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# Joint Agreed Management Actions (AMAs) Progress Report

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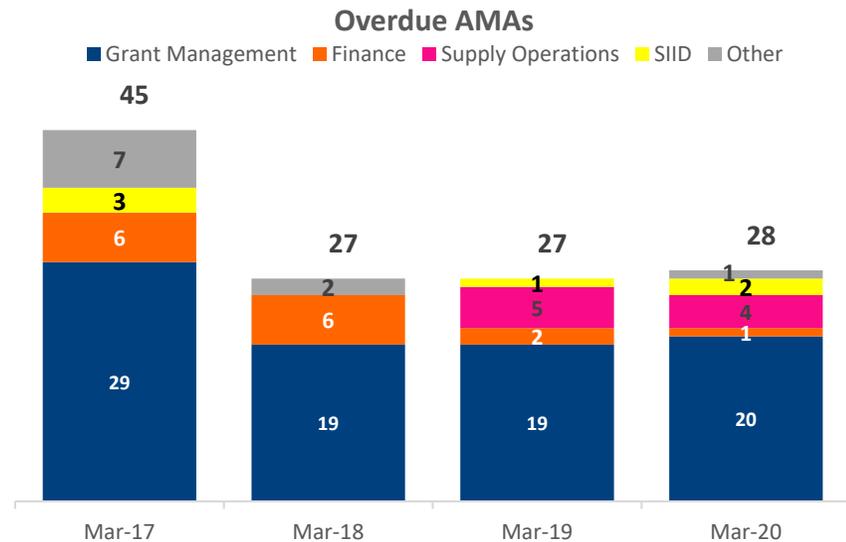
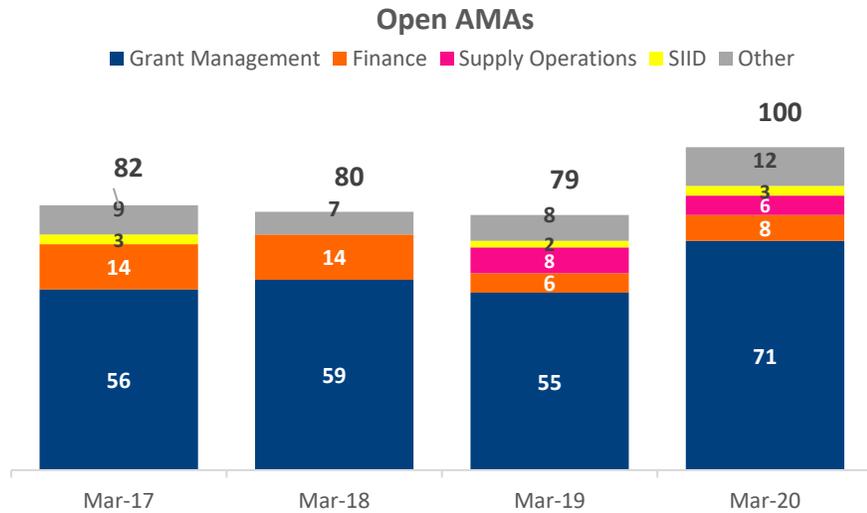
**43<sup>RD</sup> BOARD MEETING**

14-15 MAY 2020

GF/B43/03. *rev1*

# Total Open AMAs

## Open and Overdue AMAs overview



**Overdue AMAs**

	<30 days	31-90 days	91-180 days	>180 days	Total
Grant Management	4	1	11	4	20
Supply Operations			2	2	4
Finance				1	1
Other			3		3
<b>TOTAL</b>	<b>4</b>	<b>1</b>	<b>16</b>	<b>7</b>	<b>28</b>

**Progress since Board Nov'19**

**Long Overdue AMAs (>180 days)**

	Nov'19	Completed	April'20
Grant Management	6	2	4
Supply Operations	2		2
Finance			1
IT	1	1	0
<b>TOTAL</b>	<b>9</b>	<b>1</b>	<b>7</b>

# Overview of progress on long-overdue AMAs

Summary of progress and areas for attention since the last report

- The number of **long overdue AMAs (>180 days)** is at **7** in the **May Board analysis**; a **decrease of 2** from the **Nov'19 Board Meeting**.
- **Spike in December:** The total number of overdue AMAs is 28 in March 2020, which is a sharp increase from 13 in October 2019, this is due to 42 AMAs having a due date of December 2019. 25 of those AMAs have already been closed, and the Secretariat needs continued efforts to progress on the remaining, and avoid slippage into long overdue category by AFC reporting in September 2020.
- **Covid Impact on AMAs:** Due to Covid disruptions, and higher prioritization of critical activities (e.g. grant making, business continuity planning, Covid19RM funding and planning), some outstanding AMAs have had lower than anticipated progress, including some long-outstanding and prioritized AMAs (but not yet long overdue) . The Secretariat will require careful prioritization of its overall efforts in the coming months, and manage AMA actions and expectations accordingly.

# Long Overdue AMAs (>180 days)

Grant Management					
Project Name	Agreed Management Action	Due Date	Owner	Secretariat Update	OIG Comments
<b>GF-OIG-18-013</b> Audit of Global Fund Grants in the Republic of the Union of Myanmar	AMA 4: The Global Fund Secretariat will work with the Myanmar Health Sector Coordinating Committee, Ministry of Health and Sports, WHO and Principal Recipients to finalize the 'Enterprise Architecture Blueprint for Health Information System Interoperability'.	31/12/2018	Mark Edington	<ul style="list-style-type: none"> <li>ICT Advisor (Enterprise Architect) for development of Myanmar eHealth architecture blueprint commenced work on 1 March 2020.</li> <li>UNOPS (PR) introduced the consultant to MoHS and technical partner organizations. Per work plan schedule, an initial meeting between the MoHS and the consultant was scheduled late April 2020, however due to CoVID19, this meeting was canceled. The consultant is now performing remote desk reviews and teleconferencing with in-country partners.</li> <li>Myanmar is now facing the situation of nearly one million returnees from Thailand; all MOHS effort has been directed to respond to the influx. MOHS officials at the highest levels have been deployed to border receiving points.</li> <li>COVID-19 pandemic is expected to impact all activities in Myanmar including the blueprint. Key activities cannot be completed unless travel and in-country movement restrictions are lifted.</li> <li>CT proposes to allow the country to finalize this document by year-end 2020 to provide benefit for the next implementation period.</li> </ul>	<p>This AMA reinforced the recognized need for the creation of an enterprise architecture blueprint for Health Information System Interoperability. The Global Fund and partners have invested heavily in HMIS systems and interoperability between different systems is key for their effectiveness and sustainability.</p> <p>The blueprint was initially scheduled to be finalized by WHO by end 2017, without Global Fund investment. However, subsequent to delays, the Global Fund grants included a consultant to support the development. There have been challenges in recruitment due to limited technical staff available for this type of work.</p> <p>As of Q2 2020, a consultant was identified and selected to support the development of the blueprint, with meetings scheduled to take place in April 2020 with the Ministry of Health. However due to COVID-19, including travel restrictions and focus on handling returnees from Thailand, the Ministry has currently deprioritized the completion of this blueprint, and the work has been postponed, excepting some remote desk reviews conducted in the time being. The timeline to complete will be determined once the disruption from COVID-19 reduces.</p>

# Long Overdue AMAs (>180 days)

Grant Management					
Project Name	Agreed Management Action	Due Date	Owner	Secretariat Update	OIG Comments
<b>GF-OIG-18-005</b> Follow-up Audit of Global Fund Grants to the Federal Republic of Nigeria	AMA 1: The Secretariat will submit to the relevant Board committee revised guidance on CCM roles and responsibilities for countries under Additional Safeguard Policy. Based on the approved guidance, the Secretariat will set specific expectations for the Nigeria CCM.	31/12/2018	Mark Edington	<ul style="list-style-type: none"> <li>The way forward with ASP in Nigeria was presented in November 2019 at the Country Portfolio Review (CPR) meeting. It was agreed that it's too early to share any exit plan or expectations with the CCM.</li> <li>The plan and next steps related to this AMA will be reviewed again as part of the embedded risk management processes and will be presented to the upcoming CPR session scheduled for November 2020.</li> </ul>	<p>There were two actions to be performed to close this AMA, with the following status:</p> <ul style="list-style-type: none"> <li><b>Revised CCM guidance for ASP countries:</b> the new CCM guidance has been developed and published, and this action is complete.</li> <li><b>Communicating specific expectations for CCM Nigeria:</b> this has not been done. The Secretariat should prioritize communicating the expectations for CCM Nigeria.</li> </ul>
<b>GF-OIG-17-006</b> Audit of Global Fund Grants to the Republic of Mozambique	AMA 1: The Secretariat and partners will conduct a national sample based follow-up study to track and determine the status of lost-to-follow-up cases of people on anti-retroviral treatment in selected sites.	31/12/2018	Mark Edington	<ul style="list-style-type: none"> <li>The agreed study on LTFU is delayed (for reasons as noted in the OIG comments); however CT reported that it will be implemented in 2020. The study protocol has been agreed with partners and has Ethics approval. Data collection was scheduled to commence in May 2020; however this is now uncertain due to Covid-19 restrictions in country.</li> <li>Other activities in country aiming to improve ART retention both at facility and community level are underway, and this is a shared priority for the National HIV program, PEPFAR and the GF secretariat:               <ul style="list-style-type: none"> <li>National HIV program has developed a 6-pillar program to improve retention, and GF grants are supporting its implementation.</li> <li>PEPFAR analysis of retention in first 3, 6 and 9 months in new initiates in 2019 has shown improvement as a result of the focus of attention to the issue.</li> <li>Retention will be a key focus of the next grant period.</li> </ul> </li> </ul>	<p>This activity is long overdue, and was affected by Partners withdrawing the allocated funding for the activity. During the planning for the ongoing 2020 OIG audit in Mozambique, lost-to-follow-up cases were found to be a persistent issue, with limited improvements in retention. The Secretariat needs to prioritize and address the root causes behind low treatment retention, in addition to other issues on detection and VL suppression among PLHIV, to achieve progress on HIV in Mozambique.</p>

# Long Overdue AMAs (>180 days)

Grant Management					
Project Name	Agreed Management Action	Due Date	Owner	Secretariat Update	OIG Comments
<b>GF-OIG-18-007</b> Investigation of Global Fund Grants to the Republic of <b>Zambia</b>	AMA 3: Based on the findings of this report, the Global Fund Secretariat will confirm that Medical Stores Limited regularly reports stock variances in Global Fund-financed products and that variances are being investigated per MSL procedures.	28/02/2019	Mark Edington	Important context to meeting the AMA is that, in parallel to its core business of ensuring supply to 16 million people, including around 1 million people on ART, MSL has undergone massive infrastructure, and significant staffing and systems transformation since 2017 through a multi-million US\$, multi-partner effort. The transformation is all but complete. Further context, also drawing on senior MSL management time, has been security strengthening, evidence gathering, suspension of 13 staff, and launch of a criminal investigation by the Public Prosecutor. Government has made full repayment on the OIG recoverable and first payment against a UNDP OAI-identified recoverable.	It is understood that the CT has been actively monitoring stock management process on an ongoing basis. The Secretariat implemented this AMA in mid-April 2020. OIG will review the LFA report assessing the adequacy of the automated stock management system and adherence to procedure, to evaluate the improvements in stock variance reporting and investigation.

# Long Overdue AMAs (>180 days)

Sourcing & Supply Chain					
Project Name	Agreed Management Action	Due Date	Owner	Secretariat Update	OIG Comments
<b>GF-OIG-14-007</b> Audit of the <b>quantification and forecasting arrangements for antiretroviral medicines</b> supported by the Global Fund in six African high-impact countries	AMA 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. Manual aggregation will be completed by 30 September 2014 (initial).	31/03/ 2019 (revised)	Philippe Francois	<ul style="list-style-type: none"> <li>Use current system to get forecast for 2020.</li> <li>Design new structure involving GMD and Finance and agreed on the new structure/system, including definition of roles and responsibilities for each stakeholder – a consultancy firm has been engaged to develop an implementation roadmap and identify key enablers (in collaboration with GMD and Finance Departments).</li> <li>Roll out the new structure/system and OIG to test implementation based on a sample of countries and grants.</li> </ul>	<p>This AMA focuses on creating a platform for consolidating drugs procurements of the Global Fund, to improve timeliness and efficiencies.</p> <p>The Secretariat has engaged a consultancy firm to support the identification of key enablers in GMD and Finance departments, and develop the platform for the automatic aggregation of data for health product forecasting. The Secretariat expects the new structure to be complete within 2020, with first procurement forecasting using this platform for 2021.</p>
<b>GF-OIG-18-010</b> Proactive Investigation of <b>Procurements of Non-Compliant HIV Rapid Diagnostic Testing Kits</b>	AMA 1: The Secretariat will clarify the Secretariat's Quality Assurance mandate, including the necessary activities, roles and responsibilities.	31/03/2019	Philippe Francois	<ul style="list-style-type: none"> <li>The Secretariat is designing a new Global Fund Quality Assurance Strategy (defining roles and responsibilities and activities) within the year 2020.</li> <li>An external consultancy will be employed (through and RFP process) to conclude the project. The RFP was launched on 8 April 2020.</li> </ul>	<p>This AMA remains long overdue and there is limited information regarding advancement made. OIG understands that plans to reorganize the Supply Operations team impacted meaningful progress, and that responsibility for implementation still rests with Supply Operations.</p>

# Long Overdue AMAs (>180 days)

Finance					
Project Name	Agreed Management Action	Due Date	Owner	Secretariat Update	OIG Comments
<b>GF-OIG-19-006</b> Investigation of the Global Fund Grants in the Democratic Republic of Congo	AMA 1: The Global Fund Secretariat will evaluate the design and effectiveness of the internal controls implemented by PSI through the creation of GFMU and its corresponding functional and administrative reporting lines, to mitigate similar future risks.	30/09/ 2019	Adda Faye	<ul style="list-style-type: none"> <li>The Secretariat assessed PSI's internal controls in one PSI country office (Madagascar) and at HQ in Washington D.C. The assessment was led by GMD and was comprised of a multi-disciplinary team of experts in Governance, Finance, Monitoring &amp; Evaluation, Risk Management and Procurement with expertise in carrying out such reviews.</li> <li>The overall objective of the assessment was to undertake an independent review of the effectiveness of the internal control environment of PSI HQ, particularly on its management and oversight of Global Fund grants to confirm that the controls are effectively designed and implemented to prevent or detect significant risks from materializing.</li> <li>The mission to Madagascar took place in July 2019 and in Washington in August 2019. The formal debrief meeting took place in October 2019 and the report drafted in December 2019. However, a draft report has not been shared with PSI for comment before issuance of the final report.</li> <li>The draft report together with all the annexes were submitted to the OIG for review on 10 January 2020 and the OIG provided its feedback on 27 January 2020. A revised report addressing the OIG comments and feedback was submitted on 2 April 2020.</li> <li>While significant work has already been completed around Finance, Governance and Non-health Procurement controls testing, the main challenge to close this AMA is the completion of the other sections of the report as priorities get diluted in Grant making and to the response to the Covid 19 pandemic.</li> </ul>	<p>Significant work has already been carried out by the Secretariat and the OIG considers this AMA status to be at near completion. OIG acknowledges that this is a complex piece of work that requires significant cross-Secretariat team collaboration bringing additional challenges, while the GF is encountering additional workload and challenges due to the COVID-19 response.</p> <p>The Secretariat has addressed most of the feedback provided by the OIG on the first draft of the report; however, there remains a couple of areas that have not been addressed. On 14 April, the OIG provided further feedback on the latest revised report submitted to the OIG.</p> <p>Specifically, the Secretariat needs to clearly conclude whether the creation of the GFMU has resulted in adequate design enhancements to PSI's Governance, Finance, and Procurement controls across HQ and Country Offices.</p> <p>Since the report in different sections indicates a variety of control design and implementation gaps at PSI, it is crucial that the secretariat shares the relevant recommendations with PSI and agrees on a timeline for implementation of such recommendations. This has not happened yet.</p> <p>The OIG believes that the recommended actions are vital in ensuring the spirit of the AMA is met. Once addressed, these will enable the OIG to conclude the AMA and also ensure that all the hard work put into this assessment has a concrete and timebound outcome.</p>

# AMAs Selected for Board Consideration

## Rationale and selection principles

OIG engagements are risk-based in nature. Thus, issues highlighted in OIG reports and the related AMAs are, by definition, significant, presenting important risks to the organization. Within a pool of important AMAs, some may be more appropriate or relevant to elevate for Board consideration and discussion than others.

The following section presents AMAs that, while not overdue, merit Board attention, based on subjective criteria influenced by various factors and specific circumstances. **This section also includes themes that have multiple AMAs with similar content in different countries, which are not material individually, but are collectively significant and merit Board attention.**

The following basic principles are considered in highlighting specific AMAs for the committee's attention:

- **Risk** – does the AMA pertain to an issue that may cause the Global Fund to operate outside its current risk appetite (either because of an individual AMA or in aggregate relating to a common theme)? Or could the issue potentially prevent the Global Fund from reaching its target risk appetite, if unaddressed?
- **Materiality** – does the AMA address a significant issue related to intervention/program/process that involves significant allocation of financial budgets or other resources?
- **Impact** – if the issue addressed by the AMA materializes, does it involve a potentially significant impact (such as program failure, material financial loss, significant reputational damage, etc.)?
- **Pervasive or cross-cutting nature** – does the AMA address a significant cross-cutting problem or initiative that impacts several important processes, programs or activities (e.g. supply-chain transformation, transition management, risk oversight)?
- **Linkage to strategic priorities or initiatives** – is the AMA tracking progress on a significant strategic priority at the program level or strategic initiative at the corporate level?

# AMAs Selected for Board Consideration

## ORR # 1. Program Quality\*

20 open AMAs from different country audits relate to Quality of Services. While they are individually country-specific and not prioritized, the subject as a whole is recurring and prioritized.

Owner	Agreed Management Action	Prioritization rationale
<b>Mark Edington</b> (Head, Grant Management Division)	These AMAs include requirements to: <ol style="list-style-type: none"><li>1. develop/implement acceleration plans;</li><li>2. expand coverage of services through community outreach, private sector, or scale-up of case management;</li><li>3. hire/train staff for improving quality of services;</li><li>4. improve availability and use of machines and tools;</li><li>5. research into root causes behind lack of progress or resurgence in diseases;</li><li>6. enhance follow-up for lost patients;</li><li>7. provide targeted and accessible services to key or vulnerable populations.</li></ol>	Program quality and quality of services are a consistent theme in OIG AMAs. Closing of individual AMAs is often matched by new AMAs coming out of new reports, which means that the theme carries on from period to period. The magnitude of the underlying risk is therefore greater than the individual, currently open, AMAs. OIG highlights the overall theme as critical for programmatic success. While issues, priorities and solutions are often country-specific, commonalities are also observed across the portfolio in the nature of challenges. These themes are also reflected in the OIG 2019 annual audit opinion.

\* - AMAs are grouped according to categories used in the Organizational Risk Register (ORR).

# AMAs Selected for Board Consideration

## ORR # 4. In-Country Supply Chain

18 open AMAs from different country audits relate to in-country supply chain. While they are individually country-specific and not prioritized, the subject as a whole is recurring and prioritized.

Owner	Agreed Management Action	Prioritization rationale
<p><b>Philippe Francois</b> (Head, Sourcing &amp; Supply Chain Department)</p>	<p>The individual AMAs focus on:</p> <ol style="list-style-type: none"> <li>1. improving and integrating monitoring and reporting systems;</li> <li>2. introducing and embedding software solutions;</li> <li>3. improving staffing and training;</li> <li>4. enhancing supervision of health products, clarifying responsibilities and accountabilities;</li> <li>5. improving warehousing and traceability;</li> <li>6. improving last mile distribution;</li> <li>7. strengthening quantification and forecasting.</li> </ol>	<p>In-country supply chain is a consistent theme in OIG AMAs. Closing of individual AMAs is often matched by new AMAs coming out of new reports, which means that the theme carries on from period to period. The Secretariat has prioritized key portfolios for supply chain diagnostics and strategic planning for addressing the underlying issues. For these countries, OIG reports review the ongoing supply chain work, and OIG findings complement and inform these ongoing efforts.</p> <p>The magnitude of the underlying risk is therefore greater than the individual, currently open, AMAs. OIG highlights the overall theme as critical for grant performance. While issues, priorities and solutions are often country-specific, commonalities are also observed across the portfolio in the nature of challenges. These themes are also reflected in the OIG 2019 annual audit opinion.</p>

# AMAs Selected for Board Consideration

## ORR # 21. Workforce Capacity, Efficiency and Well-Being

GF-OIG-19-007 Audit of Global Fund Human Resources Management Processes (due 30/06/2020)

Owner	Agreed Management Action	Prioritization rationale
<p><b>Patrick Nicollier</b> (Head, Human Resources Department)</p>	<p>AMA5: The Secretariat will implement Strategic Workforce Planning (SWP) to enable strategic scenario planning, statistics and budgeting:</p> <ul style="list-style-type: none"><li>- Confirm the case for SWP and selection of the SWP; methodology (tool and process) and pilot;</li><li>- Update the governance and process maps.</li><li>- Update the change management material (communication /training material) and project plan;</li><li>- Deploy Strategic Workforce Planning.</li></ul>	<p>SWP involves designing a process which proactively anticipates current and future hiring needs. SWP implementation at the Global Fund was historically significantly delayed.</p> <p>In June 2018, a new staggered SWP approach was approved by MEC and the operational workforce planning was completed in 2019. Currently, the Secretariat is on track to implement SWP by September 2020. The initial deadline was June 2020 but there was a shift of priorities due to COVID19.</p> <p>This AMA is expected to address critical HR issues related to strategic workforce planning, consultant management, and talent management (including staff development and succession planning). Hence it is critical that the project continues to progress and is completed on time. This can be followed by a review or follow-up audit in future to assess the effectiveness of the initiative to address the underlying issues.</p>

# AMAs Selected for AFC Consideration

## ORR # 3. Procurement

### GF-OIG-18-018 Follow up Audit on Procurement Processes (due 31/12/19)

Owner	Agreed Management Action	Prioritization rationale
Philippe Francois	<p>AMA2: Procurement of 2nd line TB commodities</p> <p>The Secretariat will ensure that:</p> <ul style="list-style-type: none"><li>• The Sourcing department work with Stop TB to revise and implement the Memorandum of Understanding.</li><li>• Together with the Stop TB Partnership an analysis is carried out to identify future opportunities for collaboration, synergies and information sharing between GDF and the Sourcing Department and submitted to MEC.</li></ul>	<p>This AMA aims to address the performance challenges in the current TB procurement arrangement of the Global Fund through GDF. The AMA requires the Secretariat to jointly work with the Stop TB Partnership to perform an analysis for identifying future opportunities for collaboration, synergies and information sharing between GDF and the Sourcing Department, and submit it to MEC. The Secretariat needs to collaborate with GDF closely to obtain requisite data and information to perform the analysis.</p>