmacy in the Ministry of Health and Population defined the quantities of drugs to distribute; however, this was done entirely without input from the National Malaria Program.

Frequent stock-out of all medicines

57. Frequent stock-outs of all medicines (ACTs, anti-TB drugs and ARVs) were noted during the audit. Medicine and RDT availability rates (the number of medicines available in pharmacies during our audit compared to the amount that should be available for optimal healthcare in compliance with national therapeutic guidelines) were as follows:

HIV		TB		Uncomplicated malaria		IPT[20]	Severe malaria
ARV	RDT	Anti-TB	RDT	ACT	RDT	Sulfadoxine/ Pyrimethamine	Injectable quinine
42%	83%	69%	58%	48%	0%	83%	0%

58. It was difficult to quantify the extent of past drug shortages due to an absence, or incompleteness, of stock cards (see below). The main pediatric anti-TB drug[21] and injectable quinine had been out of stock since the beginning of 2012 and there had been frequent shortages of RDTs and pediatric formulas for both Artemether-Lumefantrine (Coartem) and Amodiaquine-Artesunate.

Expired pharmaceutical products

59. The programs had experienced a number of problems with expired pharmaceutical products, which has contributed to stock-outs; in particular:

- Large quantities of ARVs and TB drugs (the latter not funded by the Global Fund) had expired during 2012 and had been destroyed;[22] and
- Half of the six centers visited during the review had expired HIV RDTs in stock.

Recommendation 8 (Very High)

The Principal Recipients should work with the National Programs and WHO to establish a "Medicines Committee". This committee should oversee the establishment of a national quantification and forecasting process and ensure coordination between the government, Global Fund-supported programs, implementing partners and the Central Medical Stores. The committee should facilitate the sharing of consumption, distribution and morbidity data, and support efforts to conduct joint forecasting and procurement planning. The terms of reference for the Committee

[19] During visits to health facilities, we noted ACT availability as follows: CSI Plateau des 15 ans Brazzaville (56%), CSI Tenrikyo Brazzaville (33%), CAT Myou-Myou Pointe-Noire (33%), CSI Gamboma 3 Plateaux (67%), CSI PMAE Oyo Curvette (67%) and CSI Ownado 2 Curvette (33%).
[20] Intermittent preventive treatment for malaria.
[21] RH 60/30.
[22] 13,320 tablets of RH 60/30, 191,520 tablets of RHE (both anti-TB medicines) and 24,000 tablets of 3TC/NVP/D4T; 30/50/6 (ARVs).

should be shared with the Global Fund.

G.1.2 Rational Use

Drug shortages led prescribers to adapt dosages

60. Frequent drug shortages have led to irregularities around rational use for all diseases, but particularly for malaria. For example, when medicines were not available, prescribers and pharmacy managers adapt different dosages to achieve target prescriptions. This can lead to drug wastage and the administration of imprecise dosages, particularly for infants.

Treatment guidelines not well understood or followed

61. National Therapeutic Guidelines for uncomplicated malaria (both first-line and second-line treatment) were not well understood by prescribers, which impacted the quality of advice given to patients. Even where known, therapeutic guidelines could not always be followed due to the frequent shortages of drugs which led to improvised dosages.[23]

G.1.3 Quality Control and Assurance Systems

No quality control activities conducted

62. No quality control activities had been conducted since the beginning of the grant. The WHO's Model Quality Assurance System (MQAS) interagency guidelines on good pharmaceutical practices (relating to storage, distribution, documentation and monitoring) have not been implemented, and are not monitored in the pharmaceutical supply chain.[24]

Pharmaceutical management tools did not facilitate data analysis

63. Pharmaceutical management tools were inconsistent between programs and did not facilitate efficient analysis of national drug data; in particular:

- Of the six health facilities reviewed during field visits, 67% did not use stock cards for managing ACTs, 33% for anti-tuberculosis medicines and 17% for ARVs;
- Even when used, stock cards were not adequately completed;
- Models of stock cards differed between programs, making data sharing and analysis difficult; and
- Few pharmacy managers kept registers for incoming health products.

No pharmacovigilance activities performed

64. No pharmacovigilance activities were performed for any of the programs; therefore there is a risk that the short-term and long-term effects of drugs are not well understood.

Recommendation 9 (High):
The Principal Recipients, in collaboration with National Programs and other relevant stakeholders, should develop a costed plan to assure the quality of health products at all levels in the supply chain. This should include harmonized pharmaceutical management tools and procedures for supervision, a risk-based control plan, training, and the establishment of pilot sites to collect pharmacovigilance data, in line with the principles set out in the interagency guidelines (MQAS).[25]

[23] For example, where there is a shortage of Artesunate/Amodiaquine, prescribers would dispense Artemether/Lumefantrine if in stock.
[24] A Model Quality Assurance System, www.who.int/medicines/publications/ModelQualityAssurance.pdf.
[25] http://www.theglobalfund.org/en/procurement/quality/.

G.2 Non-Health Procurement

54% of total non-health procurements tested

65. As part of the procurement review, the audit team tested 71 procurement contracts valued at approximately USD 7.1 million. This represented 54% of the documented total procurement for the period under review and 15% of disbursements to all PRs as at 31 October 2012. The total tested included procurement for infrastructure and other equipment (e.g., medical equipment and non-pharmaceutical health products and services).

Procurement weaknesses include lack of proposal evaluation and high advance payments

66. There was significant scope for improvement in the overall management of procurement among all PRs, with the following documented weaknesses:

- No adequate annual procurement plan;
- Non-compliance with procurement procedures, including no documented analysis and evaluation of proposals at SEP/CNLS and MOHP;
- Lack of a documented selection process;
- Inconsistencies in procurement record-keeping;
- Lack of comprehensive monitoring of contract performance; and
- High advance payments.

Lack of transparency in non-heath procurements for USD 1.4 million of expenses

67. The issues noted above led to a lack of competition and transparency in non-health procurement totaling USD 1.4 million for the grants to SEP/CNLS (USD 1.2 million) and the MOHP (USD 200,000). They were referred to the OIG Investigations Unit.

Recommendation 10 (High)
The Principal Recipients should implement effective and transparent procurement, using an annual procurement plan, consistent monitoring of contract performance and improved record keeping.

H. GRANT MANAGEMENT

Major Improvement Needed	Significant weaknesses in financial controls, particularly at Sub-recipient level, have led to high levels of undocumented expenses.

H.1 Financial Controls

Lack of supporting documents for:

- USD 1.0 m in PR expenses
- USD 2.7 m in SR expenses

68. The audit team reviewed the financial controls in place to give the Global Fund assurance on expenditure.

69. The audit team found significant weaknesses around document retention: no supporting documents were available for expenses totaling USD 1.0 million incurred by the PRs. At SEP/CNLS specifically, SR expenditures amounting to USD 2.65 million (see Annex 3) were not documented (approximately 25% of the expenditure sample tested lacked documentation).[26]

70. Further details of these expenses, including a breakdown of expenses by PR, can be found in Annex 3.

Scope for improvement in financial management

71. The audit found that there was significant scope for improvement in the financial management of all PRs including:

- Financial procedures in place were inadequate and not applied consistently;
- Expenses were not allocated automatically in the accounting software; although the result was not material, it meant that expenses were misclassified;
- Programs assets were not clearly identifiable and not adequately secured;
- Facilities for archiving documents and IT records were not adequate; and
- Documents used for justifying expenses were not stamped 'PAID' and did not indicate the relevant project code, meaning that documents could be presented for payment more than once.

Lack of SR oversight or monitoring

72. The audit also found areas for improvement in the management of SRs. In particular, there was a lack of systematic oversight and monitoring of SRs at SEP/CNLS.

Recommendation 11 (High)
The Principal Recipients should develop and implement budgeted action plans specifying steps to build capacity to improve financial controls, specifically around retention of supporting documentation (particularly at SR level), compliance with financial procedures and asset management. The Global Fund Secretariat should regularly monitor the implementation of these action plans. The Global Fund Secretariat should determine whether the amounts documented in Annex 3 should be recovered.

[26] These amounts and percentages constitute documented audit findings; they are not extrapolations.

ANNEXES

ANNEX 1: Abbreviations

AIDS	Acquired Immune Deficiency Syndrome
ARV	Antiretroviral medication
CCM	Country Coordinating Mechanism
CSI	Centre de Santé Intégré (Health Centre)
DOT	Directly Observed Treatment
HIV	Human Immunodeficiency Virus
LFA	Local Fund Agent
IPT	Intermittent Preventive Treatment (for Malaria)
HB	Hôpital de Base (Basic Hospital)
LLIN	Long-Lasting Insecticide-treated Nets
MDR-TB	Multi-drug Resistant Tuberculosis
MOHP	The Ministry of Health and Population
MQAS	Model Quality Assurance System
PR	Principal Recipient
PSM	Procurement and Supply Management
OIG	Office of the Inspector General
RDT	Rapid Diagnostic Test
SEP/CNLS	Secrétariat exécutif permanent du Conseil national de lutte contre le VIH et le SIDA
SR	Sub-recipient
TB	Tuberculosis
WHO	World Health Organization

Annex 2: Classification of Audit Findings and Recommendations

Rating of Functional Areas: Each functional area reviewed (e.g., financial management) is rated as follows:

Effective	Controls evaluated were adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and the Global Fund's strategic objectives should be met.
Some Improvement Needed	Some specific control weaknesses were noted; generally however, controls evaluated were adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and the Global Fund's strategic objectives should be met.
Major Improvement Needed	Numerous control weaknesses were noted. Controls evaluated are unlikely to provide reasonable assurance that risks are being managed and the Global Fund's strategic objectives should be met.
Not Satisfactory	Controls evaluated are not adequate, appropriate, or effective to provide reasonable assurance that risks are being managed and the Global Fund's strategic objectives should be met.
Critical	An absence of or fundamental weakness in one or more key controls, or a serious non-compliance. Non-mitigation will jeopardize the achievement of the Global Fund's strategic objectives. It requires urgent attention.

Implementation and Prioritization of Audit Recommendations: The implementation of all audit recommendations is essential in mitigating risk and strengthening the internal control environment in which the programs operate. While the CCM and the recipients of grants bear the responsibility to implement specific recommendations, it is the responsibility of the Global Fund Secretariat to ensure that this takes place as part of their mandate to manage grants effectively. Audit recommendations are prioritized as follows to assist management in deciding on the order in which recommendations should be implemented:

Very High	An absence of or fundamental weakness in a key control, or a serious non-compliance. Non-mitigation will jeopardize the achievement of the objectives of the Global Fund. It requires urgent attention.
High	A key control evaluated was not adequate, appropriate, or effective. It is unlikely that the control will manage risk and meet objectives. It requires immediate attention.
Medium	A specific key control weakness was noted. It is possible that this control will not manage risk and meet objectives. It requires attention within a reasonable period.
Low	A specific control weakness was noted in a non-critical area that, if left unattended, will not manage risk and meet objectives. It requires attention in the medium term.

Letter to Management: The implementation of all audit recommendations would significantly mitigate the risks and strengthen the internal control environment in which the programs operate. Audit findings classified 'Medium' and 'Low' have been reported separately in a Letter to Management. When such isolated findings in aggregate constitute a significant risk, this is mentioned in the report and in our conclusion. Though these findings and recommendations do not necessarily warrant immediate action, they represent specific key control weaknesses which should be addressed in a reasonable time period. If these deficiencies are not addressed, risks will not be managed appropriately.

ANNEX 3: Summary of Undocumented Expenses

Expense type	Principal Recipient	Amounts in USD[27]					
		Médecins d'Afrique Round 8	MOHP (TB) Round 8	MOHP (Malaria) Round 8	SEP/CNLS Round 5	SEP/CNLS Round 9	TOTAL
Inadequate documentation	*Absence of justification for PR expenses*	273,718	3,617	6,087	507,264	215,876	1,006,562
	Absence of justification for SR expenses	0	0	0	2,649,686	0	2,649,686
TOTAL		**273,718**	**3,617**	**6,087**	**3,156,950**	**215,876**	**3,656,248**

[27] *Transactions have been translated into USD where necessary.*

Annex 4: 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)	Due Date	Country Coordinating Mechanism, Principal Recipients and Local Fund Agent (Responsible for the actual implementation of the recommendation)		
Governance and Oversight	***Recommendation 1 (High)*** *The Country Coordinating Mechanism should engage technical assistance (e.g., from Grant Management Support) to enhance the membership of the Oversight Committee with appropriate independent expertise. In addition there is a need to improve the management of (potential) conflict of interest by ensuring that declarations are routinely disclosed and discussed.*	The Global Fund Secretariat endorses this recommendation and will: 1. Request the CCM to develop terms of reference in relation to a request for technical assistance and share the document with the Global Fund Secretariat for review; and 2. Review the CCM conflict of interest policy and declaration form and share its comments with the CCM.	 May 2013 May 2013	The CCM will: 1. Prepare a request for technical assistance through the 5% Initiative of the French Government; and 2. Develop conflict of interest declarations to be signed by CCM members.	 CCM CCM	 May 2013 May 2013
	Recommendation 2 (High) *The Global Fund Secretariat should review the LFA's scope of work to ensure that key risk areas are adequately addressed going forward. This should include:* • *Focusing on non-health procurement processes;* • *Continuing to refine the*	The Global Fund Secretariat endorses this recommendation and has made provisions in the 2013 LFA cost proposal to ensure adequate focus on risk management, non-health procurement processes and Sub-Recipient reviews. The Global Fund will follow up with the LFA through the	Continuous (action will be largely completed by Dec 2013)	LFA response: The LFA's review approach is risk based. The LFA demonstrated to the OIG team leader during a discussion/clarification meeting on November 11, 2012, how the LFA's database is organized (by grant and by cost category). The LFA also demonstrated how the scoping of the activities to be reviewed by the LFA is determined and	LFA	Continuous (action largely completed by Dec 2013)

Section	Recommendation	Response and Action Plan			Responsible Parties	Due Date
		Global Fund Secretariat (Responsible for ensuring that the recommendation is implemented)	**Due Date**	**Country Coordinating Mechanism, Principal Recipients and Local Fund Agent (Responsible for the actual implementation of the recommendation)**		
	risk-based approach employed for reviewing expenses, including an increase in the scope of Sub-Recipients reviews; and • *Ensuring the timely submission of reports to the Global Fund through early notification of delays and bottlenecks.*	Performance Evaluation Tool and other feedback mechanisms to ensure timely submission of reports and early notification of delays and bottlenecks.		documented during LFA planning meetings prior to every PUDR review. However, the LFA recognizes the need to review the approach year on year in order to ensure that it remains very risk focused based on the LFA's latest risk assessment of the country and the grants. With regards to the recommendations, the review of sub-recipients has been included in the 2013 budget. Finally, the LFA had introduced in 2012 a weekly activity schedule, on which all outstanding deliverables to the Global Fund are reported with expected submission dates. Any anticipated changes are adequately communicated to the Global Fund Secretariat.		
Program Implementa-tion	***Recommendation 3 (Very High)*** *The National Malaria Control Program should work with technical partners to establish a National Strategic Plan for 2013-2017 to incorporate strategic measures to*	On 22 February 2013, the Grant Renewals Panel issued a no-go intent for the two Round 8 malaria grants to the Republic of the Congo. The CCM is due to submit a response to the Panel's concerns, which will be		The National Malaria Strategic Plan for 2013-2017 is currently being developed and takes into consideration the recommendations of the OIG.	PNLP	December 2013

Section	Recommendation	Response and Action Plan			Responsible Parties	Due Date
		Global Fund Secretariat (Responsible for ensuring that the recommendation is implemented)	**Due Date**	**Country Coordinating Mechanism, Principal Recipients and Local Fund Agent (Responsible for the actual implementation of the recommendation)**		
	maximize impact (e.g., this should include an integrated vector control component, community awareness and the targeting of vulnerable populations).	reviewed by the Grant Approvals Committee (GAC) on 1 May 2013. During this meeting the GAC will make a recommendation to the Global Fund Board with regards to the Phase 2 for these two grants. The final decision of the Global Fund Board is expected by 20 May 2013. Regardless of the decision of the Global Fund Board, the Global Fund Secretariat will continue to work with partners and the government to facilitate the establishment of a national strategic plan for 2013 -2017, as far as possible, for a successful application for malaria via the New Funding Model.	At the time of NFM application			
	Recommendation 4 (High) *The Principal Recipient should scale up testing prior to malaria treatment, e.g., through staff training and supportive supervision, in*	On 22 February 2013, the Grant Renewals Panel issued a no-go intent for the two Round 8 malaria grants to the Republic of the Congo. The CCM is due to submit a response to the Panel's		The transition to the application of the new guidelines of WHO concerning malaria case management is in process. As part of the transition, case management and training manuals are	PNLP	Continuous

Section	Recommendation	Response and Action Plan			Responsible Parties	Due Date
		Global Fund Secretariat (Responsible for ensuring that the recommendation is implemented)	**Due Date**	**Country Coordinating Mechanism, Principal Recipients and Local Fund Agent (Responsible for the actual implementation of the recommendation)**		
	order to bring it in line with WHO treatment guidelines.	concerns, which will be reviewed by the Grant Approvals Committee (GAC) on 1 May 2013. During this meeting the GAC will make a recommendation to the Global Fund Board with regards to the Phase 2 for these two grants. The final decision of the Global Fund Board is expected by 20 May 2013. Regardless of the decision of the Global Fund Board, the Global Fund Secretariat will continue to work with partners and the government to facilitate, as far as relevant, a successful application for malaria via the New Funding Model.	At the time of NFM application	available. The training of 20 trainers and 450 health workers has been performed. The PNLP is planning to further roll out the training of health workers with the aim of covering the whole country.		
	Recommendation 5 (High) *The National TB Program should work with technical partners, to review and revise the National Strategic TB Plan for 2013-17 to incorporate measures to maximize impact.*	The Global Fund Secretariat endorses this recommendation and has made the establishment of a National Strategic TB Plan for 2013-17 a Board Condition to the release of funding for years 2 and 3 of		The PNLT is committed to : 1. Strengthen the documentation of contact tracing; 2. Establish a system for MDR-TB diagnosis and ensure	PNLT	December 2013

Section	Recommendation	Response and Action Plan			Responsible Parties	Due Date
		Global Fund Secretariat (Responsible for ensuring that the recommendation is implemented)	**Due Date**	**Country Coordinating Mechanism, Principal Recipients and Local Fund Agent (Responsible for the actual implementation of the recommendation)**		
	This should include: • *Contact tracing and community involvement;* • *MDR-TB activities including training in the diagnosis and treatment of MDR-TB patients;* • *Defined quality control activities for sputum slides; and* • *Joint activities with the National HIV Program to implement and scale up HIV/TB collaboration.*	Phase 2 of the Round 8 TB grant. While this recommendation was already taken into consideration by the Global Fund Secretariat during the renewals process of the Round 8 TB grant, during Phase 2 grant negotiation, the Secretariat will further explore possibilities for allocating funding to the gaps identified by the OIG, within the boundaries of the funding envelope for this grant. The Global Fund Secretariat will continue to work with partners and the government to facilitate the establishment of a national strategic plan for 2013 -2017, as far as possible, for a successful application for TB via the New Funding Model.	July 2013 At the time of NFM application	training of health workers in MDR-TB; 3. Establish an Expert Committee on the management of MDR-TB; 4. Scale up quality control for sputum slides. 5. Strengthen the collaboration between the PNLS and the PNLT. 6. Improve staff capacities Organize joint supervision missions.		
	Recommendation 6 (High) *The Principal Recipients should work with the National*	The Global Fund Secretariat endorses this recommendation and will explore possibilities for	During Phase 2 negotiation (action will	The Round 9 HIV program focusses on the prevention of HIV among youth in and out of school settings. Other Service		

Section	Recommendation	Response and Action Plan			Responsible Parties	Due Date
		Global Fund Secretariat (Responsible for ensuring that the recommendation is implemented)	Due Date	Country Coordinating Mechanism, Principal Recipients and Local Fund Agent (Responsible for the actual implementation of the recommendation)		
	HIV Program and technical partners to ensure that strategic interventions are implemented to maximize the impact of grant funds on the disease burden; in particular, this should include PMTCT activities, community mobilization and work with the National TB program to implement and scale up HIV/TB collaborative activities. This may require a proactive approach to solicit additional funding to support this.	reprogramming the Round 9 HIV grants during the Phase 2 renewals process scheduled for May 2013, within the boundaries of the funding envelopes for these grants, with the aim of incorporating measures to ensure the scale up of PMTCT, community mobilization and HIV/TB collaborative activities. The Global Fund Secretariat will continue to work with partners and the government to facilitate, as far as relevant, a successful application for HIV via the New Funding Model.	be largely completed by Dec 2013) At the time of NFM application	Delivery Areas such as PMTCT and community mobilization were covered through the Round 5 HIV grant and the World Bank Program. In anticipation of the closure of these two programs the CCM submitted a Round 10 HIV proposal focused essentially on PMTCT, which was not approved by the TRP. The Round 5 HIV Program and the World Bank Program are currently being closed and government funding is insufficient to optimally target most at risk populations. Following the results of a recent study on MSM, this group has been targeted in the Phase 2 Request for Renewal of the Round 9 HIV Program. With regards to PMTCT, primary prevention is considered one of the essential pillars in the fight against HIV. The Republic of the Congo adheres to the objective of zero new infections. The Country		

Section	Recommendation	Response and Action Plan			Responsible Parties	Due Date
		Global Fund Secretariat (Responsible for ensuring that the recommendation is implemented)	**Due Date**	**Country Coordinating Mechanism, Principal Recipients and Local Fund Agent (Responsible for the actual implementation of the recommendation)**		
				has recently developed a plan for the elimination of mother to child transmission, which was validated in October 2012 and covers the period 2012 - 2016. The PNLS and PNLT will strengthen their collaboration, improve staff capacities and organize joint supervision missions.	SEP/CNLS & PNLS	May 2013
	Recommendation 7 (High) *The National HIV program should work with partners to improve data collection and reporting for HIV patients by:* • *Harmonizing patient records, registries and databases (Santia and ESOPE) to ensure that stored data can be merged to facilitate analysis;* • *Clearly defining "treatment defaulters" and patients lost to follow-up, and communicating these definitions to relevant stakeholders; and* • *Completing its audit of the*	The Global Fund Secretariat endorses this recommendation and will make the following activities a priory for Phase 2 for the Round 9 HIV program: 1. Assess the feasibility of harmonizing patient records registries and databases (Santia and ESOPE) and prioritize actions to support this process within the boundaries of the Phase 2 budget; 2. Follow up with relevant actors to ensure that	July 2013	The National HIV/AIDS Program, with support of the World Bank and the Global Fund, is providing training to health workers since November 2012, which will allow addressing the issues identified by the OIG. The audit of the active patient file performed in February 2013 highlighted the fact that the integration of patient records between Santia and ESOPE is possible. The definition of patients lost to follow up is clearly defined	PNLS	Continuous

Section	Recommendation	Response and Action Plan			Responsible Parties	Due Date
		Global Fund Secretariat (Responsible for ensuring that the recommendation is implemented)	**Due Date**	**Country Coordinating Mechanism, Principal Recipients and Local Fund Agent (Responsible for the actual implementation of the recommendation)**		
	active patient files to determine the actual number of patients receiving ARVs.	"treatment defaulters" and patients lost to follow-up are adequately defined, and that definitions are shared with relevant stakeholders; and 3. Monitor the finalization of the audit of the active patient file.		in the manual on completion of the pre-ART and ART registers. The audit of the file active was conducted in February 2013. Once the report is finalized it will be publically made available.	SEP/CNLS	April 2013
Procurement and Supply Management	**Recommendation 8 (Very High)** The Principal Recipients should work with the National Programs and WHO to establish a "Medicines Committee". This committee should oversee the establishment of a national quantification and forecasting process and ensure coordination between the government, Global Fund-supported programs, implementing partners and the Central Medical Stores. The committee should facilitate the sharing of consumption, distribution and morbidity data, and support efforts to conduct joint forecasting and	The Global Fund Secretariat supports the establishment of the "Medicines Committee" and will assess the possibility for supporting technical assistance to strengthen capacities in this area. Relevant conditions will be included in Global Fund Grant Agreements to ensure compliance with this recommendation.	July 2013	The Ministry of Health and Population will be responsible for the establishment of a "Medicines Committee" in accordance with the recommendations of the OIG.	Ministry of Health and Population	July 2013

Section	Recommendation	Response and Action Plan			Responsible Parties	Due Date
		Global Fund Secretariat (Responsible for ensuring that the recommendation is implemented)	Due Date	Country Coordinating Mechanism, Principal Recipients and Local Fund Agent (Responsible for the actual implementation of the recommendation)		
	procurement planning. The terms of reference for the Committee should be shared with the Global Fund.					
	Recommendation 9 (High) *The Principal Recipients, in collaboration with National Programs and other relevant stakeholders, should develop a costed plan to assure the quality of health products at all levels in the supply chain. This should include harmonized pharmaceutical management tools and procedures for supervision, a risk-based control plan, training, and the establishment of pilot sites to collect pharmacovigilance data, in line with the principles set out in the interagency guidelines (MQAS).*	The Global Fund Secretariat endorses this recommendation and will assess the possibility for supporting technical assistance to strengthen capacities in this area. Relevant conditions will be included in Global Fund Grant Agreements to ensure compliance with this recommendation.	December 2013	The Ministry of Health and Population will be responsible for the following activities: • Harmonization of pharmaceutical management tools; • Strengthen the capacity of pharmacists; • Strengthen supervision. The "Medicines Committee" will be charged with the formalization of a system for pharmacovigilance.	Ministry of Health and Population Ministry of Health and Population	December 2013 Continuous
	Recommendation 10 (High) *The Principal Recipients should implement effective and transparent procurement,*	The Global Fund Secretariat endorses this recommendation and has undertaken the following actions:		PRs are currently in the process of reviewing and revising their Procedures Manuals to ensure alignment with the recommendations of	All PRs	July 2013

Section	Recommendation	Response and Action Plan			Responsible Parties	Due Date
		Global Fund Secretariat (Responsible for ensuring that the recommendation is implemented)	**Due Date**	**Country Coordinating Mechanism, Principal Recipients and Local Fund Agent (Responsible for the actual implementation of the recommendation)**		
	using an annual procurement plan, consistent monitoring of contract performance and improved record keeping.	1. Provisions have been made in the 2013 LFA cost proposal for the review of non-health procurement processes; 2. Procurement plans were requested for the two Round 9 HIV grants for the period covering up to the end of Phase 1. Going forward, the Global Fund Secretariat will: 1. Continue to request PRs to submit and implement annual procurement plans; 2. Review the revised PR Procedures Manuals, in light of the findings of the OIG; 3. Review a sample of non-health procurements for compliance with the revised PR Procedures Manuals; and	 Yearly July 2013 Continuous (action will be largely completed by Dec 2013)	the OIG.		

Section	Recommendation	Response and Action Plan			Responsible Parties	Due Date
		Global Fund Secretariat (Responsible for ensuring that the recommendation is implemented)	**Due Date**	**Country Coordinating Mechanism, Principal Recipients and Local Fund Agent (Responsible for the actual implementation of the recommendation)**		
		4. Explore the need and possibility of outsourcing third party procurement for certain types of non-health products.	December 2013			
Grant Management	***Recommendation 11 (High)*** *The Principal Recipients should develop and implement budgeted action plans specifying steps to build capacity to improve financial controls, specifically around retention of supporting documentation (particularly at Sub-Recipient level), compliance with financial procedures and asset management. The Global Fund Secretariat should regularly monitor the implementation of these action plans. The Global Fund Secretariat should determine whether the amounts documented in Annex 3 should be recovered.*	The Global Fund Secretariat endorses this recommendation and will: 1. Review the additional supporting documentation to be provided by the CCM and assess the amount to be recovered, in accordance with Global Fund procedures; 2. Review the revised PR Procedures Manuals, in light of the findings of the OIG; 3. Review a sample of SR expenditures, on site, as part of the six monthly LFA review of the Progress Update and Disbursement Requests; 4. Explore the need for	Within 1 month after the OIG report is issued. July 2013 Continuous December	PRs are currently in the process of reviewing and revising their Procedures Manuals to ensure alignment with the recommendations of the OIG. For SEP/CNLS multiple SRs did not provide supporting documents for certain expenditures for the following reasons: (1) the audit of the SRs was conducted in Brazzaville and not in the provinces. SRs came to Brazzaville with the supporting documents in relation to their expenditures; however supporting documents from SSRs were not brought to Brazzaville. (2) The auditors did not allow the SRs to go back and collect the supporting documents at SSR level. In all	All PRs	July 2013

Section	Recommendation	Response and Action Plan			Responsible Parties	Due Date
		Global Fund Secretariat (Responsible for ensuring that the recommendation is implemented)	Due Date	Country Coordinating Mechanism, Principal Recipients and Local Fund Agent (Responsible for the actual implementation of the recommendation)		
		engaging a fiscal agent.	2013	cases, these documents are available. After the audit, SEP/CNLS has taken measures to recuperate the supporting documents from all SRs audited and their SSRs. These documents will be made available to the Global Fund Secretariat.		