



Board Report

Office of the Inspector General Agreed Management Actions Progress Report *Year to Date (January to September 2017)*

GF/B38/10

14-15 November 2017

Geneva, Switzerland

Board Information

 **The Global Fund**

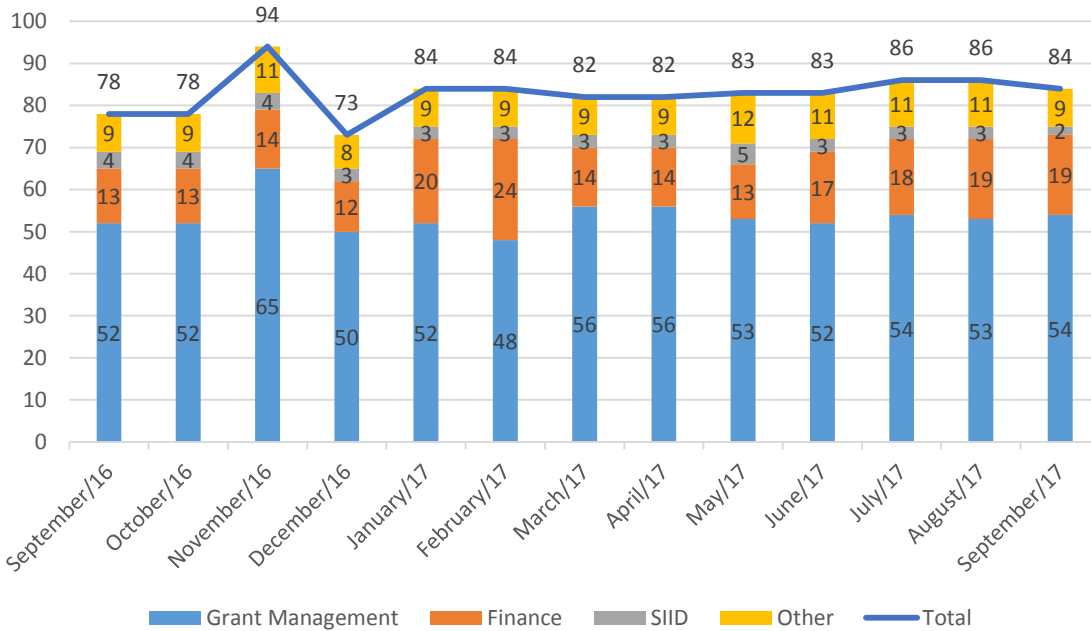
Office of the Inspector General

Key points

- 84 open AMAs, 2 AMAs less than in August
 - In September the Secretariat closed 6 AMAs
 - Year to date, the Secretariat has closed 58 AMAs
- 35 AMAs are overdue
 - 19 are long overdue (13 more than 180 days late). List on slides 6-12
 - In September the Secretariat reduced the number of overdue AMAs due by 3
 - Year to date, the Secretariat has reduced the number of overdue AMAs by 8
- Of the 45 AMAs falling due year to date, 29% were implemented on time. Overall, 47% of these were implemented at some point
- No AMAs will be due in the next 60 days

Total Open AMAs

Open AMAs



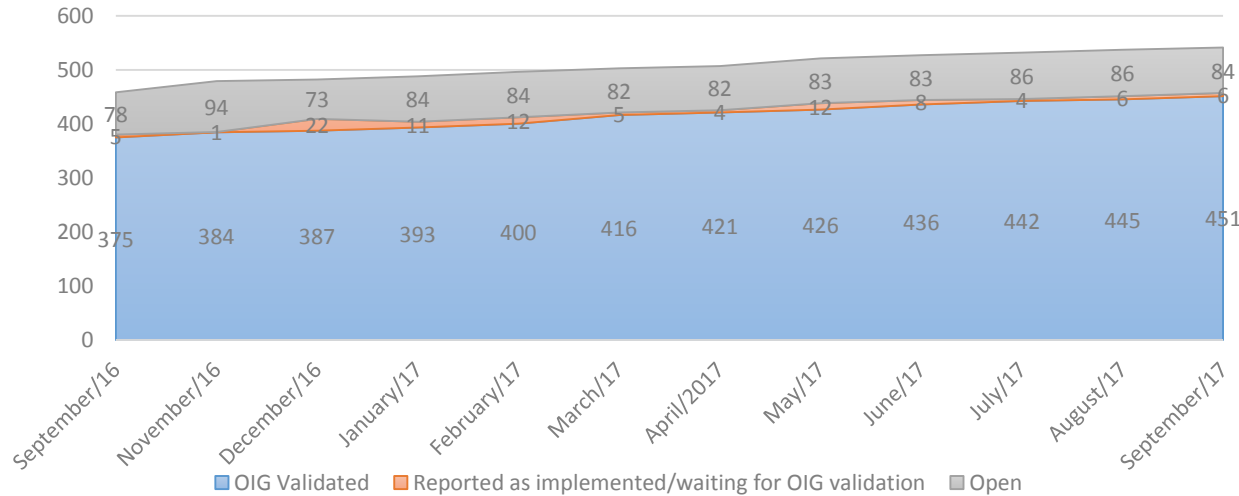
In September there were 4 new AMAs associated with 2 published reports

During the month:

- 6 AMAs were implemented

Cumulative AMA Implementation Progress

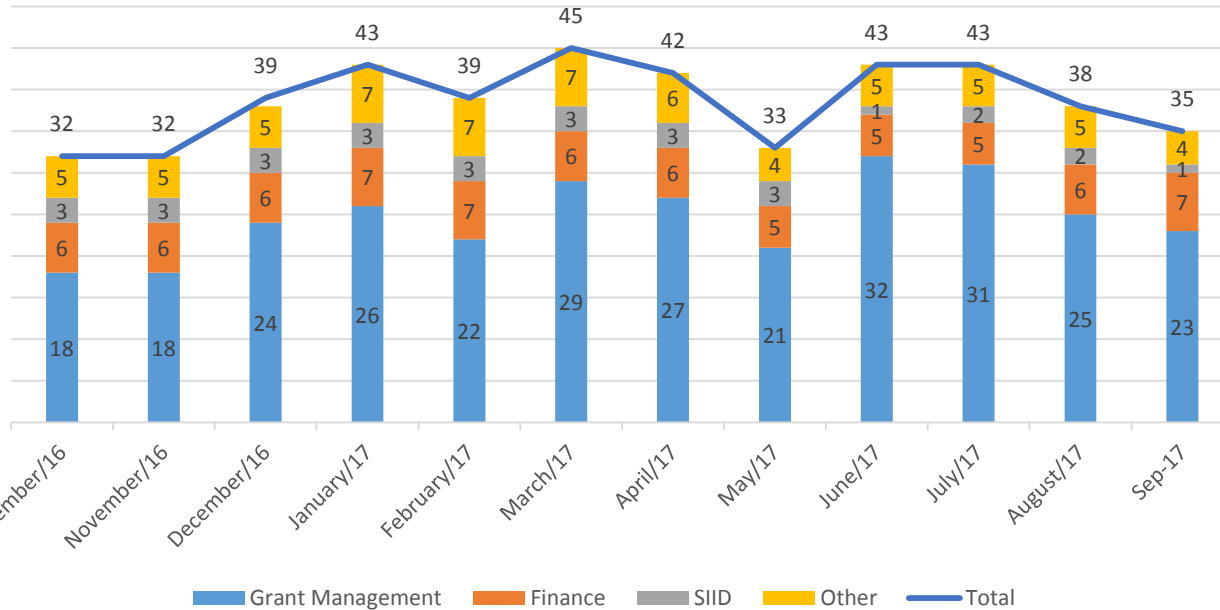
Cumulative Implementation Progress



- 6 AMAs are pending validation with the OIG at the end of this month. 4 AMAs have been pending validation for more than 30 days.
- 6 AMAs were closed by the OIG during the month.
- No AMAs were rejected.

Total Overdue AMAs

Total Overdue AMAs



Total number of overdue AMAs has decreased by 3:

- Grant Management 2
- SIID 1
- OED 1

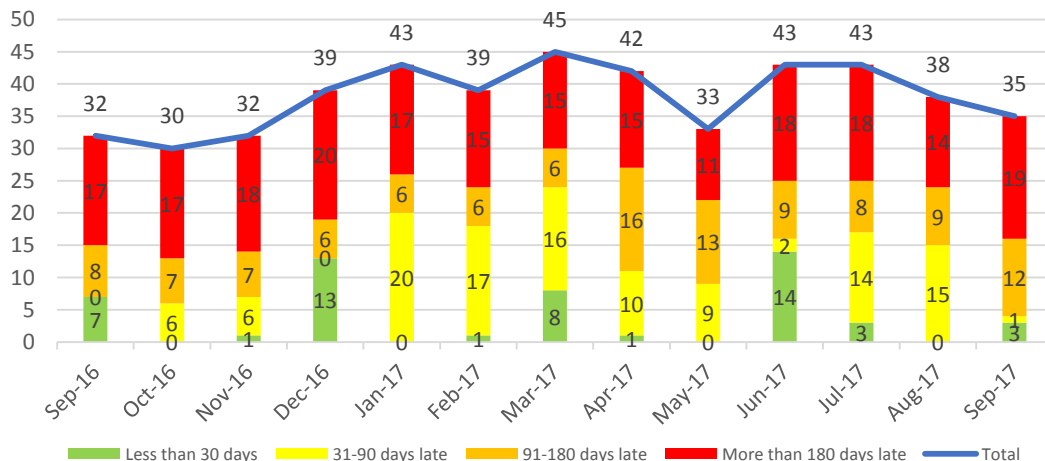
- FISA has increased by 1

Overdue AMA Aging

	Less than 30 days late	31-90 days late	91-180 days late	More than 180 days late	TOTAL
Grant Management	1	1	11	10	23
SIID				1	1
Finance	1		1	5	7
Other	1			3	4
TOTAL	3	1	12	19	35

The total number of overdue AMAs decreased by 3

The long overdue AMAs (91+ days overdue) have increased by 8



Long Overdue AMAs – Risk (p.1 of 1)

Project Code	Project Name	Project Type	Recommendation Title	Agreed Management Action	Due Date	Owner
GF-OIG-15-005	Internal Financial Controls	Audit	Agree Management Action 3.2	The selection of the key processes to become COSO compliant for 2015 and onwards will be validated by the Risk Department to make sure that the key processes for the organization are prioritized. The Risk Department will regularly inform the Management Executive Committee about progress on compliance with the COSO Framework and the estimated date of full compliance with the framework.	31/03/2015	Rahul Singhal
GF-OIG-13-017	Status Update on the Development and Implementation of Risk Management Tools - The "Qualitative Risk Assessment, Action Planning and Tracking" Tool, the Corporate Risk Register, and the Minimum Standards for Grant Management	Audit	Recommendation 2	The Global Fund Secretariat should consider the integration/merging of the QUART with other concurrent initiatives and tools in grant management such as the New Implementer Assessment, the Annual Disbursement Decision and the Grant Management Assurance Framework.	31/03/2014	Rahul Singhal
GF-OIG-13-017	Status Update on the Development and Implementation of Risk Management Tools - The "Qualitative Risk Assessment, Action Planning and Tracking" Tool, the Corporate Risk Register, and the Minimum Standards for Grant Management	Audit	Recommendation 5	The Global Fund Secretariat should integrate or merge the action plans produced by the QUART and Implementer Assessment Tool.	31/03/2014	Rahul Singhal

Long Overdue AMAs – Grant Management (p. 1 of 3)

Project Code	Project Name	Project Type	Recommendation Title	Agreed Management Action	Due Date	Owner
GF-OIG-16-13	Investigation Report of Global Fund Grants to Côte d'Ivoire	Investigation	Agreed Management Action 1	Based on the findings of this report, including large stocks of RHZE unaccounted for and missing from the Nouvelle Pharmacie, the Global Fund Secretariat will improve accountability in the supply chain by implementing mitigation measures to prevent further losses. These measures include: - the delivery by PNLT of an operational plan for the procurement of anti-tuberculosis medicines; - the creation of a multi-sectorial technical committee for stock management/control and quantification of anti-tuberculosis medicines; - the delivery by PNLT of a cross validation exercise between the stocks of anti-tuberculosis medicines consumed or distributed to treatment centers and the reported number of tuberculosis cases under treatment for the same period. This analysis will be submitted twice per year with the Progress Update report. - perform a monthly physical count of stocks held at the Nouvelle Pharmacie and reconcile to quantities received and distributed	31/12/2016	Mark Edington
GF-OIG-16-12	Investigation Report of Global Fund Grants to Guyana	Investigation	Agreed Management Action 5	The Secretariat will request the Principal Recipient to develop and implement an improved procurement and supply management (PSM) plan which will address the shortcomings in the ordering, inventory management and distribution of Global Fund financed health products identified by the investigation. The implementation of the new PSM plan will be verified by the Local Fund Agent.	30/09/2016	Mark Edington
GF-OIG-16-12	Investigation Report of Global Fund Grants to Guyana	Investigation	Agreed Management Action 3	The Secretariat will request the Principal Recipient to implement a system for recording malaria surveillance program activity which makes use of Global Positioning System or similar technology to record the date and the location where the activity takes place. The implementation of the system will be verified by the Local Fund Agent.	31/03/2017	Mark Edington
GF-OIG-16-12	Investigation Report of Global Fund Grants to Guyana	Investigation	Agreed Management Action 1	The Secretariat will request the Principal Recipient to develop and implement an improved process for recording the distribution of bed nets to beneficiaries which includes recording their identification and contact information. The implementation of the improved process will be verified by the Local Fund Agent.	30/09/2016	Mark Edington
GF-OIG-16-022	Audit of Global Fund Grants to the Democratic Republic of the Congo	Audit	Agreed Management Action 3	The Global Fund Secretariat will present an analysis to the Global Fund's Supply Chain Task Force of on-going and planned actions and pilot initiatives to strengthen the DRC supply chain arrangements for HIV and malaria health products financed by the Global Fund. The analysis will describe expected results, timelines, and the geographical focus of the actions and will cover warehousing, distribution and the last mile delivery arrangements managed by SANRU and Cordaid. The work will include a risk assessment and mitigation response options of the current last mile distribution arrangements for ACT and ART commodities. The analysis will also present options for the Global Fund in collaboration with other partners to sponsor a transformative supply chain project for essential medicines under the leadership of the government of DRC, in line with the new National Supply Chain Strategy.	28/02/2017	Mark Edington
GF-OIG-16-022	Audit of Global Fund Grants to the Democratic Republic of the Congo	Audit	Agreed Management Action 1	The Global Fund Secretariat will work with the Principal Recipients Ministry of Health, SANRU, Cordaid and Caritas to develop an integrated supervision plan for HIV, TB and malaria services supported by the Global Fund. This plan will include: - TORs for supervision at national, intermediate and peripheral levels conducted jointly by the Ministry and civil society PRs, including joint TB/HIV supervision; - Supervisions guides and reporting tools; and - Follow up mechanisms on the recommendations coming from supervision findings.	31/03/2017	Mark Edington

Long Overdue AMAs – Grant Management (p. 2 of 3)

Project Code	Project Name	Project Type	Recommendation Title	Agreed Management Action	Due Date	Owner
GF-OIG-16-020	Global Fund Grants to the Republic of Cameroon	Audit	Agreed Management Action 2	<p>Taking into account the findings of the institutional audit of CENAME performed by the Ministry of Public Health and the Ministry of Finance, the Secretariat, in cooperation with in-country partners and relevant ministries, will develop an operational plan to improve in the short and medium term the storage and distribution services at CENAME level, including the responsibilities of the disease programs.</p> <p>Based on the content of this operational plan, the Secretariat will review its assurance arrangements, including the use of the Local Fund Agent and the Ministry of Public Health's dedicated internal audit unit, with more emphasis on inventory and distribution reviews.</p>	31/03/2017	Mark Edington
GF-OIG-16-019	Global Fund Grants to the Republic of Zimbabwe	Audit	Agreed Management Action 2	<p>Recognizing that the overall improvements of commodities' flow through the supply chain are critical for improved service delivery, an operational plan will be developed and agreed upon between the Secretariat, the government and partners to support the ongoing rationalization of the distribution systems in the supply chain and implementation of the electronic management information system.</p>	31/12/2016	Mark Edington
GF-OIG-16-017	Grant Closure Follow-up Audit	Audit	Agreed Management Action 1	<p>Grant Management and Finance will track status of grant closures including refunds and grant cash balances on an ongoing, portfolio wide basis, and report regularly to the teams and management as required</p>	30/04/2017	Mark Edington
GF-OIG-16-002	Audit of Global Fund Grants to the United Republic of Tanzania	Audit	Agreed Management Action 3	<p>The grants that have been signed and/or will be signed under the new funding model are an opportunity for the Secretariat to work with in-country stakeholders (including technical partners) to find solutions to the quality of service issues that are affecting the grants. Specifically, the Secretariat will:</p> <ol style="list-style-type: none"> Work with in country stakeholders to ensure that the quantification and forecasting of malaria medicines and test kits is revisited before additional investments are made. Different quantification methods will be applied and results triangulated to ensure an optimal result. Ensure that the Principal Recipient identifies a suitable entity to manage the Co-Payment Mechanism. Ensure that the Principal Recipient prepares a supervision and training plan that details the objectives of different types of training and supervision that will be undertaken, specifically addressing the quality of services that are found to be sub-optimal, i.e. the retention of patients on treatment and treatment of malaria patients without diagnosis. 	30/09/2016	Mark Edington

Long Overdue AMAs – Grant Management (p. 3 of 3)

Project Code	Project Name	Project Type	Recommendation Title	Agreed Management Action	Due Date	Owner
GF-OIG-17-006	Audit of Global Fund Grants to the Republic of Mozambique	Audit	Agreed Management Action 3	The Secretariat will review the status of implementation of the Health Systems Strengthening (HSS) grant activities, and the status of conditions in disease grants together with the PRs and develop an implementation plan for the remaining duration of the grants.	30/06/2017	Mark Edington
GF-OIG-17-004	Global Fund Grants to Cambodia - National Centre for Parasitology Entomology and Malaria Control (CNM)	Investigation	Agreed Management Action 3	The Global Fund Secretariat will work with the Principal Recipient to enhance the oversight and supervision over CNM in terms of planning, controlling and executing training and travel activities; coordinating with major donors in tracking and documenting travel events funded by different donor sources and facilitating the enhanced verification conducted by Local Fund Agent. Such improvement activities will be presented by UNOPS through a comprehensive Development Plan to be approved by the Secretariat. The OIG Investigations Team will conduct an implementation review in Qtr. 1 2018.	30/06/2017	Mark Edington
GF-OIG-17-002	Global Fund Grant Management in High Risk Environments	Audit	Agreed Management Action 1	The Secretariat will develop: a) Operational Policy Note for Challenging Operating Environments (COEs) that clarifies the process for classification of countries as COEs including further subclassifications and the flexibilities available to the countries and how such flexibilities are approved. b) Guidance for contingency planning for countries facing crisis and emergencies.	30/06/2017	Mark Edington
GF-OIG-16-025	Audit of Global Fund grants to the Republic of Côte d'Ivoire	Audit	Agreed Management Action 1	The Secretariat will engage with the Government and partners to put in place a Project Management Unit reporting to the Minister's office within the MPH, to ensure that the public sector Principal Recipients have the coordination capacity and authority to manage grant activities, particularly cross-cutting activities with other national counterparts.	31/05/2017	Mark Edington
GF-OIG-16-023	Audit Report - Global Fund Grants to the Republic of India	Audit	Agreed Management Action 5	Applying the principal of the recent Global Fund Strategy, transition and counterpart financing policy, the Secretariat will support the Government of India to develop a transition plan showing a progressive phase out of the Global Fund support, for the national HIV/AIDS, tuberculosis and malaria programs.	30/06/2017	Mark Edington
GF-OIG-16-022	Audit of Global Fund Grants to the Democratic Republic of the Congo	Audit	Agreed Management Action 2	The Global Fund Secretariat will conduct a cost reasonableness analysis of PR expenditures. The analysis will cover SANRU, Caritas, Cordaid and PSI and will include a cross-PR comparison of unit cost categories for: HR costs and numbers; LLIN prices; storage and distribution; and daily subsistence allowances.	30/06/2017	Mark Edington
GF-OIG-16-020	Global Fund Grants to the Republic of Cameroon	Audit	Agreed Management Action 1	The Secretariat, in co-operation with technical partners and the Ministry of Public Health, will organize and finance an assessment of the supply chain in Cameroon. Such assessment shall be directed towards long-term systematic improvement of the supply chain (e.g. cost effectiveness of the current/future model, considering options for outsourcing to the private sector, etc.). The Secretariat will support the Government and partners to develop a road map based on the findings of this assessment.	30/06/2017	Mark Edington
GF-OIG-16-004	Audit of the Global Fund Country Coordinating Mechanism	Audit	Agreed Management Action 6	Once the Sustainability and Transition Policy is approved by the Board, the Secretariat will update the CCM guidelines and procedures to reflect key principles of the policy, including evaluating, on a differentiated basis, the need for continuing CCMs or alternative mechanisms post-transition along with alternative options.	30/06/2017	Mark Edington
GF-OIG-16-004	Audit of the Global Fund Country Coordinating Mechanism	Audit	Agreed Management Action 4	The Secretariat will strengthen the management of conflict of interest by developing principles for ethical conduct and integrity in CCM operations, including integrating replicable features from the Global Fund Ethical and Integrity Framework.	30/06/2017	Mark Edington
GF-OIG-16-004	Audit of the Global Fund Country Coordinating Mechanism	Audit	Agreed Management Action 3	The Secretariat will in collaboration with partners, devise a structured process to evaluate the readiness, willingness, and possible gains for CCMs to identify and prioritize countries that can: partially/ fully integrate some of their functions into national systems or other entities; or enhance their functions beyond Global Fund including areas where the coordinating structures of partners can work together in-country.	30/06/2017	Mark Edington
GF-OIG-16-004	Audit of the Global Fund Country Coordinating Mechanism	Audit	Agreed Management Action 2	The Secretariat will develop a mechanism to strengthen CCM oversight. This will include: Revising and rolling out the CCM Oversight Guidance Paper to clarify the content and level/extent of oversight expected from CCMs; and Analyzing options for enhancing effective engagement of CCM members in oversight, including consideration of annual participation schedules for members, more flexible participation of members in meetings where their skillsets or roles are essential etc.	30/06/2017	Mark Edington

Long Overdue AMAs – FISA (p. 1 of 2)

Project Code	Project Name	Project Type	Recommendation Title	Agreed Management Action	Due Date	Owner
GF-OIG-17-002	Global Fund Grant Management in High Risk Environments	Audit	Agreed Management Action 3	The Secretariat will: a) Develop financial risk management guidelines that outline the: i) main financial risk management tools; ii) roles of the fiscal agent; iii) triggers for use of fiscal agents and the process for appointment and removal of fiscal agents iv) Processes for management of conflict of interest in the roles of the fiscal agents; and v) metrics to measure performance of the agents. b) Centralize annual performance assessments for fiscal agents.	31/03/2017	Sylvie Billion
GF-OIG-16-017	Grant Closure Follow-up Audit	Audit	Agreed Management Action 3	Grant Management will ensure that a risk based approach is defined and implemented for recording, utilization and transfer or disposal of assets (particularly for those with a long useful life and including but not limited to infrastructure and other equipment). This approach will be embedded into ongoing grant management procedures through additional guidance given to Country Teams to ensure effective asset management for all material assets procured through the Global Fund grants	31/03/2017	Sylvie Billion
GF-OIG-16-002	Audit of Global Fund Grants to the United Republic of Tanzania	Audit	Agreed Management Action 4	The Secretariat will provide specific operational guidance to clarify the requirements for planning, overseeing and monitoring construction and renovation projects in order to identify and mitigate typical risks inherent in such activities, including sustainability following completion of the infrastructure improvement activity	31/03/2017	Sylvie Billion
GF-OIG-15-008	Procurement and Supply Chain Management at the Global Fund	Audit	Agreed Management Action 3	The Secretariat will strengthen the Sourcing Department's operational capacity function to properly support and monitor procurement activities (health and non-health products). In close collaboration with the Grant Management Division, these will include, at a minimum: i. Updating its procurement regulations; ii. Implementing strong financial controls around procurement activities; iii. Defining the methodology and approaches for calculating key performance indicators; iv. Strengthening the Department's capability with regard to non-health products; and v. Implementing an appropriate management information system to capture relevant data and to support its procurement related decision making. A thorough needs analysis to identify the required functionality will be developed and presented to the Management Executive Committee for approval.	30/09/2015	Sylvie Billion
GF-OIG-14-007	Audit of the quantification and forecasting arrangements for antiretroviral medicines supported by the Global Fund in six African high-impact countries	Audit	Recommendation 4	4. In conjunction with the Sourcing Department and in line with the Procurement for Impact project, a platform to automatically aggregate data for the global health product forecast for the three diseases will be implemented. As an intermediate measure of progress, manual aggregation will be completed by 30 September 2014.	30/09/2015	Sylvie Billion

Long Overdue AMAs – FISA (p. 2 of 2)

Project Code	Project Name	Project Type	Recommendation Title	Agreed Management Action	Due Date	Owner
GF-OIG-16-016	Audit Report - Wambo.org - Limited scope review of the processes undertaken to procure services and resources for implementation of wambo.org	Audit	Agreed Management Action 1	The Secretariat will review its current procurement framework (policies, regulations and procedures) to ensure that its contents are aligned and that they provide greater clarity and adequate guidance about the organization's procurement processes.	30/06/2017	Sylvie Billion

Long Overdue AMAs – SIID (p. 1 of 1)

Project Code	Project Name	Project Type	Agreed Management Action	Due Date	Owner
GF-OIG-16-002	Audit of Global Fund Grants to Audit the United Republic of Tanzania		Agreed Management Action 2	31/12/2016	Osamu Kunii