**Supply Chain Management review**

**Objective(s):**

The objective of the review is to assess the adequacy of the supply chain management systems and procedures used for health products procured through Global Fund grants to obtain assurance that supply chain management is undertaken efficiently and effectively.

**Scope of Review:**

***[Please specify:]***

* Geographic area or sampling methodology (how many sites & where; all patients or a sample; period of time being reviewed; etc)
* What disease/grants are being covered and what specific aspects of the disease programme are being covered

**Tasks:**

***[The list below represents a comprehensive supply chain management review. The Global Fund Country Team and the LFA should agree on whether a full verification (i.e. all of the below questions) or a partial verification (i.e. focus on some specific areas only), is required.]***

**Supply management review**

The PSM expert should determine if existing storage facilities and distribution channels are adequate and meet internationally recognized standards for good storage and distribution practices; specifically:

1. Storage:
2. If health products are received, stored, and managed in accordance with Good Storage Practices, i.e. in storage facilities that meet international standards and are safe, secure and reliable (e.g. existence of adequate inventory management and storage facilities as well as temperature-control and monitoring systems to assure efficacy of drugs received by end users/final beneficiaries);
3. Distribution:
4. If health products are distributed in accordance with Good Distribution Practices.

1. Management of the supply chain:
2. if the implementer and/or PR has SOPs (Standard Operating Procedures) in place to support all PSM-related processes and if there is evidence to support that the SOPs are being implemented. Such SOPs shall include but not be limited to documentation of procedures and controls for receiving of goods, stock placement and location, inventory control and records management, order processing, inventory counts, order release and dispatch, good house-keeping, equipment management, etc.
3. whether a formal or informal coordination committee or group exists with agreed ToRs, meets regularly, and is functional
4. if problems encountered in procurement and supply chain in the past, have been adequately addressed by grant managers and measures have been put in place to prevent their recurrence.
5. if there are adequate systems and controls in place to minimize the risk of stock-outs of essential medicines and health supplies needed by the grant programs;
6. if there are adequate systems and controls in place to minimize the risk of having material quantities of expired drugs and over stocking; and where there are material quantities of expired drugs, estimate the loss and establish the causes for this anomaly;

based on a sample, track health products and compare physical inventory to inventory records from receipt to lowest level of management .

1. if the functioning of the logistics and patient information systems is adequate.
2. if the quantification/PSM committees have well defined ToRs, meet on regular basis and minutes of the meetings are available
3. Map the health products’ in-country supply chain (either per disease or per type of intervention)*.*

**Output/Deliverables and timing of deliverables:**

The report should address each of the points listed under the scope of review/list of tasks above, as per the Global Fund request, and be supplemented with other relevant information. It should include without limitation:

1. A detailed description and analysis of issues/risks identified. The LFA should comment on the context and potential root causes of the issues identified, providing background information as necessary and prioritise the list of issues in an executive summary according to their significance.
2. Recommendations for addressing issues identified. Recommendations should be:
* Detailed – with all the relevant information included
* Specific and contextualised
* Time-bound
* Prioritized based on the level of risk
* Identifying the main entity responsible for implementation

Should the review identify clear evidence of fraud, the LFA should ensure it uses the GF communication protocol to inform the GF Secretariat and/or the OIG to allow consideration of evidence collection and other issues relevant to a possible criminal investigation.

**Required background reading**

***[Please indicate:]***

E.g. consider outstanding or due Conditions and/or Management Actions

**Service Delivery**

This task should be undertaken by the LFA PSM Expert who is accountable for the technical content of this report. S/he can be supported, as needed, by other LFA team members in the planning and during the verification. The LoE for this task, including report writing, depends on which elements of the ToR and the number and location of service delivery sites are included in the review, as agreed between the Global Fund Country Team and the LFA.