



THE OFFICE OF THE INSPECTOR GENERAL



The Global Fund to Fight AIDS, Tuberculosis and Malaria

Diagnostic Review of Global Fund Grants to the Republic of Benin

Report

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TABLE OF CONTENTS

EXECUTIVE SUMMARY 2

MESSAGE FROM THE GENERAL MANAGER OF THE GLOBAL FUND 3

MESSAGE FROM THE COUNTRY COORDINATING MECHANISM 4

INTRODUCTION..... 5

RISKS 7

ANNEXES

Annex 1: Abbreviations

Annex 2: Principal Recipients

Annex 3: Recommendations and Management Action Plan.....

EXECUTIVE SUMMARY

Introduction

1. This diagnostic review of the Global Fund grants to the Republic of Benin sought to identify and share good practices, identify key risks to which grant programs were exposed, and make recommendations for risk mitigation. It took place from 10 April to 27 April 2012.
2. The review covered six grants to Benin that were active during the review, with a total budget of USD105 million of which USD 68 million had been disbursed. There were five Principal Recipients (PRs) implementing grants in Benin: Ministry of Health (implementing HIV and Tuberculosis SSF grant through the National Program to Fight AIDS “PNLS” and the National Program against Tuberculosis “PNT”), Plan Benin, Africare, Catholic Relief Services USCCB-Benin and Industrial and Building Electricity Company “SEIB”.
3. Good practices were observed by the team during the course of the diagnostic review. For example, there was evidence of a successful national response on treatment of tuberculosis in Benin. Notwithstanding this, a number of risks were identified that may potentially impede program implementation unless they are mitigated. Eighteen recommendations are offered to mitigate these risks. An action plan in response to the report recommendations has been prepared by PRs, CCM and Global Fund Secretariat and is included as Annex 3.

Key Mitigating Actions Agreed Upon

4. In response to risks in the areas of grant implementation, the stakeholders agreed to:
 - Ensure that indicators and data for decision making are realistic and reliable. In particular, the CCM and PRs will ensure that targets set for treatment and indicators for monitoring MDR-TB are revised to reflect the current practice and baseline data; ensure that targets and indicators for Malaria are revised to reflect the accurate prevalence and that the program design and M&E systems are aligned with national systems;
 - Ensure good financial management. In particular, the PRs will mark original third party documents as pertaining to the Global Fund grants and ensure the availability of funds before approving payment;
 - Ensure accurate forecasting and quality of drugs and commodities procured. In particular, ensure that forecasting takes into account lead times in the procurement process and is based on consumption data. All PRs will comply with WHO guidelines regarding the pre-qualification of manufacturers and sites, and with quality assurance checks at all levels of the distribution channel and improve the distribution and the storage conditions of the drugs; and
 - The need to strengthen oversight. In particular, the CCM will ensure its role in oversight by consistently following the PRs’ financial and programmatic progress to help resolve bottlenecks that affect program implementation.

MESSAGE FROM THE GENERAL MANAGER OF THE GLOBAL FUND



10 YEARS
OF IMPACT

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MESSAGE FROM THE GENERAL MANAGER

I would like to thank the Office of the Inspector General for its thorough and insightful work on the diagnostic review of Global Fund grants to Benin.

The diagnostic review was carried out from April 10 to 27, 2012 and covered all six active grants to Benin, with a total budget of US\$105 million - of which US\$ 68 million had already been disbursed.

The review identified achievements in the response to the AIDS, tuberculosis and malaria epidemics, as well as good practices in the Global Fund-supported programs in Benin. There was an excellent consistency between TB registers and treatment cards, quarterly reports and laboratory registers. Data keeping and reporting discipline were notable.

Benin also demonstrated an impressive increase in the coverage of Long Lasting Insecticidal Nets, as a result of a well prepared and implemented mass distribution campaign, carried out in July 2011. Product specifications and tender processes were also regularly reviewed by the Local Fund Agent, The Swiss Tropical and Public Health Institute, and validated by the Global Fund Secretariat to ensure competition and transparency in procurements.

The report of the review also highlights a number of risks that need to be mitigated, to help ensure a successful program implementation. Procedures to select Principal Recipients and Sub-Recipients need to be established to ensure that entities selected have the capacity to implement the grants. Country Coordinating Mechanism grant oversight needs to be enhanced. The review also found that objectives, indicators and target setting do not facilitate performance-based funding.

In order to address the risks, the review report presents 18 recommendations. The Principal Recipients, the Country Coordinating Mechanism and the Global Fund Secretariat have already prepared an action plan to implement the recommendations.

Diagnostic reviews 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

MESSAGE FROM THE COUNTRY COORDINATING MECHANISM

The CCM did not submit an overall message for inclusion in this report. However, the CCM's response to the recommendations offered forms an integral part of the management action plan (Annex 3).

INTRODUCTION

What was the review about?

5. The Office of the Inspector General (OIG) and the Global Fund Secretariat conducted concurrent engagements in Benin. The Secretariat undertook an Enhanced Financial Review (EFR) of four Principal Recipients whose grants were due to be renewed under Phase 2 (the Ministry of Health, Plan Benin, Africare and the Société d'électricité industrielle et de bâtiment (SEIB)). On request of the Secretariat, the OIG undertook a concurrent diagnostic review of Global Fund grants to Benin.

6. By performing these two exercises simultaneously, the burden on the PRs was lessened and results were available at the same time to add value to management in overseeing these grants. The pages below present the results of the OIG's Diagnostic Review, including a detailed financial review of one Principal Recipient, Catholic Relief Services Benin, which had not been included in the EFR. The EFR is an internal document of the Secretariat.

7. The diagnostic review sought to identify and share good practices, identify key risks to which Global Fund grant programs were exposed, and make recommendations for risk mitigation.

8. A diagnostic review is different from a country audit in that no overall opinions are provided and no assurance is provided regarding how grant funds were spent. The team for the diagnostic review included technical experts in public health, procurement and supply chain (PSM) management, and financial management. The main fieldwork for the diagnostic review was conducted from 10 to 27 April 2012.

9. Of the eleven grants made to Benin, the review covered the six active grants, which totaled USD 105 million, of which USD 68 million had been disbursed at the time of the review.¹ The Global Fund grant portfolio for Benin was as follows²:

Table 1: Grants to Benin

Round/ Disease	Grant – Principal Recipient	Grant Amount- USD	Disbursed Amount- USD
R3 – RCC Malaria	BEN-304-G04-M: Africare	27,792,676	21,781,519
R7 - Malaria	BEN-708-G07-M: Catholic Relief Services USCCB - Benin	13,667,834	12,510,893
SSF - HIV	BEN-H- BENPNLS: Ministry of Health of Benin	40,017,341	18,563,118

¹ The Global Fund website, March 2012.

² The Global Fund website, March 2012. See Annex 2 for a description of the PRs.

Diagnostic Review of Global Fund Grants to Benin

SSF - HIV	BEN-H-Plan Benin: Plan Benin	12,182,544	7,306,258
SSF - HIV	BEN-H-SEIBSA: Industrial and Building Electricity Company	6,101,941	4,340,443
SSF - TB	BEN-T-PNTUB: Ministry of Health of Benin	6,067,577	4,448,077
TOTAL		105,829,913	68,950,308

What good practices were observed during this diagnostic review?

10. The following good practices were observed by the OIG team in the course of the diagnostic review. This list is neither exhaustive nor systematic. These good practices may serve as lessons for other countries receiving Global Fund support:

- The TB program was a successfully monitored public health program. There was an excellent consistency between TB registers and treatment cards, quarterly reports and laboratory registers³. Data keeping and reporting discipline was notable.⁴
- Benin demonstrated an impressive increase of LLIN coverage due to the mass distribution campaign of July 2011 that was well prepared and implemented, under the guidance of PNLIP. The campaign covered the entire country in a period of just 3 days, followed by a one-month period to cover households missed during the campaign;⁵
- Post-shipment quality assurance of pharmaceuticals took place;
- Product specifications and tender processes were regularly reviewed by the LFA and validated by the Global Fund Secretariat to ensure competition and transparency in procurements; and
- Catholic Relief Services had proactively updated its ACT quantification after the introduction of RDTs in the country.

³ Trebeck, A. et al (2010) Are the statistical data from Benin's National Tuberculosis Programme reliable? <http://www.mendeley.com/research/are-the-statistical-data-from-benins-national-tuberculosis-programme-reliable/>

⁴University Research Co. (2012) Evaluation de l'Impact de la contribution du Fonds Mondial dans la Mise en Œuvre des activités du Programme National contre la Tuberculose au Benin. Not yet published.

⁵ REPUBLIQUE DU BENIN, MINISTERE DE LA SANTE, DIRECTION NATIONALE DE LA PROTECTION SANITAIRE, PROGRAMME NATIONAL DE LUTTE CONTRE LE PALUDISME: a) Protocole de la campagne de distribution gratuite des moustiquaires imprégnées d'insecticide à longue durée d'action aux ménages pour l'accès universel et de la campagne de déparasitage et de supplémentation en vitamine A en 2011 au Bénin. NOVEMBRE 2010. b) Campagne de distribution gratuite de moustiquaires imprégnées d'insecticide à longue durée d'action aux ménages du Benin – Rapport Général. Janvier 2012

RISKS

PROGRAM IMPLEMENTATION

What were the risks related to the monitoring and use of data?

Performance monitoring and data for decision-making

11. A number of concerns were observed during the OIG review relating to the quality of target-setting, data quality, and the use of data for decision-making. Risk mitigation for Risks 1-3 are set out in paragraphs 22 to 26.

Risk 1: The objectives, indicators and target setting do not facilitate performance-based funding

12. The objective “Increase the percentage of TB patients co-infected with HIV provided with appropriate care from 10% to 100%” was not consistent with the baseline 2.1⁶ and 2.2⁷ indicators which already indicated a performance of 96% in 2008 and 94% in 2007 respectively.

13. The indicator measuring MDR TB treatment⁸ has a target of 60% of identified cases. The OIG review showed that in reality the aim was to treat (and cure) all cases that should be treated. The difference between the performance framework under the grant and actual practice related to the high proportion of non-resident (foreign) TB cases that were diagnosed but did not remain in Benin for treatment. With the exception of one case in 2009, all patients that initiated treatment in 2007-2009 were cured (see Table 2).

Cases	2007	2008	2009	2010	
Confirmed MDR TB	11	16	21	18	All residents including foreign residents who are committed to complete treatment are put on treatment
Treated	6	1	7	9	
Cured	6	1	6	n/a ⁹	

Table 2: Evaluation de l'impact de la contribution du Fonds Mondial dans la Mise en Œuvre des activités du Programme National contre la tuberculose au Benin (URC, 2012)

⁶ Number and % of new TB cases tested for HIV

⁷ Number and % of TB patients tested positive for HIV who received Cotrimoxazole treatment according to National Policy

⁸ NB: The Global Fund does not finance MDR-TB treatment in Benin because Benin follows a short course treatment protocol that is not endorsed by WHO. (However, MDR-TB diagnosis and treatment targets have been retained in the performance framework to assess performance of the TB program.)

⁹ Course of treatment not complete at time of diagnostic review.

14. The malaria case load was bound to decline¹⁰ due to an increase in LLIN coverage and utilization and the introduction of Rapid Diagnostic Tests. This had not been sufficiently incorporated in the treatment targets for Africare and CRS, resulting in underachievement.

15. Some indicators could not be monitored since data collection mechanisms at the interface of NGO and public services did not exist. Examples included:

- “Number of fever cases in 0-6 months old referred by CBOs to health centers for antimalarial treatment”. CRS had with much effort increased performance from 2% to 14% of the target, which illustrates the problem, of an insufficiently “smart” indicator in the context of declining disease incidence¹¹.
- “% (number) of children under 5 years with signs of severe fever/malaria who are referred by community-based organizations to health centers and who were registered at the health center” (CRS/Africare); and
- “Number of children under five suffering from fever who have received appropriate anti-malarial treatment ACT within 24 hours in public health facilities” (Africare).

16. The objectives for SEIB’s Health Systems Strengthening grant were open to multiple interpretations. Objective 2 states, “Strengthen health capacities to obtain better results in fighting AIDS, Tuberculosis and Malaria; restore the operational capacity of health care areas pursuant to the PHC approach by improving the supply chain for drugs, reagents and laboratory consumables and health care in populations, particularly the most vulnerable populations, by means of an accrued availability of quality public and private health care services”. It was difficult to generate meaningful indicators to measure this objective. In practice, implementation of this objective included direct support for 20 private clinics; the activities implemented were difficult to relate to Health Systems Strengthening and the objective above.

¹⁰ The latest DHS data, gathered at the end of 2011, are expected to be published in May 2012

¹¹ Grant Performance Report BEN-708-G07-M, December 2011

Risk 2: Global Fund support may result in the creation of parallel systems for data collection

17. The M&E systems of both Africare and CRS had been designed for the community level. Linkages with the national M&E system were few, with only two out of nine and three out of eleven indicators used by CRS and Africare respectively being monitored by the National Malaria program (PNLP).

Risk 3: Data quality at PNLS is not assured and data are not consistently used to inform decision-making

18. The Centre d'Information de Prospection et de Conseil (CIPEC) regularly visited all service sites on a quarterly basis to collect data from the registers maintained in those sites. However, the staff in charge of data collection were also tasked with triangulating data quality, which conflicted with the principle of segregation of duties and gave rise to a risk regarding data quality. There was no evidence that the data were used to inform decision-making.

19. The OIG noted conflicting evidence on the extent of the stock-outs of both ARVs and reagents for testing. While all development partners interviewed emphasized with great concern that there was a persistent and wide spread shortage of these health products since October 2011, PNLS reports for the same period indicated that only 61 of 678 (9%) active sites experienced any stock outs:

- VCT: 12 of 149 (8%);
- PMTCT: 48 of 450 (11%); and
- Care and Support: 2 of 79 (3%).

20. During the visits to four centers, the OIG team noted that even before stocks were entirely depleted, services dependent on those stocks were curtailed. The resulting variations in service usage were visible in the registers and could in all sites visited be linked to shortages. Patients thus experienced service limitations even before stock-outs became reportable.

21. The OIG noted that in two of four centers visited, there had been no update of patient registers. In the national reference hospital (CNHU), 4,822 patients were registered as active patients at the time of the visit, despite approximately 50% having absconded, died, or transferred. On the other hand, in CS Adjara patients lost to follow-up were taken out of the active file and recorded in a separate register.

Risk mitigation proposed:

22. The Global Fund Secretariat should work with the PR to ensure that the targets set for treatment and indicators for monitoring MDR-TB are revised to reflect current practice and baseline data. Mechanisms to ensure treatment for foreigners that are likely to default should be explored.

23. The Global Fund Secretariat should work with the PRs to ensure that targets and indicators set are realistic, reflect prevalence, and take into consideration interventions. In addition, the indicators should be revised to ensure they can easily be monitored and evaluated.

24. The Global Fund Secretariat should work with the PRs to ensure that objectives and indicators are clarified to make them easy to monitor and achieve.

25. The Global Fund Secretariat should work with the PRs to ensure that program design and M&E systems are aligned with the national policy and the national M&E system.

26. The PR (PNLS) should ensure that the quarterly data collected by CIPEC are independently validated and analyzed and the results used to inform management decisions, particularly with respect to ordering and distribution of drugs. The Global Fund Secretariat should work with the PR to ensure the reliability of data on stock-outs of ARV at the service delivery centers. The Global Fund Secretariat should perform a data quality audit at the end of the Phase I of the grant.

What were the risks related to local capacity constraints?

Capacity Building

Risk 4: The PNLS's capacity to implement all program activities may not be sufficient

27. A substantial part of the Round 9 activities to be implemented by PNLS had not started. This included the HSS program and the activities under other directorates in the Ministry of Health, such as the DPP, DNSP, DSME and DFRS.¹²

28. At the time of the review, the PR did not have the structures and staff in place to adequately manage the

¹² For an organogram of the Ministry and core tasks of the various departments see <http://www.beninsante.bj/spip.php?article9>

program's partners, complexity and the scope of activities. Eighteen months after the start of the program, PNLS had not started implementation of prevention activities among key populations and had not begun recruitment of the 34 CBOs indicated in the action plan. One of the reasons cited by the PR was the absence of a budget to recruit the CBOs. While working with sex workers was listed in the PNLS Action Plan, it was not specified in the PUDR objectives and indicators.

29. The focus of the HSS grant was on broad health gains in the realm of Primary Health Care. The proposed PR was PNLS. Under the HSS grant, PNLS will be responsible for the implementation of a program that is conceptually and practically remote from its core business.

30. Risk mitigation proposed: The Global Fund Secretariat should work with the PR to ensure that the required capacity to implement HIV/AIDS and HSS programs is in place and/or developed. The PR should put in place concrete mechanisms for receiving support from other MOH departments in the implementation of activities. Further, the PR should ensure that activities related to high risk populations are implemented by ensuring budget availability and recruitment of CBOs.

Following Protocols and Guidelines

What were the risks related to adherence to protocols and guidelines?

Risk 5: Non-adherence to diagnostic protocols threatens success of the national malaria program

31. The National Strategic Plan to fight Malaria 2011-2015 aims for at least 90% conformity with the decree to only treat confirmed cases by introducing Rapid Diagnostic Tests (RDT). However, Africare and CRS-supported CBOs were treating fever cases without first testing.

32. Risk mitigation proposed: The use of RDTs for testing before treatment should be adopted in all service centers. Training for personnel may also be needed on the use of those kits.

Risk 6: Resistance to pyrethroid-impregnated LLINs may result in less effective interventions

33. There was emerging evidence of resistance of *Anopheles gambiae* against pyrethroids in Benin.¹³ This will reduce effectiveness of pyrethroid-impregnated LLINs

¹³ Yadouleton et al. Malaria Journal 2010, 9:83 <http://www.malariajournal.com/content/9/1/83>

As pyrethroids are the only group of insecticides currently recommended for use on mosquito nets, there is potential reduction in the positive results from LLINs that have been distributed in large numbers.

34. Risk mitigation proposed: The Global Fund Secretariat should work with the WHO to establish definitive guidance on LLIN use in Benin under the global plan for insecticide resistance management.

FINANCIAL MANAGEMENT

35. The OIG Diagnostic Review was undertaken concurrently with the Enhanced Financial Review (EFR) initiated by the Global Fund Secretariat. The EFR included a financial review of five grants in preparation for Phase 2. The grants were implemented by four Principal Recipients, namely, the Ministry of Health, Africare, Plan Benin and Société d'électricité industrielle et de Bâtiment (SEIB). In order to cover all the active grants to Benin, the OIG performed a diagnostic review of the Financial Management System for the fifth Principal Recipient, Catholic Relief Services (CRS). This section describes OIG findings on CRS. Risk mitigation for Risks 7-10 are set out in paragraph 43.

What were the risks related to financial management at Catholic Relief Services?

Risk 7: Absence of donor identification on supporting documents for expenses may result in charging the same expenses to multiple donors

36. Original third party documents (invoices, contracts, receipts, delivery notes, etc.) related to Global Fund-supported program expenses were not marked with the Global Fund name or project code. CRS received funds from different donor organizations, and the Global Fund Secretariat or its LFA did not have access to the books of account relating to the other funding sources to ensure that the same expenses were not charged to more than one donor.

Risk 8: Proper implementation of program activities is not assured in the absence of regular periodic internal audit of the Global Fund grants

37. There was scope for CRS to strengthen its assurance on implementation of program activities through regular periodic internal audit of grant activities.

38. CRS did not have an independent internal audit unit in Benin, or a global annual audit plan that covered the various programs based on a risk assessment that would enable an assurance to be provided that the Global Fund-supported programs were managed efficiently and that assets and funds were used appropriately. Auditors from CRS headquarters undertook audits once every two years to review field office procedures and operations regardless of the funding source.

Risk 9: Non-confirmation of availability of funds prior to issuing checks could result in bouncing checks

39. CRS did not have in place a system to monitor cash balances before the issuance of checks or payments in order to ensure that enough funds were available and to avoid having negative bank balances in their books of account.

Risk 10: Gaps in classification of expenses and apportioning of common expenses in the accounting system could result in incorrect financial reporting

40. CRS recorded its financial transactions in Sun accounting software. Required fields such as cost category, service and activity codes were not consistently completed.

41. A sub general ledger for each project was not maintained and reports were generated in Excel from the accounting software, after which information on cost category, service delivery and activity codes was manually entered.

42. Expenses common to multiple projects should be allocated to project funding sources on a basis agreed by the donor(s). The OIG noted that CRS did not have a code for sharing common expenses among donors and some common expenses were wholly charged to the Global Fund Grants.

43. Risk mitigation proposed: Financial management controls should be strengthened by ensuring expense documents are marked with the donor or grant details, fund availability is confirmed before check payments are made, coding of expenses with project details in the accounting system takes place, an equitable system of apportioning common expenses is established, and periodic internal audits of Global Fund grants take place.

Risk 11: Improvement in the selection and management of Sub-Recipients would ensure proper implementation of activities and minimize the risk of inadequate accountability

44. There was scope for CRS to strengthen its recruitment and selection of SRs by advertising or inviting proposals from other capable organizations and carry out

a comprehensive selection process in order to select SRs with the best capacity to implement the program activities. CRS's SR Management Manual did not include specific SR selection processes to be followed.

45. Disbursements to MCDI (SR) were issued directly to the organization's headquarters in the United States instead of the field office implementing the program. Furthermore, the cash balance in the SR's bank statements in December 2011 corresponded neither to the cash balance in the SR's financial report nor to their bank reconciliation.

46. The OIG noted the following:

- The need for a systematic procedure to monitor SR expenses and their financial reports;
- Discrepancies of EUR 11,198 and EUR 73 between the expenses as reported by the Africare and MCDI (SRs), respectively, and the expenses as reported in the EFR (June 2011); and
- Discrepancies of EUR 7,562 and EUR 21,844 between the computed cash balance for MCDI and Africare, respectively, calculated based on the advances issued and expenses reported and the cash balance as reported by the SRs.

47. All SRs under the grants managed by CRS held grant funds in non-interest-bearing accounts. The grant agreement asks that to the extent practicable, grant funds are held in interest bearing accounts.

48. Risk mitigation proposed includes advertising the invitation of proposals from prospective SRs, establishing policies and procedures for selection of SRs, review of SR financial reports and making disbursements to SRs in local rather than international bank accounts.

PROCUREMENT AND SUPPLIES MANAGEMENT

What were the risks related to quantification and forecasting?

Forecasting and Quantification

49. Scope for improvement existed in the area of forecasting and quantification, both at the level of specific PRs and generally across the program. Specific risks related to this area are outlined below.

Risk 12: Required improvements in the quantification, forecasting and tender management by PNLs would minimize the risk of stock outs and expiries of ARVs and diagnostic test kits

50. All sites visited as part of the four field visits undertaken had experienced ARV stock outs in 2011 and were running out of diagnostic tests. Causes included:

- Data used by the PNLs to quantify health product needs (ARVs and diagnostic tests) were the monthly average distribution rather than monthly average consumption data;
- There was no LMIS system in place to establish the actual quantity of health products consumed at regional and peripheral level; and
- The annual safety stock of ARVs did not take into account delivery times or the time required for release from quarantine.

51. Risk mitigation proposed: The Global Fund Secretariat should encourage the PRs to establish an effective LMIS that accurately captures ARV and other health product data at all levels and facilitates proper quantification using average consumption rates. Forecasting should take into consideration the lead times at all stages of the procurement process.

Risk 13: Improvement in forecasting of condoms by Plan Benin would decrease the risk of shortages

52. The OIG noted that quantification of condoms did not include the consumption data because the quantities used by Plan Benin to accurately forecast the number of condoms needed in the procurement plan did not include consumption data. None of the hypotheses in the procurement plan (estimated quantities per site) had been validated and did not provide a logical methodology of calculation that allowed the PR to validate the quantity of condoms by site. The plan did not include a safety stock and did not consider delay in delivery by suppliers.

53. Risk mitigation proposed: The Secretariat should ensure that Plan Benin bases its condom forecasting on consumption data.

Risk 14: There is a risk of over-stocking of ACTs under the CRS and Africare grants due to the over-estimation of needs

54. Both PRs need to revise their quantification of ACTs since two important factors appear to have an impact on the quantification:

- The mass distribution campaign of mosquito nets (applying a factor of malaria reduction in 5% of patients); and
- Introduction of the new protocol, 'Free treatment for pregnant women and children under 5 years old', and introduction of Rapid Diagnostic Test (RDT) (applying the average ratio of 53% positive cases).

55. Risk mitigation proposed: The Global Fund Secretariat should work with the PRs to revise their ACTs quantifications taking into account the effect of prevention interventions carried out.

Risk 15: Lead times not taken into account may affect the availability of drugs and commodities.

56. The tender files prepared by the PRs are submitted to the LFA to check the specifications of products and the procurement procedures that should be applied. The tender files are then approved by the Global Fund Secretariat. The same process is applied once the PRs advertise and select suppliers. In their forecasting, the PRs did not consider the following lead times: Preparation of tender document by CAME, LFA review, Global Fund Secretariat validation, delivery by suppliers, and the time needed to implement Quality Control procedures on reception.

57. This period could take over eight months, especially if the tender files submitted did not include all documents or if additional clarifications were necessary.

58. The OIG team noted that the submission and approval of the tender files was not enforced, with some PRs not submitting their tender files for verification and approval (e.g., SEIB).

What were the risks related to the quality of products procured?

59. Risk mitigation proposed: The Global Fund Secretariat should work with the PRs to ensure that forecasting takes into account all lead times in the procurement process and that the submission, review and approval of tender files is done more expeditiously.

Quality of Pharmaceuticals and Health Products

A number of findings point towards risks that could compromise the quality of drugs available to the program in Benin.

Risk 16: Incomplete conformity with storage and distribution standards and quality testing may lead to poor drug quality or deterioration.

60. The OIG noted scope for improvement in storage conditions; specifically, the monitoring of temperature, humidity and lighting.

61. Several storerooms visited (regional level of CAME, intermediary depots (PNT), some “dépôts répartiteurs” of the Ministry of Health (AFRICARE and CRS), storerooms for TB drugs and laboratory products (PNT), intermediary depots (DDS), CDT and CDM did not meet minimum standards.

62. Plan Benin did not undertake post-shipment quality testing of condoms, which was a requirement of funding.

Risk 17: Incomplete stock inventory records may compromise drug quality

63. The OIG team noted that there was scope for improvement in maintaining batch numbers at delivery sites for drugs received from CBO health workers. The absence of batch numbers compromised the ability to recall specific batches if required. In addition,

- It was not possible to assess the register for stock inventory due to non-availability of stock records (CRS), and medicine packs did not always conform to the delivery vouchers issued by the health workers;
- For Africare the record of lot numbers in the “dépôt répartiteur” and the CBO did not match; and
- For PNT, product batch tracing and laboratory number was not observed throughout the supply chain. The batch number was only available at the central store.

64. Risk mitigation proposed: The Global Fund Secretariat should work with the PRs to ensure that the appropriate storage conditions for drugs and laboratory supplies at all levels are established and maintained. Further, records should include adequate product details such as batch numbers to facilitate recall if required.

Risk 18: Insufficient quality assurance including proper storage and distribution at PNLs may compromise the quality of drugs

65. The OIG noted that there was scope to improve drug specifications in the PNLs. Tender files did not always include the drug/manufacturer (data not registered at the pre-qualification stage), while technical specifications of diagnostic tests were not sufficiently detailed in the tender documents and did not always include WHO pre-qualified suppliers. A supplier's declaration that the drugs delivered complied with the pre-qualification criteria should have been in place.

66. The OIG noted the following areas for improvement in drug management:

- The storage arrangements did not ensure reliable tracking of the drugs (no batch number in the files stock). This resulted in a lack of traceability in the pharmaceutical organization chain (receipt, verification, batch quantities, storage and distribution);
- The central computer system had default settings and there was lack of data update;
- Control and tracking of drugs movements, including control on product expiry dates, was not done;
- There was a lack of procedures to organize the recall of products;
- There was a lack of monitoring of biological parameters of patients due to break down of equipment and stock out of diagnostic tests;
- There was a lack of therapeutic education and pharmaceutical monitoring; and
- There was an absence of an effective system of pharmacovigilance and the non-transmission of quality control data and batch recalls to the regulatory authority.

67. Risk mitigation proposed: There is a need to ensure compliance with WHO guidelines regarding the pre-qualification of manufacturers and sites and to improve the distribution and the storage conditions of the drugs.

68. There is a need to ensure that the procurement documents indicate adequate product specifications meeting

the WHO pre-qualification principles; ensuring quality assurance at all levels in the distribution channel of drugs and proper records in LMIS to facilitate traceability.

What were the risks related to tendering?

Procurement

The review identified a number of risks the mitigation of which would result in improved procurement practices.

Risk 19: Measures needed to be put in place by Plan Benin to ensure that condoms procured met quality standards

69. The OIG noted that there was scope for improvement in the procurement of condoms by Plan Benin. The following gaps were noted:

- The technical specifications of condoms were not defined in the supply tender;
- There was a lack of procedures for pre-qualification of manufacturers;
- There was a lack of manufacturing compliance documents such as quality control before shipment;
- There were no arrangements specified for quarantine and quality control; and
- There was inappropriate storage conditions that could affect the quality of the condoms.

70. Risk mitigation proposed: The Secretariat should ensure that Plan Benin defines specifications for condom procurement in line with WHO recommended standards, establishes procedures for pre-qualification and pre-shipment quality controls and procedures to ensure proper storage of condoms and appropriate handling of defective products.

Risk 20: SEIB needs to stipulate the technical specifications of equipment and medical devices to be procure to minimize the risk of receiving poor quality products of

71. The OIG noted an absence of detailed technical specifications of products as well as the identification of manufacturers proposed by the local suppliers as conditions in the bidding documents, which may prejudice the receipt of quality products.

72. OIG observed that SEIB did not have a procedure for receiving goods at the time of delivery by the suppliers. Rather, they exercised post-delivery verification of goods, which was done after receipt and storage.

73. Risk mitigation proposed: The Global Fund Secretariat should ensure that SEIB and other PRs that procure goods define technical specifications for products, ensure that supplier bids include adequate manufacturer details and establish procedures for verification of product quality and specifications at the time of delivery by suppliers.

OVERSIGHT

Was CCM oversight adequate?

Risk 21: Establishing procedures for selection of PRs and SRs will minimize the risk of engaging entities without the capacity to implement the grants

74. There is a risk that the CCM will not be eligible for funding by the Global Fund in the absence of a documented and transparent process for the selection and nomination of all new and continuing PRs based on clearly defined and objective criteria.

75. The OIG noted that the CCM needed to establish a documented and transparent process for the nomination of PRs for the Single Stream of Funding. There was no evidence that the CCM advertised a call for expressions of interest in the national press, the number of proposals received, evaluations of the proposals or of the selection criteria and scoring system.

76. The OIG also noted that the PRs/SRs selection procedures were not defined by the CCM.

77. Risk mitigation proposed: The CCM should work with the Global Fund Secretariat to establish and document procedures for the selection of PRs and SRs, including calls for proposals, evaluation and selection criteria.

Risk 21: Scope for effective mitigation of potential conflict of interest in the CCM

78. The OIG noted that the PRs and SRs on the CCM were participating in decisions on the grants for which they were the implementers. The CCM had tried to mitigate this situation of conflict of interest by developing a new COI policy. However, the actions taken to mitigate such conflict of interest during meetings (e.g. leaving the meeting room) were not evidenced.

79. Risk mitigation proposed: The CCM should establish a standard protocol in which members declare their interest in the agenda items at the beginning of each meeting. The Conflict of interest protocols of recusal of conflicted members should be enforced and documented in the CCM minutes. For example, the CCM chair should not participate in decisions related to programs under his/her direction.

Risk 22: A need to enhance CCM oversight over the Global Fund Grants.

80. There is a need to strengthen the oversight role of the CCM over the grants, as the PUDRs and different reports submitted by the PRs to the Global Fund were not shared with the CCM.

81. To mitigate this situation, the CCM had developed a strategic monitoring plan (in draft at the time of the OIG review) that aimed to effectively monitor the implementation of the grant by the CCM. In this plan,

- The nomination of strategic monitoring committee (SMC) members will be done directly by the CCM Chair with the involvement of the Ministry of Health. The selection process of the SMC members was, however, not defined;
- No specific and detailed mechanism was envisaged for the monitoring of each grant; and
- Documents to be submitted by the PRs to the SMC and its timelines were not defined.

82. The CCM would have benefitted from an annual work plan which defined the agenda of the CCM meetings and/or documents to be submitted by each PR prior to the meetings, as well as a CCM budget and expenditure review process.

83. Risk mitigation proposed: the CCM should establish an annual work plan defining its activities to include review of documents and reports submitted by the PRs. A dashboard for monitoring progress and performance of PRs in each grant should also be put in place.

How can the LFA services be strengthened?

LFA quality of information and work

Risk 23: A need to strengthen the local LFA team.

84. The Swiss Tropical and Public Health Institute (Swiss TPH) has been the LFA since January 2009. The LFA team was composed of one team leader, two finance officers, an M&E specialist and a Public Health Specialist. The OIG team noted that the composition of the LFA team was not sufficient to effectively carry out the LFA scope of work. For instance, the finance officer needed to review the tender files and bidding process documents of all PR procurement as well as undertake the periodic review of the six Principal Recipients. This heavy workload impacted the quality of the review and the timeliness of the PUDR submission to the Global Fund.

85. The OIG noted that the LFA's sampling methodology was based only on the materiality of transactions rather than a risk analysis of cost categories. The OIG noted that the LFA did not have a review plan for PUDRs or EFRs to guide their work on how to select review samples or mandatory tests to be undertaken during review.

86. Risk mitigation proposed: The LFA should ensure adequate staffing of the local team to match the required reviews and related workload. The LFA should prepare a review plan based on a regularly updated risk assessment.