



THE OFFICE OF THE INSPECTOR GENERAL

The Global Fund to Fight AIDS, Tuberculosis and Malaria

Audit of Global Fund Grants to the Republic of Namibia

Annexes

GF-OIG-11-006
2 October 2012

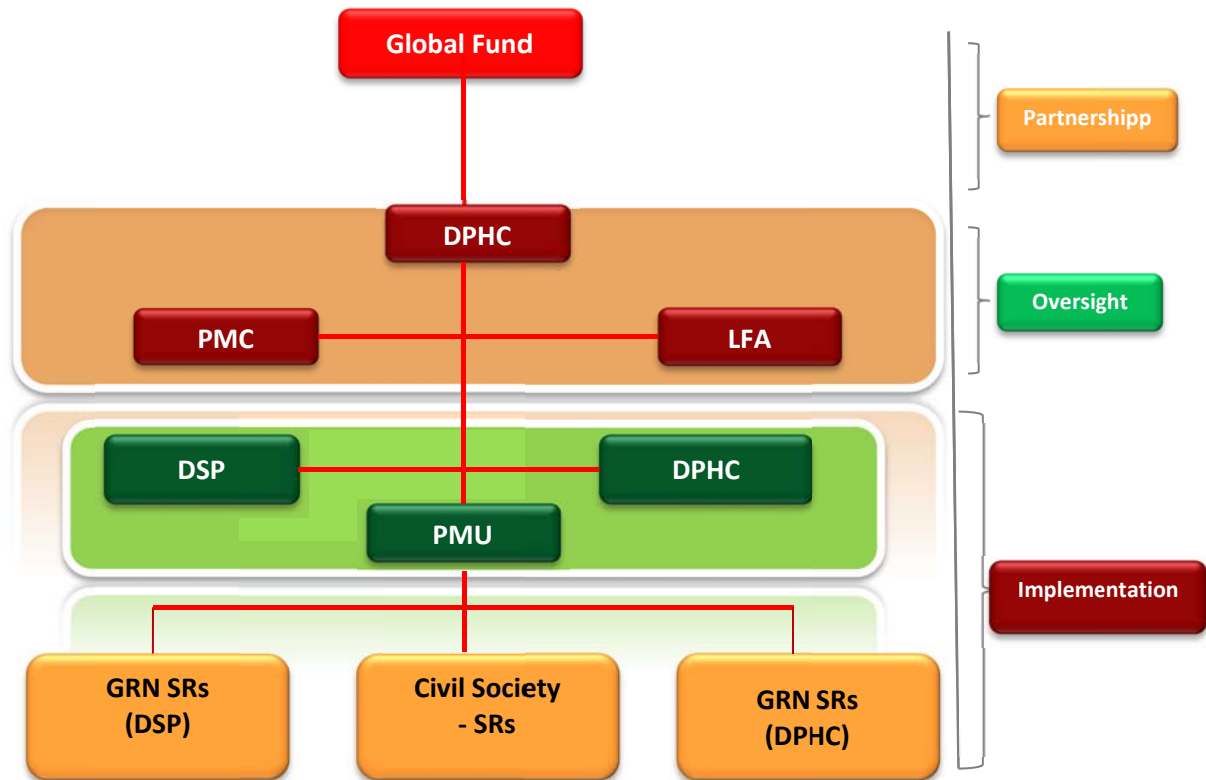
ANNEX 1: ABBREVIATIONS

ACT	Artemisinin Combination Therapy
AIDS	Acquired Immune Deficiency Syndrome
ART	Antiretroviral Therapy
ARV	Antiretroviral
BCC	Behavior Change Communication
CAA	Catholic AIDS Actions
CBO	Community-Based Organization
CCM	Country Coordinating Mechanism
CCN	Council of Churches in Namibia
CMS	Central Medical Stores
CPs	Conditions Precedent
CSO	Civil Society Organization
DAPP	Development Aid from People to People
DDT	Dichlorodiphenyltrichloroethane
DOTS	Directly Observed Treatment – Short course
DPHC	Directorate of Primary Health Care
DSP	Directorate of Special Programs
EDT	Electronic Dispensing Tool
EPMS	Electronic Program Monitoring System
HAART	Highly Active Anti-Retroviral Therapy
HAMU	HIV/AIDS Management Unit at the Ministry of Education
HBC	Home-Based Care
HC	Health Centre
HCT	HIV Counseling and Testing
HF	Health Facility
HIV	Human Immunodeficiency Virus
HMIS	Health Management Information System
HPP	Humana People to People Movement
IEC	Information, Education, Communication
IMAI	Integrated Management of Adolescent and Adult Illness
IRS	Indoor Residual Spraying
KAP	Knowledge, Attitudes and Practices
KfW	Kreditanstalt für Wiederaufbau
LFA	Local Fund Agent
LLIN	Long-Lasting Insecticidal Net
M&E	Monitoring and Evaluation
MDR-TB	Multi-Drug Resistant TB
MIS	Malaria Indicator Survey
MOE	Ministry of Education
MOHSS	Ministry of Health and Social Services
MSH	Management Sciences for Health
MSMs	Men who have Sex with Men
NaCCATuM	Namibia Coordination Committee on HIV/AIDS, Tuberculosis and Malaria
NAEC	National Aids Executive Committee
NANASO	National Network of Aids Services Organizations
NASOMA	National Social Marketing Programme, Namibia
NEP+	Network of Networks of HIV Positives in Namibia
NGO	Non-governmental Organization
NIP	National Institute of Pathology
NMPC	National Medicines Policy Coordination
NMRC	Namibia Medicines Regulatory Council
NPPEC	Non-Pharmaceutical Product and Equipment Committee

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NSP	New Smear Positive
NTLP	National TB and Leprosy Program
NVDCP	National Vector-borne Disease Control Program
OSDV	On-Site Data Verification
OVC	Orphans and Vulnerable Children
PC & I	Pharmaceutical Control and Inspection
PCR	Polymerase Chain Reaction
PMTCT	Preventing Mother-to-Child Transmission
PMU	Program Management Unit
PR	Principal Recipient
QSL	Quality Surveillance Laboratory
PUDR	Progress Update and Disbursement Report
RCC	Rolling Continuation Channel
RDT	Rapid Diagnostic Test
SFH	Society for Family Health
SOP	Standard Operating Procedure
SR	Sub-Recipient
SSR	Sub-Sub-Recipient
STI	Sexually Transmitted Infection
TB	Tuberculosis
UNICEF	United Nations Children's Fund
VAT	Value Added Tax
VCT	Voluntary Counseling and Testing
WHO	World Health Organization

ANNEX 2: THE INSTITUTIONAL ARRANGEMENTS



The grants in Namibia were implemented by both government and civil society Sub-Recipients. The Principal Recipient’s Program Management Unit (PMU), in the Directorate of Special Programs (DSP), had the responsibility for day-to-day supervision of grants. The government SRs are departments within the Directorates of Special Programs (DSP) and Primary Health Care (DPHC). The CCM is known as the Namibia Coordination Committee on HIV/AIDS, Tuberculosis and Malaria (NaCCATuM). The Ministry of Health and Social Services established a Program Management Committee (PMU) to serve as the decision-making body for the PR.

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ANNEX 3: SUMMARY OF POTENTIALLY RECOVERABLE EXPENSES

The OIG has recommended the following amounts for refund:

PR	Sub-Recipient	Ineligible expenditure (USD)	Unsupported expenditure (USD)	Total (USD)
MOHSS	Catholic Aids Action	7,657	4,241	11,898
MOHSS	Namibian Red Cross Society	34,499	-	34,499
MOHSS	Ministry of Education	36,097	84,024	120,121
MOHSS	Development Aids from People to People (DAPP)	47,313	170,748	218,061
MOHSS	PMTCT- Ministry of Health	40,992	-	40,992
MOHSS	NVDCP – Ministry of Health	80,121	-	80,121
MOHSS	Society of Family Health	336,873	569,742	906,614
MOHSS	Council of Churches of Namibia	-	533,749	533,749
MOHSS	National Social Marketing Association	-	291,567	291,567
	Total	583,553	1,654,070	2,237,623

Amounts Recommended for Refund to the Global Fund (exchange rate applied is 6.5 Namibian dollars to 1 US dollar).

ANNEX 4: CCM'S RESPONSE TO THE RECOMMENDATIONS AND MANAGEMENT ACTION PLAN

Prioritization of recommendations

- **Critical:** Material concern, fundamental control weakness or non-compliance, which if not effectively managed, presents material risk and will be highly detrimental to the organization interests, significantly erode internal control, or jeopardize achievement of aims and objectives. It requires immediate attention by senior management;
- **Important:** There is a control weakness or non-compliance within the system, which presents a significant risk and management attention is required to remedy the situation within a reasonable period. If this is not managed, it could adversely affect the organization's interests, weaken internal control, or undermine achievement of aims and objectives;

Audit Area	Recommendation	Response and Action	Responsible Official	Date
Ministry of Health and Social Services	<i>Recommendation 1 (Critical)</i> <i>The Global Fund Secretariat should require the MOHSS to produce and commit to a plan for the restructuring and renovation of busy health facilities in order to reduce patient waiting times and ensure privacy during counseling and testing</i>	The program has a budget of US\$3,500,00.00 in RCC and plans are in place to commence the renovations process as soon as funds are available. To ensure access to care as well as privacy during counseling and testing the funds will cover renovation of 5 hospitals 13 clinics and 5 staff accommodation in regions. The process was delayed by the GF moratorium and delays in funds release. In addition, there is strong commitment from the Government of Namibia to restructure and renovate health facilities in order to reduce patients waiting times and ensure privacy of patients as indicated in the attached NPC Facilities Plan.	1.MoHSS: Directorate Policy Planning Human Resource Development Mr Mbeeli 2.Directorate Special Programmes/ Dr. Soroses	2012
	<i>Recommendation 2 (Important)</i> <i>The Global Fund Secretariat should ensure that:</i> a) <i>The National Institute of Pathology (NIP) increases the number of staff at remote locations to meet the demand for</i>	<ul style="list-style-type: none"> •(a) The PR will communicate to the national NIP office in writing to highlight the finding of the OIG at Nankudu NIP and to follow-up on the status of staff complement in August 2012. • (b) The PMTCT program started implementing a pilot of mother baby follow-up in 4 regions in 2010. The 4 pilots have been assessed during a regional review 		2012

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	<p><i>laboratory services and addresses delays in processing tests, and</i></p> <p><i>b) MOHSS acts upon the outcomes of the planned study to examine the causes for failure to follow-up mother-baby pairs.</i></p>	<p>meeting held in October 2011, with an intention of rolling out the mother baby follow-up system to the remaining 9 regions. Experience revealed that there is a need to pilot the tools for a brief period of 3 months before rolling out to the other 9 regions in 2013. (See attached Draft E-MTCT Namibia)</p>		
	<p>Recommendation 3 (Important) <i>The Global Fund Secretariat should require MOHSS to institute unique identifiers for patients to streamline management and follow-up for habitual defaulters and migrant clients.</i></p>	<ol style="list-style-type: none"> 1. All patients that are HIV positive are enrolled into care and provided with a unique number. 2. The use of unique identifiers will be enforced by ensuring that each HIV+ patient gets a patient care booklet which contains the unique number. All patients who are enrolled in HIV Care have a Unique ART Number. 3. Health workers were trained on how to complete both PRE and ART registers but continuous training is necessary. 4. MoHSS is currently investigating modalities for observational cohort study at 7 ART sites to assess predictors of and reasons for becoming LTFU in ART. The pilot will start in August 2012. 5. The E-PMS Guideline is attached) 	<p>Anna Jonas RME- DSP Dr. Gweshe</p>	<p>Phase 1- 2013</p>
	<p>Recommendation 4 (Important) <i>The Global Fund Secretariat should require MOHSS to institute active follow-up for all pre-ART clients regardless of CD4 count.</i></p>	<ol style="list-style-type: none"> 1. Strengthening documentation of Pre-ART client's follow-up visits and care provided in both the HIV care booklet and Pre-ART registers is being done. 2. MOHSS with technical support from PEPFAR/CDC planned to define and implement a Pre-ART model with the planning envisaged to start by Sept/Oct 2012 3. Designated, well-designed Pre-ART registers are available at all fully fledged ART and IMAI sites. 4. Accurate assessment of the clinical stage of each 	<p>Dr. J Gweshe and Ms Anna Jonas DSP Facility staff</p>	<p>1.Ongoin g</p> <p>2.Sept/O ct 2012</p> <p>3.Ongoin g</p>

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		<p>HIV patient at diagnosis and follow-up every 3-6 months is recommended and done as per national guidelines for ARV therapy.</p> <p>5. Through continuous supervision, monitoring and training, staff are being encouraged to do active follow up for Pre- ART patients</p>		4.Ongoing
	<p>Recommendation 5 (Important) <i>The Global Fund Secretariat should ensure that the National Training Centre intensifies training of HIV service delivery staff.</i></p>	<p>1. Scaling-up of trainings into Pre-service training curriculum including the medical school is ongoing for sustainability purpose.</p> <p>2. ART in-service trainings are decentralized to all 5 regional health training centres (RHTCs) with financial and technical support from DSP and PEPFAR/ ITECH. Currently RHTCs are conducting trainings in collaboration with regional health program officers (S/CHPAs).</p> <p>3. MOHSS in collaboration with PEPFAR/ I-TECH & other partners are conducting regular onsite mentoring and coaching of Health Care workers at ART/IMAI sites</p> <p>4. The trainings are co-funded with other donors resources for e.g. MOHSS and PEPFAR (The Approved training plan is attached)</p>	Ms A. Thobias	2013
	<p>Recommendation 6 (Critical) <i>The Global Fund Secretariat should discuss a revised timeline for the surveillance survey with the Directorate of Special Programs (DSP) and align dates in the special condition in the Grant agreement with those in the survey protocol, and also ensure that the DSP works with technical partners in deciding a method and a timeline for measuring baselines and setting targets for the</i></p>	<p>1. Formative Assessment conducted in early 2012 for Integrated Bio-behavioural surveillance survey (IBBSS). Field work to be implemented in Aug 2012. The study will inform targets for HIV prevalence among men having sex with men (MSM) as well as among female sex workers. Targets for HIV prevalence among prisoners will be based on the results from the HIV& other Communicable Diseases in Prison Assessment Report Findings which will be presented on 25th July 2012 by UNODC.</p> <p>2. Indicator #1.1 ("Number of people reached through HIV AIDS radio and TV programs") no longer active (Part</p>	Anna Jonas RME	2012

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	<i>relevant indicators.</i>	of the Performance framework. This has been replaced with % of persons 15-24 years with comprehensive knowledge of HIV and AIDS to be collected through DHS+ which will be conducted in 2013. (See attached documents)		
	Recommendation 7 (Critical) <i>Global Fund Secretariat should work with the PR's Directorate of Special Programs (DSP) to revise the baselines for the indicator "number of eligible HIV positive patients starting treatment of latent TB infection" in the performance framework to align with the national database</i>	The Baseline for INH preventive treatment should be 3383 for 2007. Source remains the Electronic Patient Monitoring System (ePMS).	Anna Jonas RME	On-going
	Recommendation 8 (Critical) <i>The Global Fund should ensure that the national program regularly reconciles EPMS data between national and regional/facility levels to ensure accuracy of reported data.</i>	Data validation between ePMS and pharmacy is being done on a quarterly basis. Joint quarterly supervisory visits to be conducted with facilities reporting a high variance in August/September 2012.	Anna Jonas RME	Ongoing
	Recommendation 9 (Critical) <i>The Global Fund Secretariat should ensure that Directorate of Special Programs conducts regular and frequent supervision of health facilities to verify reported data and provide feedback to providers on the quality of data.</i>	<ul style="list-style-type: none"> The programme is addressing the challenge of data quality through training of HIS officers who will ensure and check data quality before forwarding it to the next level. Training was conducted with HIS officers during May 2012, regional HIS officers are planning to conduct trainings for their respective districts and health facilities. Some of the regional trainings were already conducted. The HIS programme as an outcome/next steps of the May workshop is also required to conduct data validation and quality assessment at National, regional, district and facility level of already existing data of 2010/11 and 2011/12 and provide feedback by end of the year. (The 	Dr. Mavhunga Dr. Soroses Anna Jonas Dr.J.Gweshe	Ongoing

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		Draft E-MTCT is attached).		
	<p>Recommendation 10 (Critical) <i>The Global Fund Secretariat should ensure that the Directorate of Special Programs undertakes clinical supportive supervision and mentoring for both malaria-prone and risk-free areas to ensure diagnosis and treatment in accordance with the national guidelines. The PR should set a target and report internally on the number of supervision visits to be conducted.</i></p>	<p>The PR has noted the concern and is working according to the M&E plan 2010-2016 that clearly stated that supportive supervision will be conducted twice a year for both malaria prone & risk free areas. (Attach M&E Plan is attached).</p> <p>The programme had planned in the RCC for clinical mentors to support the regions but they were not recruited since the salary survey outcome was still pending. The PR will therefore recruit six (6) clinical mentors in the next two months.</p>	Dr. Uusiku	September to November 2012
	<p>Recommendation 11 (Important) <i>The Global Fund Secretariat should ensure that MOHSS strengthens the capacity of existing community level structures, including clinics, to conduct ongoing IEC and BCC for malaria prevention at household level. MOHSS should expedite the recruitment of key programmatic positions such as the IEC coordinator will ensure that this intervention receives strategic guidance.</i></p>	<p>The PR welcomes this recommendation as the programme has been motivating for recruitment of the IEC manager to the Global Fund with no success. If approved, the PR will recruit the IEC manager during phase II of the RCC grant, as planned, to coordinate the BCC/IEC activities as per BCC guidelines.</p>	Dr. Uusiku Global Fund	September 2012
	<p>Recommendation 12 (Important) <i>The Global Fund Secretariat should encourage the national program to expedite the development of a standardized reporting system</i></p>	<ul style="list-style-type: none"> The PR recognizes the concern stated in the audit report, in terms of the standardized BCC reporting systems, and acknowledges that it was planned for 2010-2011. However, this delay was due to lack of capacity in the programme as the PR was unable to bring on board the IEC manager to deal with this technical aspect. Upon 	Dr. Uusiku Global Fund	September 2012

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	<i>across all partners for the BCC intervention.</i>	the approval and recruitment of the IEC manager, the standardized BCC reporting system will be put in place in consultation with all partners. Development of standardized tools: to be finalized in September 2012		
	Recommendation 13 (Important) <i>The Global Fund Secretariat should require the MOHSS to clarify how it will staff TB field promoters before the Health Extension Program is fully implemented.</i>	The Ministry of Health and Social Services is spearheading the development of a Sustainability Strategy for donor funded programmes, with a particular focus on HIV, TB and Malaria programmes. It is anticipated that this strategy will provide guidance on the sustainable funding options for the programme, including TB field promoters	Dr. Mavhunga	Ongoing
	Recommendation 14 (Important) <i>The Global Fund Secretariat should require MOHSS to ensure that health facilities properly document family contacts and institute active contact tracing for sputum positive patients.</i>	This is being implemented with the revised National Guidelines for the Management of Tuberculosis as well as the revised monitoring and evaluation tools. (National Guideline for the Management of TB and the M&E Plan is attached)	Dr. Mavhunga	Ongoing
	Recommendation 15 (Critical) <i>The Global Fund Secretariat should require MOHSS to strengthen infection control for MDR-TB at Walvis Bay Hospital.</i>	Support and mentorship visits will be conducted to Walvis Bay to conduct an infection control assessment and on-site training in August 2012. Furthermore funding has been requested to support complementary staff for DR-TB units. It is anticipated that successful recruitment of such staff (medical officers and nurses) as budgeted for under Round 10 SSF will assist with improving consistency in the provision of care for this patients; which is an important component not only of TB infection control, but for programmatic management of drug-resistant tuberculosis in general. The positions were advertise on 29 th June 2012 and expected that within 3 months the recruitment process will be finalized.	Dr. Mavhunga	Ongoing

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	<p>Recommendation 16 (Critical) <i>The PRs should work with NaCCATuM to build the capacity of implementing organizations in fundraising and resource mobilization to reduce reliance on Global Fund grants and ensure sustainability of the program activities.</i></p>	<p>The Ministry of Health and Social Services is spearheading the development of a Sustainability Strategy for donor funded programmes, with a particular focus on HIV, TB and Malaria programmes. (The sustainability Plan and the cabinet directive)</p> <p>NANASO: We concur fully with the recommendation and have engaged NaCCATuM to collaborate with the implementing organizations to ensure sustainability of actions in the program. NANASO has developed a Sustainability Plan outlining key areas of consideration for sustaining the actions of civil society organizations including collaboration with the government in service delivery. (Sustainability Plan Annexure 1). A training for SRs on the UNAIDS Investment Framework will be conducted in 01 – 03 August 2012.</p>	<p>Dr. Mavhunga</p> <p>-</p>	<p>Ongoing</p> <p>-</p>
	<p>Recommendation 17 (Critical) <i>The Global Fund Secretariat should require that the PRs work with SRs to strengthen governance and oversight structures to effectively support program management and implementation. The oversight role of SRs can be strengthened by:</i></p> <p>i) <i>Ensuring that the Boards of Directors for the various SRs are fully constituted and meet regularly;</i></p> <p>ii) <i>Ensuring that the Boards of Directors review the implementation of Global Fund programs which should be evidenced in the resulting action</i></p>	<p>The PRs is acknowledge the recommendation mentioned here. Additionally, the PMU has been overseeing 10 Non-Governmental Organization all with a Board of Directors namely NABCOA, AMICAAL, SFH, Project HOPE, Penduka, Johanniter Hilswerk, Health Unlimited, COHENA, NRCS and DAPP</p> <p>The PMU is conducting on site programme visits to all these SRs and if there is performance, governance or other issues.</p> <p>I) The SR assessments are undertaken at the on-set of new SR were effective organizational leadership, management, decision making and accountability systems are assessed and grants and conditions precedent and special conditions were formulated accordingly. The assessment includes ensuring that the Boards of Directors from civil society organization SRs are fully constituted and meet regularly (minutes of the</p>	<p>PMU Operations- Terthu Shuumbwa</p> <p>Senior Manager: OGM/BLC</p>	<p>Ongoing</p>

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	<p><i>plans from the meetings; and</i></p> <p><i>iii) Training of SR Boards in corporate governance to appreciate their role and to develop skills for program oversight.</i></p>	<p>last two board meetings availability) Further, the PMU is represented in all steering committees of programmes, which enhances the understanding of the issues on the ground and strengthen technical backstopping(PMU Operations Manual Draft).</p>		
	<p>Recommendation 18 (Critical) <i>The Global Fund Secretariat should ensure that the MOHSS strengthens internal audit arrangements by:</i></p> <p><i>i) Ensuring that internal audit reviews are risk-based to enable more frequent reviews of SRs with high risk;</i></p> <p><i>ii) Putting in place a follow-up mechanism for the audit recommendations; and</i></p> <p><i>iii) Revisiting terms of reference for internal audits to ensure in-depth review of financial systems, internal controls and programmatic aspects.</i></p>	<p>i) The PMU/PR takes note of the recommendation and will ensure that the internal audits are frequent and SRs with high risk will be reviewed frequently.</p> <p>ii) The follow-up mechanism on audit recommendations is part of the terms of reference for both internal and external audits</p> <p>iii) The terms of reference for both internal and external audits have been revised to ensure in-depth reviews of financial systems, internal controls and programmatic aspects. The documents were submitted to GF (Cf. See e-mail follow up on 18th July 2012)</p> <p>(iii) PR used Private audit firms all along as per guidance by Office of the Auditor General during the inception phase of GF grants.</p>	Yonasani Ngobi	Ongoing
	<p>Recommendation 19 (Critical) <i>The Global Fund Secretariat should require the PR to ensure that technical and administrative leadership at SRs is strengthened by recruiting staff to fill vacant key positions.</i></p>	<p>During the assessment of SR governance, financial and technical capacity the PR formulates the grants conditions precedent and special conditions which includes the recruitments of the key SR staffs at each of the SR. However, due to the results of the salary Survey that results in staff the PR, key positions are not filled. As soon as the Salary Surveys recommendations has been resolved, all the key position will be recruited.</p>	PMU Operations Terthu Shuumbwa	September 2012
	<p>Recommendation 20 (Critical) <i>The Global Fund Secretariat should</i></p>	<p>The PR has a conflict of interest policy which is part of the updated operational manual. In addition, the PR has a</p>	-	-

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	<i>require the PR to ensure that any sub recipients with international affiliates have an appropriate conflict of interest policy.</i>	conflict of interest Article as part of the SRs grant agreement contracts.		
	<p>Recommendation 21 (Critical) <i>The Global Fund Secretariat should ensure that the PR:</i></p> <p><i>i) Verifies that all activities in the approved work plan of the SRs are implemented and planned targets met;</i></p> <p><i>ii) Verifies that all targets reported by the SRs are adequately supported; and</i></p> <p><i>iii) Works with CCN to ensure that all VCT centers resume providing services.</i></p>	<p>i) The PMU is conducting on site programme visits to monitor implementation of the work plans and budgets. These latter visits result in mission reports and follow-up actions with SR heads and board of directors</p> <p>ii) The PMU ensure that all targets reported are verified and adequately supported by supporting documents</p> <p>iii) With the RCC there was no sufficient funds allocated for the running of the VCT centre's under CCN. CCN has close down the three VCT centres.</p>	Operations M&E	Ongoing
	<p>Recommendation 22 (Critical) <i>The Secretariat should ensure that the Principal Recipient actively follows up fulfillment of all Conditions included in agreements with sub recipients. Disbursement of funds by the PMU Secretariat should be tied to fulfillment of the conditions.</i></p>	The PMU/Principal Recipient actively follow-up on the fulfilment of all the SR conditions included in agreements with the SRs through written and verbal correspondences and disbursement of funds by the PMU are tied to fulfilment of the those conditions.	Terthu Shuumbwa	Ongoing
	<p>Recommendation 23 (Critical) <i>The Global Fund Secretariat should ensure that, prior making disbursements to sub recipients, the PR verifies that the sub recipients used grant funds on the intended activities and that supporting</i></p>	The PMU finance performs SRs' expenditure verification at end of every quarter to ensure that expenditure is according to budget that all supporting documents are attached and that the expenditure was duly authorized and if it is procurement related that the procurement policies and procedures were followed. After these reviews a disbursement amount is decided on based on	Yonasani Ngobi	Ongoing

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	<i>documentation is filed.</i>	SRs' absorption capacity vis-à-vis activities to be implemented		
	Recommendation 24 (Critical) <i>The Global Fund Secretariat should ensure that inter-grant lending (borrowing) stops. MOHSS should settle the outstanding un-refunded balances.</i>	PMU: The PR ceased all active inter-grants lending in June 2011.	Finance	Ongoing
	Recommendation 25 (Critical) <i>The Global Fund Secretariat should ensure that the PR develops and implements guidelines for activities jointly funded by more than one donor. Such guidelines should provide for:</i> <ul style="list-style-type: none"> • <i>Preparation of joint work plans and budgets indicating contribution per donor; and</i> • <i>Disclosure of financial contribution per donor in programmatic reports.</i> 	The PR/PMU takes note of this recommendation and will ensure the implementation of guidelines for activities jointly funded by more than one donor. NaCCATTuM is working in collaboration with other national partners to ensure harmonisation of work-plans and reporting within all health programmes.	PMU Finance	Ongoing
	Recommendation 26 (Critical) <i>The Global Fund Secretariat should require MOHSS to work with the Ministry of Education to strengthen management and monitoring of the Student Bursary Scheme and the School Feeding Program, in particular,</i> <i>(i) Bursaries should be awarded based on documented criteria; and</i> <i>(ii) Performance reports of the</i>	i) The Ministry of Education awards bursaries based Namibia Students Financial Assistance Fund (NSFAF) Act of 2000 and Ministry of Education Bursaries Policy approved on 8 November 2005(NSFAF Guideline on Student Bursaries is attached) ii) The National School Feeding Programme reporting tools have been developed and reports are received from the SR on a quarterly basis. For the database the PR will engage the SR to make sure that the database is updated.	Operations	Ongoing

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	<i>School Feeding Program should be prepared and the OVC database should be updated and reconciled to school records.</i>			
	Recommendation 27 (Important) <i>The Global Fund Secretariat, together with the PR and the Government of Namibia, should ensure that VAT refunds are credited to the grants where tax exempt status is in place.</i>	The current approach is that VAT refunds are not credited to the grants because the VAT portion is posted to a VAT control account during capturing as such the refunds are credited to the same account. That way there is no VAT expense charged to grants but rather posted to a control account which eliminates the need of crediting grant with VAT refunds. This matter can be discussed further with the Country Team to arrive at a workable approach.	Yonasani Ngobi	Ongoing
	Recommendation 28 (Critical) <i>The Global Fund Secretariat should ensure that the PR:</i> <i>(i) Identifies another SR to implement activities previously allocated to NASOMA;</i> <i>(ii) Obtains an accurate reconciliation of the condoms procured and distributed by NASOMA;</i> <i>(iii) Repairs the vehicles grounded at NASOMA and utilizes the vehicles for program implementation; and</i> <i>(iv) Follows up recovery of outstanding VAT receivable of NAD 511,381 (USD 78,674).</i>	The PR is working closely with the GF secretariat to conduct an independent verification on NASOMA. TORs are being developed to be submitted to GF secretariat by 31 st July 2012.	PR NANASO	Ongoing
	Recommendation 29 (Critical) <i>The Global Fund Secretariat should work with the Ministry of Health</i>	i. The brand development including condom specifications has been finalized. A new brand of condoms called Essence has been developed. Lawyers are	Dr.Gweshe	Ongoing

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	<p><i>and Social Services to:</i></p> <p><i>(i) Develop and register an acceptable brand of condoms and ensure a cost effective sustainable supply of condoms to Namibia;</i></p> <p><i>(ii) Resolve the dispute over ownership of equipment without contravening the provisions of the grant agreement with the Global Fund with regard to ownership of assets passed SRs;</i></p> <p><i>(iii) Reconcile discrepancies in the quantity of condoms that were to be procured;</i></p> <p><i>(iv) Ensure monitoring and follow-up of current or future outsourced services;</i></p> <p><i>(v) Reconcile the final invoice/certificate and recover amounts overpaid and condoms that are still being held by Commodity Exchange; and</i></p> <p><i>(vi) Looking forward, perform comprehensive assessment of any partnerships entered into to ensure that all risks are addressed and that the PR obtains best value for money.</i></p>	<p>currently working on trademark registration under MOHSS. The Ministry is currently in the process of finalizing the development of marketing and communication strategy including development of IEC materials for the new brand which should be finalized by the end of July 2012.</p> <p>ii. The Ministry has engaged into discussions with COMEX in finalizing all issues around ownership of equipment. It is still ongoing and GF secretariat will be informed about the outcome. Please refer to the communication from Commodity Exchange.</p> <p>iii) Fischer consulting services certification bill was paid late hence the non-attachment of the certification and the report that included the outstanding amount owed to the PR and the raw stock that should be handed over to the PR. Given the late payment we are expecting the report from Fischer consulting within the next 2 to 3 days.</p> <p>Under the reconcilable discrepancies in the quantity of condoms that were to be procured, the Ministry is under the impression that this issue was addressed through the clarification and corrections that were submitted by Commex and Fischer Consulting hence the outcome of recommendations ii, otherwise more clarification must be provided pertaining to this issue</p> <p>iv. Clarity is requested by what is meant by “follow-up of outsourced services” and or what services are being referred to as the Condom program within the Ministry does not outsource any services</p> <p>v. (vi) recommendation is noted and accepted</p>		

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	<p>Recommendation 30 (Important) <i>The Global Fund Secretariat and the PR should review the Lironga Eparu case and document lessons learnt to enable management of similar cases. Emphasis should be given to:</i></p> <p>(i) <i>Development and documentation of a clear mechanism to enable faster resolution of potential disputes between PR and SRs. The Lironga Eparu case was reported on 30 July 2007 and was only resolved in November 2010;</i></p> <p>(ii) <i>Setting minimum standards for the SR management board to oversee program implementation and to address the risk of fraud and other irregularities; and</i></p> <p>(iii) <i>Securing recoveries of any outstanding funding as appropriate.</i></p>	<p>i) It is important to note that the matter of Lironga Eparu was taken to the courts as soon as it was discovered and the PR/PMU have no control over court proceedings hence have to allow the law to take its course.</p> <p>ii) The PR/PMU take note of this recommendation and will be implemented</p> <p>iii) The PR/PMU is following up with Lironga Eparu board to ensure that the outstanding amount is recovered. It should be noted however; that Lironga Eparu is not functioning anymore so follow up is difficult and takes time.</p>	<p>PMU Director's office</p> <p>PMU Director's office</p> <p>PMU Finance Yonasani Ngobi</p>	<p>N/A</p> <p>N/A</p> <p>Ongoing</p>
	<p>Recommendation 31 (Critical) <i>The Global Fund Secretariat should ensure that all salaries of staff of the Ministry of Health and Social Services paid from Global Fund grants a) limited to an average to be derived from the outcome of the salary survey initiated by the CCM,</i></p>	<p>Salary Survey completed and submitted by NaCCATuM at the end of May 2011. The PR still has justified salary discrepancies as per survey or as per identification by TGF,.GF communicated the salary decision to the PR on 16 December 2011. The country was requested to submit a detailed analysis, comparing what was paid and what was approved by GF to understand the negative impact. The PR has not yet provided this, but the CTA's</p>	<p>Operations</p>	<p>Ongoing</p>

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	<p><i>and b) in line with the grant agreement and TRP requirements i.e. do not exceed those by development agencies in Namibia and Government.</i></p>	<p>recommendation is based on the updated budget which contains the approved salaries. The CTA is requesting the PR to submit this analysis as indicated in GF letter of 16 December 2011. The PR has then requested the GF extend the date to 30th July 2012 to allow the PR sufficient time to do the analysis.</p>		
	<p>Recommendation 32 (Critical) <i>The Global Fund Secretariat should ensure that the PR implements effective fleet management by:</i></p> <ul style="list-style-type: none"> <i>(i) Properly justifying disposal and replacement of vehicles;</i> <i>(ii) Achieving better value for money out of fleet management;</i> <i>(iii) Rigorously assessing the need before acquiring new vehicles;</i> <i>(iv) Claiming insurance for vehicles damaged in accidents; and</i> <i>(v) Transferring ownership of vehicles so that Government accepts responsibility of ownership (e.g., by undertaking maintenance)</i> 	<p>The disposal of the vehicles was arrived at after taking into account the grant agreement that stated that vehicles should be handed over to the government at the end of the grant. As such vehicles' conditions were assessed and the ones that were still in good running condition were proposed to be handed over to government and the ones in bad conditions were proposed to be auctioned. A proposal was sent to the secretariat for their approval. The advertisement done was not publicizing the auction to the public; it was an invitation to tender so that we could know the financial implications for the proposed auction in the event it was approved. Better value for money is achieved in the management of fleet and we always look for the cheapest quote in servicing and maintenance of the vehicles. The need assessment is done always before vehicles are procured. The proposed handing over and auctioning of the vehicles did not imply that the vehicles were not needed. The proposed transferred vehicles were still to be used for the Global Fund sponsored activities and the auctioning would have produced funds to replace the same vehicles. Insurance is always claimed for damaged vehicles. The transfer of ownership was proposed and the Global Fund Secretariat was still to pass a decision. They however passed that decision with a condition of insurance which was not in line with the Government rules. This was clarified in the secretariat's recent visit to Namibia.</p>	Mr. Kapofi	Ongoing

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	<p>Recommendation 33 (Critical) <i>The Global Fund Secretariat and the Namibia CCM should review the role of the Program Management Unit (PMU) with a view to integrate the PMU functions with existing government structures in order to avoid duplications</i></p>	<p>Currently no duplication exists, there is a clear distinction between National structures coordinating the National Response and the Staff of PMU. The PMU has been established following a condition Precedent for Round 2 in 2002. Their major responsibility is grant management, a function that cannot be undertaken by National Program staff.</p>	PR	N/A
	<p>Recommendation 34 (Critical) <i>The Global Fund Secretariat should ensure that:</i></p> <p>(i) <i>The PMU submits accurate PUDRs within the agreement timeliness to NaCCATuM and the LFA to facilitate the funds disbursement process; and</i></p> <p>(ii) <i>The PMU staff provide declarations of conflict of interest in conformity with the PR's policies.</i></p>	<p>i) PMU Finance has always submitted PUDRs within the agreement timeliness to NaCCATuM and LFA. Delays have been experienced from GF secretariat in reviewing this and disburse funds. There are instances where disbursements are received in the sixth or seventh month of the period for which funds were requested.</p> <p>This recommendation is being implemented especially by the tender evaluation panel during tender evaluations. PMU staff will provide declarations of conflict of interest in conformity with PR policies. The PR has a conflict of interest policy which is part of the updated operational manual</p>	<p>PMU Finance Yonasani Ngobi</p> <p>PMU Procurement Jeff</p>	<p>Ongoing</p> <p>Ongoing</p>
	<p>Recommendation 35 (Critical) <i>The Global Fund Secretariat should ensure that:</i></p> <p>(i) <i>The external audit scope includes a detailed review of all current or future pooled accounts pertaining to Sub-Recipients into which Global Fund grant funds are transferred to ensure that the expenditure is aligned to the program activities;</i></p>	<p>No sub-recipients reporting to MoHSS PR operate pooled accounts".</p> <p>The PR/PMU take note of the recommendation but SRs do not maintain pooled accounts as claimed in the report. All SRs do maintain separate bank accounts for Global Fund funds so there is no co-mingling of funds whatsoever.</p> <p>On the issue of shared overheads, the PR/PMU agrees a cost allocation criteria will be developed to allocate shares overheads.</p>	Yonasani Ngobi	Ongoing

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	<p>(ii) <i>The PR encourages all SRs that operate pooled activities and have more than one source of funding to maintain Global Fund grant funds in separate bank accounts to avoid comingling; and</i></p> <p>(iii) <i>All PRs and SRs develop cost allocation criteria for allocating shared overheads, and comply with these</i></p>			
	<p>Recommendation 36 (Critical) <i>The Global Fund Secretariat should ensure that the MOHSS recovers the amounts (USD 1,654,070) set out in the table above or provides adequate documentation to support the expenditure.</i></p>	<p>IR's concerned provided supportive documentation during the OIG visit and the same is being attached per excel sheet.</p> <p>The team discussed these expenditures in detail with the OIG finance team at the conclusion of the audit, and thought that the team had accepted our explanations and assertion that they were not unsupported by accepting the Supporting documents provided. However, as that appears not to be the case, we respond again. We have added detailed comments to each item of expenditure, on the two attached spread sheet.</p> <p>OIG comment: The CCM response contained comments from Catholic AIDS Action, Ministry of Education, and NASOMA. No responses were provided for DAPP, Society of Family Health and Council of Churches of Namibia. The responses were:</p> <ul style="list-style-type: none"> • NASOMA stated that documents for one 3 out of 20 transactions were now found. • Catholic AIDS Action provided a scan copy for 1 out of 4 questioned transactions, covering N\$10,500 of 	<p>Yonasani Ngobi</p>	<p>Ongoing</p>

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		<p>N\$27,564.</p> <p>No other documentation or explanation of expenditure has been provided to the OIG team following the in-country debrief meetings at which the figures included in this report were discussed.</p> <p>The OIG recommends that original supporting documents are presented to the Global Fund Secretariat for verification by the Local Fund Agent. Refunds should be sought for all amounts for which appropriate support documents cannot be provided.</p>		
	<p>Recommendation 37 (Critical) <i>The OIG recommends that expenditure incurred on daily subsistence allowances relating to training workshops should be paid in accordance with established guidelines and with a view of optimal utilization of grant funds.</i></p>	<ul style="list-style-type: none"> All SR's under the MoHSS PR are instructed to pay DSA for training workshops in line with specific GRN regional rates. PMU is responsible for monitoring correct rate usage. The payment of DSA has been rectified immediately upon presentation of this recommendation 	<p>Dr. Uusiku Finance PMTCT</p>	<p>Ongoing</p>
	<p>Recommendation 38 (Critical) <i>The Global Fund Secretariat should seek to recover the potentially ineligible expenditures (totaling USD 583,553) from the PR.</i></p>	<p>According to SR's responses, all expenses incurred, were according to approved plan and budget. Clarifications per attached excel sheets.</p> <p>We discussed these expenditures in detail with the OIG finance team at the conclusion of the audit, and thought that the team had accepted our explanations and assertion that they were not ineligible. However, as that appears not to be the case, we respond again. We have added detailed comments to each item of expenditure, on the two attached spread sheets. However the following generalized comments apply to all the expenditures in question.</p>	<p>Yonasani Ngobi</p> <p>Alfred Makosa</p>	<p>Ongoing</p>

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		<p>General Comments/Explanation on Expenditures in Question</p> <p>Each and every item categorized as “ineligible” by OIG, refers to payments of DSA to attendees at various approved workshops, conferences, trainings etc. In every instance the SR’s have used the standard DSA rates of the Government of the Republic of Namibia, (GRN), as the baseline for the calculation of the actual DSA paid. Please note that this complies with recommendation 37, as it is the “established guideline” for payment of DSA</p> <p>The GRN DSA rates are as follows:</p> <ul style="list-style-type: none"> • Rate 1 – The attendee pays for accommodation, 3 meals and incidentals. • Rate 2 - The attendee pays for 3 meals and incidentals. Accommodation is paid separately by the organizing entity. • Rate 3 – The attendee only pays for incidentals. Accommodation and all 3 meals are paid for separately by the organizing entity <p>The above 3 standard rates only cover 3 specific situations, and GRN allow deductions to be made from these standard rates to cover specific varying circumstances. The items being queried all fall into one of the following varying situations, where deductions from standard rates are approved by GRN:</p> <p style="padding-left: 40px;">Accommodation and lunch only is paid by organizing entity. In this instance attendees are paid Rate 2, less a deduction to cover the cost of the lunch. The effect on total cost to the organizing entity is neutral</p> <ul style="list-style-type: none"> • Only lunch is paid by the organizing entity. In this instance attendees are paid Rate 1, less a deduction to cover the cost of the lunch. The effect on total cost to the organizing entity is neutral. • All meals are paid by the organizing entity. In this 		

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		<p>instance attendees are paid Rate 1, less a deduction to cover the cost of all three meals. The effect on total cost to the organizing entity is neutral</p> <p>In each of the above 3 varying situations, the DSA paid is in line with GRN rates and regulations and is cost neutral to the organizing entity (The GF SR).</p> <p>We therefore contend that these expenditures are not “ineligible”.</p> <p>OIG comment:</p> <p>The CCM response only provided comments from Ministry of Health (PMTCT and NVCP).</p> <p>The mixed rates applied by the PR is not aligned to government regulations. The OIG finding of ineligibility relates to compliance with government rules. The OIG recommends that unless the PR can provide substantiation under local government regulations, the questioned amounts should be recovered by the Global Fund Secretariat.</p>		
<p>NANASO</p>	<p><i>Recommendation 39 (Critical)</i> <i>The Global Fund Secretariat should ensure that NANASO improves the quality of SR capacity assessments by verifying assessment findings against documentary evidence in order to identify key risks to grant implementation.</i></p>	<p>The SR management manual and the SR capacity assessment tools will be amended to ensure that assessment findings are supported by documentary evidence. Detailed repeat SR capacity assessments will be conducted using these revised methodology and tools for Phase 2 of the grant. Furthermore, routine follow ups on addressing the capacity gaps will be done during the quarterly SR verification visits.</p>	<p>Senior Manager: OGM/M&E</p>	<p>17 August</p>
	<p><i>Recommendation 40 (Critical)</i> <i>The Global Fund Secretariat should follow up with NANASO</i></p>	<p>Grant: Capacity gaps and compatibility of activities affected the pairing plans implementation in a way. Attached see submission to GF M&E.</p>	<p>-</p>	<p>-</p>

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	<i>management to ensure that the capacity gaps that were intended to be filled by the 'Pairing Plan' are addressed.</i>	Finance: All the finance activities have been implemented indicated. (NANASO Finance Pairing Annexure 2, GF Submission Annexure 3)		
	Recommendation 41 (Critical) <i>The Global Fund Secretariat should require NANASO management to implement all recommendations as communicated. Specifically, staff should be recruited as provided in the program work plan and policies developed for document retention and insurance.</i>	A regional office was open in Oshakati until February 2012 when the representative resigned. The PR is exploring modalities to re-establish the offices and policies on document retention and insurance.	Senior Manager: OGM/HR	14 August
	Recommendation 42 (Critical) <i>NANASO management should fulfill all time-bound grant conditions as agreed with the Global Fund Secretariat, in particular the special conditions in the grant agreement on providing an analysis and plan to ensure sustainability of salaries.</i>	The independent salary survey was commissioned by the MoHSS and the finalization and release of the results was delayed, which was beyond the control of NANASO. The results of the salary survey and the revised salary scales were issued to the PR in January 2012. Based on the results, the PR was requested to conduct an analysis comparing the actual salaries paid and the original RCC budget and salary survey budget. The document was submitted to GF Secretariat during June 2012 (Refer to submitted salary analysis at GF Secretariat) A detailed plan for the sustainability of activities after the reduction of salary scales was also prepared and submitted to the GF Secretariat in June 2012. Feedback on both submissions is awaited from the GF Secretariat.	-	-
	Recommendation 43 (Critical) <i>The Global Fund Secretariat should ensure that NANASO identifies an alternative entity to undertake PSM for condoms in the private sector</i>	From our verifications over the last 12 months, we have not identified substantive risks related to NASOMA and the PR does not have any justification to remove NASOMA from the program. The PR however will conduct a detailed capacity assessment to come up with a	Senior Manager: M&E/Grant	14 August

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	<i>until the risks identified by the OIG have been addressed and verified by the LFA.</i>	final decision		
	<p>Recommendation 44 (Important) <i>The Global Fund Secretariat should request that NANASO management intensifies its fundraising for networking services to effectively perform the organization's network role.</i></p>	<p>NANASO has intensified its fundraising effort with particular concentrating on domestic resource mobilization to enhance services to the network but this is an ongoing undertaking. The organization is also planning to develop a resource mobilization strategy with the support of BLC (Building Local Capacity) under the USAID. (Refer to Sustainability Plan Annexure 4)</p> <p>UNAIDS is supporting the training for SRs on the UNAIDS Investment Framework to be conducted in August 01-03 2012.</p>	Senior Manager: OGM/BLC	14 August
	<p>Recommendation 45 (Important) <i>The Global Fund Secretariat should obtain evidence from NANASO that non-executives have been appointed to the board of the PR.</i></p>	Non-executive board members have been appointed in July 2011 after the constitution was amended to allow for non-executive members to serve on the Board. (Board Members Annexure 4)	-	-
	<p>Recommendation 46 (Important) <i>The Global Fund Secretariat should ensure that NANASO puts in place stronger internal audit arrangements through:</i></p> <ul style="list-style-type: none"> <i>(i) A risk based selection of SRs for audit coverage;</i> <i>(ii) An expanded scope of the audit with in-depth coverage of grant aspects, including review of performance against grant targets; and</i> 	Based on the engagement letter, the internal audit arrangement is risk based. In addition the agreed upon procedures for the internal audit by Deloitte includes program aspects of the grant. (Engagement letter annexure 5, Agreement upon procedure letter annexure 6)	-	-

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	<i>(iii) Independent internal audit function that reports to the Board of Directors.</i>			
	Recommendation 47 (Critical) <i>The Global Fund Secretariat should require that NANASO accelerates recruitment of health professionals to enable effective implementation and oversight over program activities.</i>	This recommendation is justified but the reality is NANASO does not need health professional nor was there budgetary allocation to hiring people in this capacity.	-	-
PROCUREMENT AND SUPPLY CHANGE MANAGEMENT	Recommendation 48 (Critical) <i>The Global Fund Secretariat should ensure that the PR's procurement process is aligned with the grant agreements as follows:</i> <i>(i) Tender documents should delineate the instructions to bidders from the conditions of the contract;</i> <i>(ii) A system should be put in place to monitor suppliers with respect to quality of goods and services rendered; and</i> <i>(iii) The frequency of monitoring of the quality of pharmaceuticals in the supply chain through to the beneficiary level should be increased.</i>	i) Tenders will no longer be run by CMS based upon the tender board of Namibia's decision of 29 June 2012(The tender documents attached). ii) Procurement of clinical supplies will be done by the tender board of Namibia and procurement of pharmaceuticals will be done through buy out as prescribed by the tender board of Namibia and procurement will be overseen by the ministerial tender committee. Mechanisms for the procurement of pharmaceuticals are still being discussed within the MoHSS. iii) The PR is planning on introducing a more robust post marketing surveillance system to replace the current ad hoc sample collection system we have in place. a) A draft contract always forms part of the Tender Documents b) Sub Recipient (SR) signs of order and comment on quality of goods and services provided	Not Applicable Mr Gilbert Habimana Mr Johannes Gaeseb CMS	Not Applicable December 2013 December 2013
	Recommendation 49 (Important) <i>The Global Fund Secretariat should</i>	Will seek more clarity/information from the Namibia Global Fund Tender Committee.	Jeff Alcock	N/A

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	<p><i>ensure that the PR aligns the procurement policies and procedures manual with Namibian law and regulations with regard to:</i></p> <ul style="list-style-type: none"> <i>(i) The establishment, composition and guidelines of the NPPEC should be ratified by the National Tender Committee;</i> <i>(ii) All procurements should be subjected to international competitive bidding;</i> <i>(iii) The responsibilities for preparing tender documents, evaluation of tenders and preparing evaluation reports should be undertaken by different persons;</i> <i>(iv) The responsibility for tender evaluation and making recommendations should be clarified;</i> <i>(v) Evaluation of tenders should not be one of the functions of the Tender Committee [Section 7 of the Namibia Tender Board Act of 1996];</i> <i>(vi) Award of a Tender should be included as the function of the Tender Committee per the provisions of Tender Board of Namibia Act;</i> <i>(vii) The requirement for a performance guarantee should not be restricted to civil</i> 	<p>All procurements above NAD 150,000.00 are subjected to international competitive bidding.</p> <ul style="list-style-type: none"> (iii) For each tender different evaluation panels is selected from different departments and consist of at least 5 members appointed by the Tender Committee (TC) in conjunction with the SR. (iv) This panel (evaluation) may be appointed by the Tender Committee, in conjunction with the SR, to conduct a detailed evaluation of tenders as per tender evaluation procedures. The panel shall be required to produce an evaluation report which shall be presented to the Tender Committee for consideration. (v) The evaluation of tenders are solely the function of the Evaluation Panel not the TC (vi) Award of tenders is done by the TC as per Procurement Manual and approved by PS (vii) Amended to include all Contractors/Bidders (viii) Amended so that all procedures are documented (ix) Development on all standard documents has been done (Tender documents are attached) 		

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	<p><i>engineering and other engineering contracts;</i> <i>(viii) Procedures should be documented for: (i) bid receipt and opening procedures; (ii) different types of evaluation and their application; (iii) composition and functions of the evaluation committee, and (iv) the Contract Management Phase; and</i> <i>(ix) Contents of the different types of standard tender documents should be developed.</i></p>			
	<p>Recommendation 50 (Critical) <i>The Global Fund Secretariat should ensure improved procurement procedures with regard to:</i> <i>(a) Enhanced transparency of the Tender Documents:</i> <i>(i) Incorporate a draft bid submission sheet or form of tender in the document;</i> <i>(ii) Include a provision in the instructions for vendors to seek clarification from a vendor during the tender period and evaluation period;</i> <i>(iii) Specify the contents of the tender document;</i> <i>(iv) Specify the contents of</i></p>	<p>The PR need clarifications from the GF Secretariat on on point I and II</p> <p>(iii)More detailed specifications can be obtained from SR's in future (iv)Submissions from bidders are usually accompanied by catalogues/pamphlets but can be incorporated in tender procedures (v)Late bids, modifications and/or withdrawals and disqualifications are always mentioned in opening of tenders but more clarification can be put in tender procedures (vi)Proof of support is in tender documents on vehicles but a more detailed proof of support can be obtained from manufacturers. (vii)Evaluation criteria is normally the specifications provided in tenders but as mentioned in (iii) above more detailed specifications can be obtained from SR's (viii)KINDLY SEE PRICE PREFERENCE LIST</p>	Jeff Alcock	Ongoing

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	<p><i>the bidder/tenderers submissions;</i></p> <p>(v) <i>Include a procedure for handling of late bids, modification and/or withdrawals;</i></p> <p>(vi) <i>Mitigate risk on purchases such as medical equipment, vehicles by requiring proof of support from the manufacturer (Manufacturer's Authorization Form);</i></p> <p>(vii) <i>Include the evaluation criteria in the tender document;</i></p> <p>(viii) <i>Explain in detail how preference is to be given to locally registered vendors in the evaluation process; and</i></p> <p>(ix) <i>Draft a price schedule that captures the unit cost, the quantity being offered, the incoterms and the country of origin of the product.</i></p> <p>(b) <i>Improve specifications to promote competition by:</i></p> <p>(i) <i>Preparing more generic specifications in order to promote competition</i></p>	<p>ANNEX A: (Attached) A typical Namibian Co will receive the following preference: a) Namibian registered Co: 5% b) Goods comply to National or Intern Std's: 3% c) Local after sales service & Tech Support: 3% d) If Co is incorporated in Namibia & employs Namibians only: 2%. Thus 13% Preference</p> <p>(ix) KINDLY SEE ANNEX B (Attached) Only Country of Origin and Incoterms was omitted on Price Comparison but now included.</p> <p>(b) Tender specifications for single and double cab pickups are always different in tenders advertised but technical assistance can be obtained to make it more generic.</p> <p>(ii) Technical assistance can be called in where specs are not open-ended</p>		

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	<p><i>for single and double cabin pickup vehicles; and</i></p> <p><i>(ii) Ensuring that specifications are open-ended.</i></p>			
	<p>Recommendation 51 (Critical) <i>The Global Fund Secretariat should ensure that the PR improves tender evaluation by requiring that:</i></p> <p><i>(i) Vendors that fail at any stage of the evaluation process should not receive consideration in subsequent stages of the evaluation process.</i></p> <p><i>(ii) The PR should ensure that the practice of selective waiving of evaluation criteria is stopped.</i></p>	<p>CMS will no longer run Tenders. All Tenders will be run by the Tender Board of Namibia according to the relevant Act (Tender documents are attached</p>	<p>Naita Nashilongo</p>	<p>N/A</p>
	<p>Recommendation 52 (Critical) <i>The Global Fund Secretariat should ensure that the PR improves forecasting and quantification of commodities by taking the following actions:</i></p> <p><i>i) CMS should verify the accuracy of its consumption data with information from the EDT and Quantimed as plans are under way to link all the EDTs and information will be available readily available. CMS should use the verified consumption</i></p>	<p>i) Quarterly review meetings for ARV consumption and trends have been initiated and are used to compare stock on hand, consumption and orders in the pipeline to ensure that stock is available as required. These meetings also identify overstocks kept in different regions or stores and advise corrective measures.</p> <p>ii) regional centers have been provided with the updated SYSPRO system and been trained in its use</p> <p>iii) This recommendation is not practical and will lead to stock outs if consumption patterns suddenly change.\</p> <p>iv) Quarterly quantification and forecasting meetings</p>	<p>Dr. Uusiku CMS Mr Gilbert Habimana/Mr Kennedy Kambyambya</p>	<p>Already in place</p> <p>Already in place</p> <p>Already</p>

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	<p><i>data in forecasting drugs to be procured;</i></p> <p><i>ii) The Ministry of Health and Social Services should support regional centers to utilize SYSPRO software for stock management and ordering;</i></p> <p><i>iii) CMS should keep product orders within the limits of the tender quantities;</i></p> <p><i>iv) With regard to quantification for Malaria:</i></p> <ul style="list-style-type: none"> <i>• NVDCP and CMS should take into account the falling numbers of diagnosed cases, and the preventive measures put in place while quantifying and forecasting;</i> <i>• There should be increased collaboration with CMS and NVDCP in sharing information to inform the ordering process for ACTs; and</i> <p><i>v) With regard to quantification for Tuberculosis, there is scope for increased collaboration between the program and CMS by sharing information on</i></p>	<p>have been established which are responsible for monitoring these products. Officers from the NVDCP and CMS attend these meetings.</p> <p>v) Quarterly quantification and forecasting meetings have been established which are responsible for monitoring these products. Officers from the NTLP and CMS attend these meetings</p>	<p>Ms Naita Nashilongo</p> <p>Ms Naita Nashilongo</p>	<p>in place</p> <p>Already in place</p>

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	<p><i>consumption of TB medicines and the number of patients countrywide.</i></p>			
	<p>Recommendation 53 (Important) <i>The Global Fund should ensure that the PR improves quality assurance arrangements by taking the following actions:</i></p> <ul style="list-style-type: none"> <i>(i) CMS should institute pre-shipment inspection and testing for products supplied by foreign vendors;</i> <i>(ii) QSL should achieve ISO accreditation as well as WHO prequalification;</i> <i>(iii) MOHSS should provide funding and technical support to QSL to speed up the accreditation process;</i> <i>(iv) MOHSS should provide the Quality Surveillance Laboratory with sufficiently large premises to accommodate the laboratories current and future requirements;</i> <i>(v) PMU-MOHSS should ensure that pre-shipment or post shipment Inspection and testing is undertaken for all LLINs; and</i> <i>(vi) PC&I should move from</i> 	<p>Only WHOPES approved LLINs are procured and the PR will engage lot/ batch testing through WHO accredited facilities while post distribution testing will be done by the program through annual ITNs bio-assay</p> <ul style="list-style-type: none"> i) Pre-shipment inspection is not required when you buy DDP CMS (Delivery Duty Paid to CMS). The supplier takes full responsibility of the goods till they are received at CMS. The combination of DDP incoterm with quick reverse logistics in case of quality default (the supplier is also responsible for returning wrong delivered products) and QC tests from QSL, are sufficient to cover for the need for pre-shipment inspection. iii) The QSL is in the process of obtaining ISO17025 accreditation to ensure compliance to GF standards on QA. ISO accreditation is expected to be completed by 2013 latest. Testing of devices will continue to be outsourced since the QSL does not have the equipment and expertise at the moment. iii) A proposal for increased staffing for QSL has been submitted to the restructuring committee iv) The QSL has been included in the new CMS plans and therefore will be large enough for future requirements v) Pre shipment or post shipment testing to be implemented as soon as a qualified QA Lab is appointed. vi) WHO recommends that a passive surveillance system be augmented by an active surveillance system. This means that the passive surveillance system will NOT be replaced – it will continue to generate safety signals which may have to be strengthened or confirmed by active surveillance. Progress on active surveillance: The 	<p>Mr Habimana</p> <p>Mr Johannes Gaeseb</p> <p>Mr Johannes Gaeseb</p> <p>Mr Johannes Gaeseb</p> <p>Mr Jeff Alcock</p> <p>Mr Johannes Gaeseb</p>	<p>Not applicable</p> <p>Dec 2013</p> <p>Estimated April 2014</p> <p>Estimated April 2015</p> <p>In process and roll out of active surveillance to start Feb</p>

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	<i>passive surveillance to active surveillance.</i>	implementation plan has been developed. We are currently in the process of piloting our data collection forms and procedures at two sentinel sites in Windhoek with technical support from MSH/SIAPS and funding from the Ministry budget. This pilot is envisioned to take a total of 18 months (starting from July 2012 up to December 2013). Where after it will be rolled out to the rest of the sites.		2014
	<p>Recommendation 54 (Critical) <i>The Global Fund Secretariat should ensure improved warehousing and inventory management by ensuring that the PR takes the following actions:</i></p> <p>(a) <i>Warehousing practice should comply with Standard Operating Procedures to ensure that:</i></p> <p>(i) <i>The warehouse is well arranged and products kept in an orderly manner in the designated spaces;</i></p> <p>(ii) <i>Stocktaking is done on a quarterly basis;</i></p> <p>(iii) <i>Flammable and non-flammable drugs are separated; and</i></p> <p>(iv) <i>Shelves in the warehouse should be marked for the drugs they are carrying.</i></p> <p>(b) <i>The Ministry of Health should provide modern storage</i></p>	<p>ai;iii; &b)Plans are underway for a purpose-built CMS. Progress: The architect firm responsible for this project was appointed in 2011, and a study tour has been conducted to South Africa and Botswana to learn from experiences of other Medical stores (Government and private). The feasibility study is well advanced and documentation for the construction will start this financial year (2012/2013) and be completed next FY (2013/2014).It is expected that construction will start in the second quarter of FY 2013/14 and be completed during FY 2014/15. This new building will give CMS the ability to fulfill the requirements of recommendations ai;aiii;& b.</p> <p>ii) stock taking is done on a six weekly basis at CMS</p> <p>iv) This will be done as recommended</p> <p>c) The new staff establishment will have posts for 2 dedicated staff for watching the CCTV feed. The new CMS will have greatly increased security measures built into it</p> <p>d) There is a shortage of pharmacists in Namibia which has led to the low numbers of pharmacists in the health facilities. To remedy this situation we have opened a pharmacy school in 2011from which we expect 25 graduates every year from the year 2015.</p>	<p>Mr Gilbert Habimana</p> <p>Mr Gilbert Habimana</p> <p>Mr Gilbert Habimana</p> <p>Mr Gilbert Habimana</p>	<p>April2015</p> <p>Already in place October 2012</p> <p>April 2015</p> <p>2017</p>

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	<p><i>space for CMS to enable CMS to comply its SOPs.</i></p> <p>(c) <i>CMS should strengthen security at the CMS warehouse and investigate drug losses.</i></p> <p>(d) <i>The Ministry of Health and Social Services should continue to recruit and deploy pharmacists at health facilities.</i></p>			
	<p>Recommendation 55 (Critical) <i>The Global Fund Secretariat should follow up alignment of the NaCCATuM constitution and governance policies to the Global Fund Guidelines and Requirements for CCMs with regard to:</i></p> <p>(i) <i>Documenting a transparent process by which PRs and representatives of CSOs to NaCCATuM are selected; and</i></p> <p>(ii) <i>Representation of people affected by TB and Malaria by people who have lived with these diseases in the past or who come from communities where these diseases are endemic.</i></p>	<p>i) NaCCATuM is in the process of reviewing its governance and policy documents to comply with recent GF eligibility criteria and CCM guidelines. The recommendations of the OIG will be incorporated in the review, which is to be completed by September 2012.</p> <p>ii) The Membership composition of NaCCATuM will be restructured to fulfil the new CCM eligibility criteria once the review stated above is finalised.</p>	PMU Director	On-going
	<p>Recommendation 56 (Critical) <i>The Global Fund Secretariat should</i></p>	<p>i) The procedures for selecting representatives for members and their alternates are included in the</p>	PMU Director	Done

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	<p><i>engage with NaCCATuM to improve grant oversight by ensuring that all provisions of CCM constitution are complied with, specifically:</i></p> <ul style="list-style-type: none"> <i>i. The attendance of observers should be approved by members of NaCCATuM;</i> <i>ii. Representatives of non-governmental organizations should be nominated and selected by their own constituencies. The CCM should maintain records of this selection process;</i> <i>iii. NaCCATuM should maintain records for the consultative (and/or) update meetings of the CCM's constituencies;</i> <i>iv. Members who fail to attend three consecutive meetings should be replaced; and</i> <i>v. Sub-committees meetings and site visits should take place.</i> 	<p>Governance Manual.</p> <ul style="list-style-type: none"> ii) NaCCATuM meetings are held quarterly although extraordinary sessions shall be held when necessary and all the proceedings are recorded iii) The provisions of the governance manual regarding attendance of meeting and replacement of absent members will be enforced <p>A CCM oversight plan and site visits will be developed and approved by the CCM for each biennium</p>		
	<p>Recommendation 57 (Critical) <i>The Global Fund Secretariat should require all Principal Recipients to report to NaCCATuM regularly particularly on grant implementation challenges. The NaCCATuM Secretariat should maintain a register of key issues and track the time taken to resolve</i></p>	<p>The PR/PMU reports quarterly to NaCCATuM (CCM) and in case there are SR problems and/or performance that is affecting the grant rating, action is taken through individual meetings with SRs, or thematic meetings in case the problem is encountered by more than one SR.</p>	PMU Director	Done

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	<i>them.</i>			
	<p>Recommendation 58 (Critical) <i>The LFA should regularly review and comment on the CCM's compliance with Global Fund policies and guidelines and report to the Global Fund Secretariat.</i></p>	<p>The LFA has noted this recommendation and will seek to continually provide feedback to the Global Fund on the CCM's compliance with the Global Fund policies and guidelines. The LFA now attends all CCM meetings and reports to the FPM on any key issues discussed at the meetings. The LFA now also reports to the Global Fund on any changes at the CCM.</p>	<p>Patty Karuaihe-Martin</p>	<p>Immediately</p>
	<p>Recommendation 59 (Critical) <i>To improve effectiveness of the LFA verification of implementation, the Global Fund Secretariat should ensure by that the LFA:</i></p> <ul style="list-style-type: none"> <i>(i) Documents grant related risks during assignment planning and base field work on an assessment of these risks;</i> <i>(ii) Performs reviews at the PR premises. Key issues should be raised and resolved on site to reduce iterations and report turnaround time;</i> <i>(iii) Seeks evidence of results reported by the PR and SRs and completes the appropriate section when results should be modified; and</i> <i>(iv) Debriefs the PR and SRs after each review.</i> 	<ul style="list-style-type: none"> i) This recommendation is noted. At the time of the OIG audit, efforts to align the LFA methodology to risks were under way and this is now fully implemented. The LFA identifies risks during assignment planning and review work and field work is based on assessment of these risks. For example, the review of expenditure during progress update review is tailored to focus on risky areas. The LFA will seek to improve on this area. ii) This recommendation has already been implemented. Reviews are performed on site and we have discussed and agreed this with the PRs to ensure that PMU and programme staff are available during LFA verification of Implementation. iii) We note the recommendation and as stated earlier, since the time of the OIG audit, the LFA methodology has been enhanced. It is now mandatory that the LFA reports are evidence based and results are confirmed during verification, and where these are not available; it is indicated in the reports. iv) We note the recommendation. The LFA for the past 12 months debriefs the PR on all assignments before reports are submitted to the Global Fund. SRs are invited for debrief meetings for OSDVs. The LFA encourages the PR to invite a CCM representative during debrief meetings. 	<p>Patty Karuaihe-Martin</p>	<p>Immediately</p>
	<p>Recommendation 60 (Critical)</p>	<p>i) This recommendation has already been implemented.</p>	<p>Patty</p>	<p>Immediately</p>

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	<p><i>The Global Fund Secretariat should ensure that the LFA takes the following actions:</i></p> <ul style="list-style-type: none"> <i>(i) The LFA should spend more review time at the PR and SR site, to improve its understanding of PR systems and verify findings;</i> <i>(ii) LFA reports should clearly show what evidence was seen. Where reports are written on the basis of verbal representations, the LFA should make this clear, including specifying the reasons why documents were not provided; and</i> <i>(iii) The LFA should put in place quality assurance procedures, i.e., all work done should be reviewed by a senior professional with adequate knowledge of the PRs and the Global Fund.</i> 	<p>Reviews are performed on site and we have discussed and agreed this with the PRs to ensure that PMU and programme staff are available during LFA verification of implementation.</p> <p>ii) This recommendation has been implemented. The LFA seeks evidence of results during verification and where these are not available; it is indicated in the reports.</p> <p>iii) This recommendation has been implemented. All work is reviewed by a senior professional approved by the Global Fund.</p>	Karuaihe-Martin	tely
	<p>Recommendation 61 (Critical) <i>The Global Fund Secretariat should require that the LFA complies with the deadlines for deliverables.</i></p>	<p>The recommendation has been implemented. The LFA complies with set deadlines for deliverables. Where deadlines cannot be met as a result of factors beyond the control of the LFA, this is communicated to the FPM in advance.</p>	Patty Karuaihe-Martin	Immediately
	<p>Recommendation 62 (Critical) <i>The Global Fund Secretariat should ensure that effort of LFA staff focuses on the sites of program</i></p>	<p>Recommendation noted and implemented. During review of work, the LFA focuses its efforts beyond the PMU. Review of work is done with the PMU staff and programme staff at the Directorate of Special</p>	Patty Karuaihe-Martin	Immediately

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	<p><i>implementation, e.g., the Directorate of Special Programs and major civil society SRs, rather than just the PMU. This would ensure sufficient understanding of programmatic risks and necessary controls.</i></p>	<p>Programmes and Public Health Care and the programme staff. The LFA also liaises directly with the SRs during verification of implementation as necessary.</p>		
	<p>Recommendation 63 (Critical) <i>The Global Fund Secretariat should strengthen grant oversight by providing the LFA with prompt feedback on their performance. The Global Fund Secretariat should sanction LFAs who do not implement remedial actions. Consideration should be given to re-tendering for LFA services in Namibia.</i></p>	<p>This is an on-going process for the Country team.</p>	<p>Global Fund Secretariat</p>	<p>On-going</p>