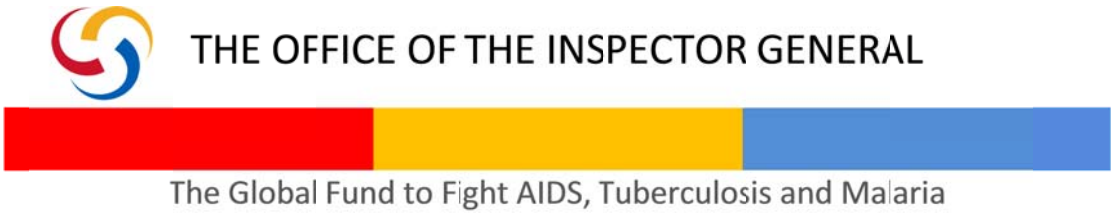

Audit of Global Fund Grants to the Republic of Senegal

Executive Summary

GF-OIG-11-007
7 September 2012

EXECUTIVE SUMMARY

Introduction

1. As part of its 2011 work plan, the Office of the Inspector General (OIG) carried out an audit of the Global Fund grants to the Republic of Senegal. The field work for the audit was carried out from 15 August to 4 October 2011. The Global Fund managed a portfolio of eleven grants whose total value, at the time of the audit, was USD 139.8 million of which USD 99 million had been disbursed from 1 April 2003 (the inception date of the first grant) to 15 July 2011. The audit covered eight out of the eleven grants of the Senegal grant portfolio (see Annex 2).

2. The five Principal Recipients in Senegal were the National AIDS Commission, the Alliance Nationale de Lutte Contre le SIDA, the National Malaria Control Program, the National Tuberculosis Control Program, and the National AIDS Control Program. The key Sub-Recipients of the grant programs were national and regional hospitals, district health centers, health posts and Civil Society Organizations, as well as the Central Medical Stores (Pharmacie Nationale d'Approvisionnement).

Governance and Program Oversight

3. The Country Coordinating Mechanism has evolved to play a strong role in grant oversight. However, there was scope for the CCM to involve national oversight institutions such as the Auditor General (Cour des Comptes) to carry out regular audits and reviews of the Global Fund-supported programs in Senegal.

4. There was scope for the Global Fund Secretariat to work with the PRs to avoid implementation gaps such as those experienced in the transition from Phase 1 to Phase 2 of the Round 7 tuberculosis and malaria grants, which at the end of the audit in September 2011 were delayed by seven and twelve months, respectively.

5. There was a need for the Local Fund Agent to review its staffing, which was strained due to workload issues resulting from the increasing size of the grant portfolio. In addition, there was scope for the LFA to provide briefings on its findings in order to seek feedback from Principal Recipients before submitting reports to the Global Fund Secretariat.

The Public Health Response

6. Senegal has a concentrated HIV epidemic, stabilized below one percent at the national level. The most vulnerable groups are female sex workers and men who have sex with men among whom one in five is living with HIV. Treatment and prevention of mother-to-child transmission was available throughout the country, with specialized clinics providing health services. Antiretroviral treatment and treatment of opportunistic infections was free of charge. However, the increasing stigmatization of sexual minorities and female sex workers was an area of concern.

7. With an estimated tuberculosis prevalence of 545 per 100,000, Senegal is in the mid-range of African countries in terms of its tuberculosis burden. The National Tuberculosis Program has made advances in improving treatment success rates, although progress on the case detection rate was stagnating. Collaboration with community-based organizations in 32 out of 69 districts has shown promising improvement in cure rates and increased treatment adherence.

8. There was scope for improvement in the diagnosis and treatment of multi-drug resistant tuberculosis. At the time of the audit, only patients who could travel to the National Tuberculosis Reference Laboratory in Dakar were tested for drug

resistance, and only those who lived within daily commuting distance from three urban health centers in Dakar could access treatment.

9. Reported cases of malaria in Senegal fell from more than 1.5 million in 2006 to 174,000 in 2009. The main reason was a change in the case definition, with only laboratory-confirmed cases reported after 2008. There was some evidence of a real decrease in malaria incidence, although it was difficult to confirm this because of a data retention strike by health workers since 2010.

10. National guidelines for diagnosis and treatment of malaria required parasitological confirmation and treatment with Artemisinin-based Combination Therapy for all cases of uncomplicated malaria. This protocol was strictly adhered to in all clinics visited by the audit team. Rapid Diagnostic Tests and ACTs were available free of charge. However, bed-nets for routine distribution to pregnant women had been out of stock in all clinics visited.

Procurement and Supply Chain Management

11. There was a well-managed supply of ARVs. No major stock-outs were observed or reported. However, there was scope for the National AIDS Commission to strengthen its monitoring of and control over the distribution and consumption of drugs for treatment of opportunistic infections.

12. There was a regular supply of anti-tuberculosis drugs. No major stock-outs were noted.

13. There has been a continuous supply of ACTs since 2006. Rapid diagnostic tests were introduced successfully and were available in all health facilities visited by the audit team. However, there was scope to improve quantification of ACTs and diagnostic tests. In all facilities visited during the audit, adult dosage forms of ACTs were over-stocked while pediatric dosage forms were in short supply. Infant dosage forms were out of stock in most health facilities. Morbidity data have been withheld by striking health workers and consumption data were not collected along the supply chain.

14. There was scope to improve the Central Medical Stores' pharmaceutical logistics management information system, and its storage and distribution practices at both the central level and at its regional stores to meet the standards of good practice.

Financial Management

15. The audit team noted scope for improvement in financial management across all organizations audited. The audit findings should be addressed by (a) ensuring that financial controls are consistently applied to manage all key risks; (b) adopting relevant financial and operations manuals for Sub-Recipients that specify what supporting documentation is required for the justification of program costs relating to community health worker/field-level activities, transportation, field supervision, training, meetings, purchase of gasoline, etc.; and (c) ensuring supportive supervision of implementing entities by Principal Recipients.

Overall Conclusion

16. Governance and Program Oversight: The Country Coordinating Mechanism was active in grant oversight; however, there was scope to include national assurance institutions. The increasing size of the portfolio had resulted in delays in LFA reviews. There was scope for the Global Fund Secretariat to take steps to prevent long funding gaps between Phase 1 and Phase 2 of its Senegal portfolio. The OIG concludes that

grant oversight was generally satisfactory, although further efforts are needed to strengthen its effectiveness.

17. Program Review: There have been good programmatic achievements in Senegal, particularly in the national response to HIV/AIDS and malaria. Steady progress was being made in tuberculosis treatment and control, although there was scope for improvement in the diagnosis and treatment of MDR-TB. Programs supported by the Global Fund were generally well managed and outcomes generally satisfactory.

18. Procurement and Supplies Management: While there was a regular supply of ARVs, anti-malaria drugs, anti-TB medicines and health products, there were stock-outs of bed-nets for routine distribution to pregnant women. The audit observed scope for improvement in drug management, distribution and storage at the Central Medical Stores. The OIG concludes that Procurement and Supplies Management was partially satisfactory, with further efforts needed to strengthen this area.

19. Financial Management: Controls to manage key financial risks were not applied consistently by grant recipients, particularly at the Sub-Recipient level. If these shortcomings are not addressed this may put grant funds at risk. The OIG concludes that there is scope for the Global Fund Secretariat to work with the Principal Recipients to strengthen financial management capacity of sub-recipients, and for Principal Recipients to provide an increased level of financial oversight and supportive supervision of sub-recipients. Financial management was partially satisfactory.

20. While internal control requires considerable strengthening, taken overall, the OIG was able to give reasonable assurance that oversight arrangements ensured that grant funds had been used for the purpose intended and that value for money had been secured. Key areas for improvement are detailed in the body of the report. Firm commitments have been made by stakeholders to take action to mitigate the risks identified. The OIG offers 14 recommendations categorized as “Critical”, 15 categorized as “Important” and six as “Desirable”.[1]

Events Subsequent to the Audit

21. The following has taken place since the audit:

a) The Round 7 Phase 2 of the TB grant has been consolidated with the Round 10 TB grant into a new TB single stream funding grant.
b) The Round 7 Phase 2 malaria grant has been consolidated with the Round 10 malaria grant into a new Malaria SSF grant.
c) The National Tuberculosis Program will procure drugs and health products through the Global Drug Facility. Storage and distribution will be handled by the Central Medical Stores.
d) The National Malaria Program will procure drugs and health products through the Voluntary Pooled Procurement mechanism. Storage and distribution will be handled by the Central Medical Stores.

[1] Please see the Audit Overview section for a definition of these categories.