



Independent observer
of the Global Fund

Involvement of Supreme Audit Institutions (SAIs) in Global Fund Grants Oversight

Insights from Cameroon, Kenya, Malawi, Rwanda
and Zambia

An Aidspan Report

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Independent observer
of the Global Fund

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Preface

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- Impact of Global Fund withdrawal on programs and service delivery in Bosnia and Herzegovina
- Accountability for Global Fund grants in Malawi
- Asia Pacific Report
- Transitions from donor funding domestic reliance on HIV responses – Recommendations for transitioning countries
- The "Fair Share" of Shared Responsibility: An Aidspan Report on Willingness to Pay

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Executive Summary

The Global Fund to fight HIV, Tuberculosis and malaria (thereafter the Global Fund) was created in 2002 as a financing institution to defeat those three diseases as epidemics. Over the course of its 15 years of existence, the Global Fund has invested US\$33.8 billion in over 100 countries.

The Global Fund has set an elaborate system both in countries and in the headquarters to prevent frauds, theft etc. and foster good management practices. However, over the years, monies, medications, mosquito nets and other medical supplies purchased with the Global Fund grants are sometimes lost to mismanagement, thefts and other types of fraud according to the reports by the Office of the Inspector General of the Global Fund. Those corrupt acts occur also in grants managed by the State principal recipients which are in principle audited by the country's Supreme Audit Institution.

Supreme Audit Institutions exist in most countries sometimes alongside anti-corruption and other integrity institutions. Often, institutional capacity exists in those institutions to identify problems, expose them and seek redress through the courts or other government agencies. Thus, it becomes important to explore the involvement of Supreme Audit Institutions in the oversight of the Global Fund grants. Through a multi-country investigation in Cameroon, Malawi and Rwanda, this report seeks to

1. analyze whether the Supreme Audit Institutions audit the Global Fund existing grants,
2. analyze whether such collaboration if it exists improves the implementation and oversight of the grants
3. and offer recommendations.

We found a general lack of engagement of national Supreme Audit Institutions and other anti-corruption institutions in the Global Fund grants in Cameroon and Malawi. In contrast, in Rwanda, the Office of the Auditor General audits the Global Fund grants and reports to the parliament. In addition, the OAG collaborates with the OIG when this latter conduct audits in the country. The Rwanda situation reinforces country ownership; the situation is opposite in the other two countries

While this study is not a representative of all countries, it gives an insight of the current situation in countries where the Global Fund invests.

Aidsparan recommends that

- 1. The Global Fund explores the possibility of engaging the Supreme Audit Offices in auditing the grants and involving other anti-corruption institutions, when they exist, to foster good management practices and discourage bad ones.** This involvement may require building capacity of Supreme Audit Institutions on Global Fund processes, formalizing relationships with the in-country actors such as the CCMs and country teams, creating communication channels with implementer and anti-corruption commissions where they exist, the Supreme Audit Institutions, and the OIG.
- 2. The Secretariat makes public existing audit reports**

Background

The Global Fund to fight HIV, Tuberculosis and malaria (thereafter the Global Fund) was created in 2002 as a financing institution to defeat those three diseases as epidemics. Over the course of its 15 years of existence, the Global Fund has invested US\$33.8 billionⁱ in over 100 countriesⁱⁱ. The Global Fund core principles are partnership, country ownership, performance-based financing and transparency. In most countries, a State institution (for instance the ministry of health or its equivalent) is an implementer of the Fund's grant alongside non-state institutions.

The Global Fund has invested about two-thirds of funds in sub-Saharan Africa. Often, those countries have weak health systems, weak accountability for public funds and high levels of perceived corruption. To encourage proper management of its investments, the Global Fund has set up its own system of accountability that runs parallel to the existing national ones: an inclusive Country Coordinating Mechanism (CCM) to develop and submit grant applications as well as oversee the grant implementation, a Local Fund Agent (LFA) to be the eyes and ears of the fund in country, and a country team which proactively manages risks in Global Fund-supported programs. The Global Fund has also set up an Office of the Inspector General (OIG) which is in charge of safeguarding the Fund's "assets, investment, reputation and sustainability". The OIG conducts audits of grants, investigations of wrongdoing or/and offers advice in countries where the Global Fund operates.

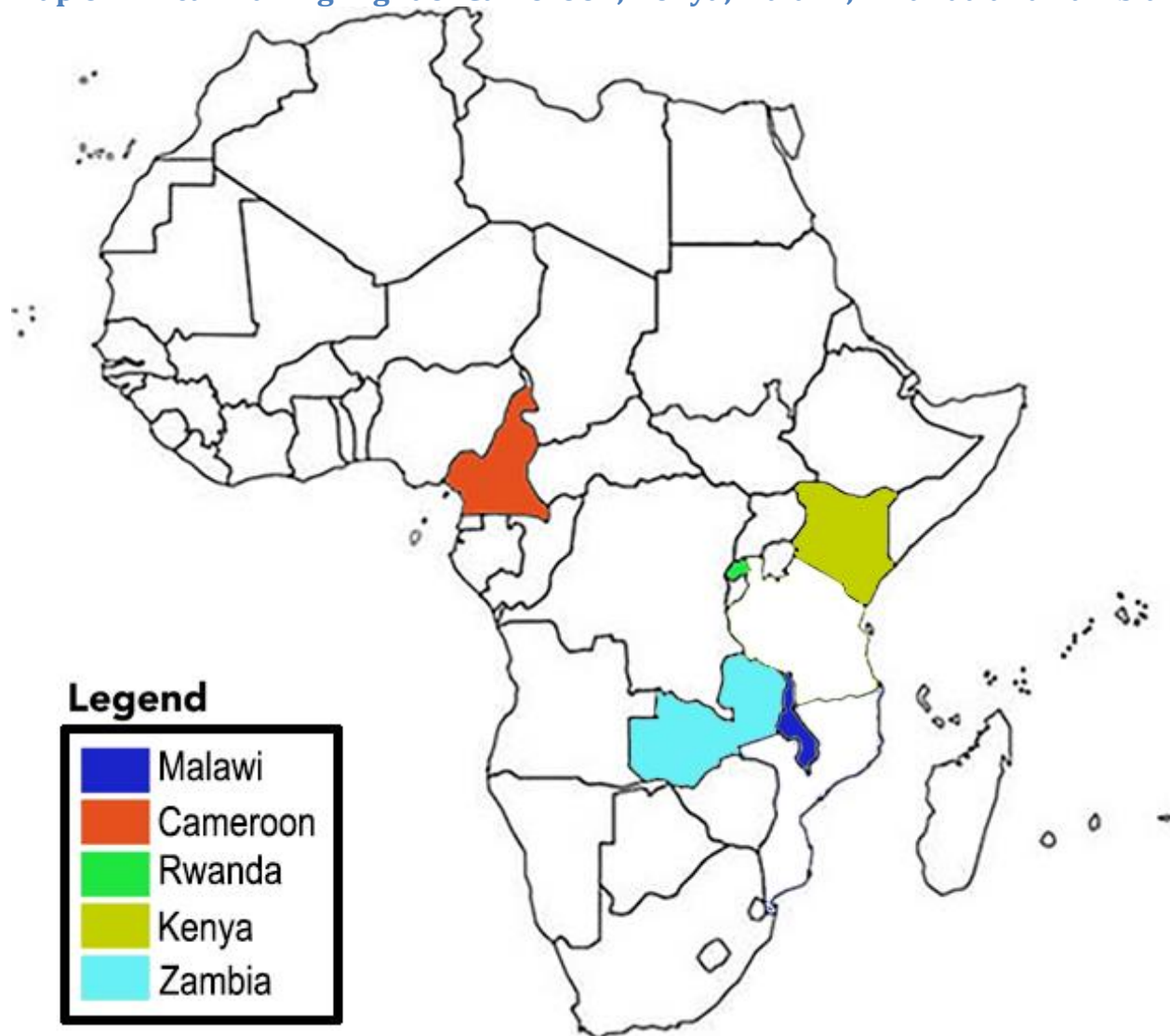
Despite such an elaborate system, monies, medications, mosquito nets and other medical commodities purchased with the Global Fund grants are sometimes lost to mismanagement, thefts and other types of fraud according to OIG reports. Those corrupt acts occur also in grants managed by the State principal recipients which are in principle audited by the country's supreme audit office. The Global Fund requires a refund from the country when it has unveiled and documented such acts and requires the country to institute measures to avoid such occurrences in the future.

Supreme Audit Institutions (SAIs) exist with different name depending on to the country (e.g. National Audit Office in Malawi, Office of the Auditor General in Rwanda) sometimes alongside anti-corruption and other integrity institutions. Often, institutional capacity exists in those institutions to identify problems, expose them and seek redress through Parliament, the courts or other government agencies. Thus, it becomes important to explore the involvement of SAIs in the oversight of the Global Fund grants. In particular, we

1. analyze whether the Supreme Audit Institutions audit the Global Fund existing grants,
2. analyze whether such collaboration if it exists improves the implementation and oversight of the grants
3. and offer recommendations.

This study focuses on five countries: Cameroon, Kenya, Malawi, Rwanda and Zambia. Those countries are chosen as part of the Back-up Health of the German cooperation which funded this study, to explore different contexts.

Map of Africa with highlight of Cameroon, Kenya, Malawi, Rwanda and Zambia



Methods

The study is based on literature review and qualitative surveys of representatives of the audit institutions and implementers in the five countries, the Secretariat of the Global Fund and the OIG. All interviews, conducted by trained interviewers, took place between March 2017 and March 2018. In-country interviews were conducted in-person while those of the Global Fund and the OIG were on the phone or by email. Information was also drawn from presentations made in the Supreme Audit Institutions round table held in December 2017.

Five countries with different contexts but facing similar Global Fund policies

Five countries with different epidemiological and corruption contexts

The five countries belong to different geographical areas: Cameroon is located in Central Africa, Malawi and Zambia are in Southern Africa while Kenya and Rwanda are in Eastern Africa. Their populations vary greatly, from 12 million in Rwanda to about 48 million in Kenya (Table 1)ⁱⁱⁱ.

Similarly, the epidemiological profiles for the three diseases differ considerably. For example, of the five countries, Zambia has the highest HIV prevalence (12.4%)^{iv} followed by Malawi (9.2%)^v, Kenya (5.4%)^{vi} Cameroon (3.8%)^{vii}; Rwanda has the lowest (3.1%)^{viii}. In those five countries more than two-thirds of the population live in high transmission areas with more than 1 case for 1000 population according to the WHO^{ix}.

In terms of funding, the Global Fund had invested about US\$5.48 billion (as of March 2018) in HIV, TB and malaria programs in the five countries since 2003. Malawi had received about US\$1.8 billion^{x xi} while Cameroon had received US\$442 million^{xii}. From inception to 31st March 2018, Global Fund investments contributed to putting 2.85 million people on anti-retroviral therapy (ART), detecting and treating 514,140 cases of pulmonary TB, and distributing more than 69 million nets in the five countries.

The corruption contexts also vary widely among the five countries. In terms of perception of corruption, in 2016, Cameroon was ranked 145 out of 176 in the world as compared to Rwanda which was ranked 54 -- a lower ranking indicates higher levels of perception of corruption^{xiii}. Currently, Rwanda is the third least corrupt country in Africa owing to strong internal controls. Rwanda is often given as an example of a successful recovery in terms of governance, health and development following the 1994 genocide. It has a good record with grant performance and was chosen as a pilot country to implement results-based financing where the country pools resources from various donors and government to implement the country national strategic plan for HIV and AIDS.

Table 1: country profiles

Country	Population ^a (million) (2016)	HIV prevalence (2016) ^b	Total Global Fund investments as of 31 st March 2018 (US\$) ^c	Number of people currently on ART	Laboratory confirmed pulmonary TB detected & treated	Insecticide-treated nets distributed	Corruption perception index ranking (2016) ^d
Cameroon	23,439,189	3.8%	442,270,236	210,000	127,000	11,000,000	145
Kenya	48,461,567	5.4%	980,307,725	1,000,000	222,000	21,000,000	145
Malawi	18,091,575	9.2%	1,806,216,144	680,000	3,840	7,740,000	120
Rwanda	11,917,508	3.1%	1,211,381,206	160,000	39,300	12,900,000	54
Zambia	16,591,390	12.4%	1,041,414,644	800,000	122,000	17,100,000	87
Total	118,501,229		5,481,589,955	2,850,000	514,140	69,740,000	

Source, see endnotes for reference: ^a World Bank, ^b UNAIDS, ^c The Global Fund Overview, ^d Corruption perceptions index 2016

The Global Fund Secretariat requires yearly audits...

The Global Fund requires external yearly audits of the grants either by the SAI or an independent firm on “an accredited list of auditors of a recognized donor” like the World Bank, the European Commission. Guidance by the secretariat of the Global Fund does not insist on which institution, public or private, should conduct the audit but it appears that the Global Fund mostly cares that a quality financial audit is conducted. The Guidance even provides a sample of terms of reference to the auditor. In countries where SAIs are mandated by laws to audit public institutions, the Global Fund may seek independent advice from regulatory or representative bodies such as the African Organization for Supreme Audit Institutions (AFROSAI) on a Supreme Audit Institution’s suitability^{xiv}.

Unfortunately, findings by private firms have not been published by the PR or the Secretariat.

The OIG audits the Global Fund-grants intermittently

Countries are audited occasionally by the OIG. Selection criteria for audit by the OIG depends on several criteria including

1. **Materiality and risk likelihood** which cover the amount of money allocated to countries, the risks facing the grant and the probability that those risks occur
2. **Mitigating factors** which might reduce the risk in the country like the presence of Fiscal Agent
3. **Discretionary factors** which include the date of the last country audit, the viewpoint of the country team

Other criteria accounted for are the portfolio category (High Impact, Core, Focus), the disease burden of the three diseases; and whether the Global Fund investments for either one of the three diseases constitute the bulk of the financing in the country.

Overview of previous OIG audit, investigative and inspection reports in the five countries

Earlier reports of the OIG have summarized the findings and prioritize them. More recently, the OIG has assigned a rating to each functional area based on a five-tier or four-tier ratings. The five-tier are effective (the highest level), some improvement needed, major improvement needed, not satisfactory, critical (the lowest); the four-tier are effective, partially effective, needs significant improvement and ineffective^{xv}.

Cameroon: the OIG has published three audits. The earliest audit published in 2010 found weaknesses in financial management of the State recipients, conflict of interests, inadequate supervision and linkage between the coordinating offices and the three state implementers. The audit found some good internal controls practices and documented government willingness to improve on problematic areas. It did not have a rating. The following audit published in 2013 focused on grant closure in several countries including Cameroon and Zambia. It concluded that major improvement was needed. The latest OIG audit in 2016 focused on procurement and supply chain management. The report found the procurement controls and assurance mechanisms partially effective but the those of the supply chain ineffective.

Kenya: the OIG has published three reports; two audit reports and one investigation report. The first report published in 2012 indicated considerable risk in financial, procurement and sub-recipient (SR) management. The second audit, published in 2015, indicated that management of financial, fiduciary, and health services and products risks were generally effective. There was a partial plan in place to address governance, oversight and management, and programmatic and performance risks. In 2018, the OIG investigated suspected thefts in TB grant by the State PR. The OIG uncovered non-compliant expenditures of US\$62,557 of which

US\$50,625 were deemed recoverable; the remaining amount had been recovered by the time of the audit.

Malawi: the OIG has published two audit and one investigative reports. The first audit report published in 2012, stressed weaknesses in financial, sub-recipient, procurement and supply chain managements. The audit report of 2016 acknowledged improvement in financial management but concluded that the effectiveness and efficiency of (1) the mechanisms set up to deliver quality services and (2) the supply chain system still needed significant improvement. However, arrangements to improve absorption capacity were partially effective.

The OIG has also conducted a pro-active investigation in anti-malaria product thefts in 2016. Those medications were to be given free of charge to patients in public facilities but were sold by other private retailers creating stock-outs in public facilities. The OIG found that such thefts were widespread and concerned malaria medications purchased not only by the Global Fund but also by USAID, the American cooperation. The OIG collaborated with Malawi Drug Theft Investigation Unit and other donors; some vendors were brought to account; it is likely that some health care workers are involved due to the potential high gain.

Rwanda: the OIG has published two audit reports. The first audit published in 2011 indicated some weaknesses in financial management of sub-recipients and the need to improve the principal recipient oversight. The audit report of 2014 indicated that control of financial, fiduciary, health service and product as well as programmatic and performance risks are generally effective while some improvement was needed in the area of governance, oversight and management risks.

Zambia: the OIG has published three reports; two audit and one inspection report. The first audit report, published in 2010, identified weakness in grant financial management and control, and misappropriation, fraud, and losses of grant funds. The OIG found the MoH did not have the capacity to effectively manage the grant. In 2013, the OIG conducted an inspection of processes underpinning grant closure in four countries, including Zambia, and concluded that grant closure controls required major improvements. In Zambia, the OIG noted grant closure delays, irrelevant grant close-out plans, delays in the review and approval of these plans, and lack of assurance on non-cash balances.

Most recently, the audit report of 2017 rated the service delivery processes and controls, and availability of quality data to aid decision making as partially effective, whereas supply chain management systems need significant improvement.

Current grants audit arrangements

The five countries assessed in this study are audited by SAIs and private firms
Kenyan and Rwandan SAIs audit the Global Fund grants by state PRs and report findings to their respective Parliaments.

The **Kenya** National Audit Office (KENAO) audits the three grants implemented by the MoH at least once a year following its mandate. KENAO mainly carries out financial (statutory) audits on Global Fund grants and, on occasion, special audits upon request. Performance audits are rarely performed. The audits seek to verify amounts and disclosures in the financial statements presented by the MoH through examination of supporting documentation. The audit also

evaluates the accounting policies used and seeks to ascertain the funds have been used in a lawful and effective way

The audit takes approximately three months. The deadline for submission of consolidated audit reports to the Global Fund is six months from the end of the financial year i.e. by 31st December. KENAO sends the report to the MoH (who in turn send it to the Global Fund) and to Parliament or the relevant County Assemblies.

As of March 2018, KENAO had not collaborated with the Global Fund's OIG audits.

Table 2: Audit findings for the Global Fund grant in Kenya 2015 - 2016 financial year

Program	Audit opinion¹	Basis for opinion
TB program (Grant number KEN-S11-G12-T)	Unqualified opinion	NA
HIV program (Grant number KEN-H-MOF)	Qualified opinion	Propriety of the expenditure of Ksh. 27,420,217 (US\$217,513) ² could not be confirmed
Malaria program (Grant number KEN-011-G13-M)	Unqualified opinion	NA
HIV program (Grant number KEN-H-MOF/KEN-H-MoH)	Qualified opinion	Non-compliance with imprest Regulations
TB program (Grant number KEN-S11-G12-T & KEN-T-TNT-854)	Qualified opinion	<ol style="list-style-type: none"> 1. Outstanding imprest Balance 2. Unsupported expenditure 3. Exchequer releases
Malaria program (KEN-011-G13-M)	Qualified opinion	<ol style="list-style-type: none"> 1. Unremitted Statutory Deductions (PAYE) 2. Long outstanding imprest

¹ Unqualified opinion means that the financial statements are in order, while a qualified opinion (sometimes accompanied by the expression 'except for') means that the financial statements are, by and large, fairly presented but with discrepancies

² Exchange rate KSh.1=US\$0.0099 or 1US\$=101.10

In **Rwanda**, where the ministry of health is the sole principal recipient of the Global Fund grants, the Office of Auditor General (OAG) audits the Global Fund PR and some selected sub-recipients once a year.

The OAG verifies the accuracy and appropriateness of accounting and financial data. It also verifies whether the state institutions have satisfactory internal control system to safeguard the reception, custody and adequate use of public goods and whether programs were

implemented with economy and efficiency. The findings of the audit are consolidated in a report sent to the PR, the Parliament, with a copy to the Global Fund. **The audit report is discussed in the Parliament.**

In addition, the OAG is routinely associated with the OIG audits conducted in Rwanda. Such collaboration allows the OAG to obtain valuable information that helps prevent errors and fraud in the future, and also gain new skills and experience. This involvement of the OAG in the oversight of the grants reinforces country ownership and transparency.

The Zambia OAG has been involved in the last Global Fund grants audit

The Zambia OAG has audited the Global fund state grant till 2010 when the OIG audited the grants in 2009 and found that the MoH lacked the ability to effectively manage the grants. Upon finding those results, the CCM selected UNDP to replace the MoH as PR. The MoH became again PR from 2015. Subsequently, plans are underway for the OAG to audit the state grant the next grant implementation period (2017-2020).

The Zambia's OAG has been involved in the two OIG audits of 2009 and 2017. In both audits, the OAG contributed auditors to the audit process, while the OIG shared the management letter and audit findings with the OAG.

The Zambian experience and lessons learnt are documented by the African Organization for Supreme Audit Institutions for English speaking countries (AFROSAI-E) with the aim of documentation and scale-up to other countries.

No involvement of the Supreme Audit Institutions in the Global Fund grants in Cameroon, and Malawi ...

The Supreme Audit Institutions do not audit the Global Fund grants in both countries. Such a situation is related to two major factors:

Results for the 2015 and 2016 audits conducted in Rwanda

The following issues were highlighted

- a. Lack of formal supporting documentation to verify supervision of SRs by the PR
- b. Delays in transfer of funds from Treasury to PR
- c. Unutilized funds at the SR level
- d. Discrepancies in stock count vs. system quantity
- e. Delays in implementation of activities
- f. Delays in recovery of Value Added Tax (VAT) from the Tax Authority

Source: Presentation by the Office of the Auditor General in Aidsplan Roundtable in Kigali 14-15 December 2017

- No engagement of the Supreme Audit Institution (or the national equivalent) by the implementers, country teams, CCM or the OIG
- Reduced capacity of the Supreme Audit Institution or amorphous mandate of SAIs across several State institutions

Thus, the grants are audited once a year by a private audit firm. Those private audit firms are chosen by the PR with guidance from the country team in the Secretariat. It is noteworthy that the audit firms are mostly international entities that are perceived as reputation conscious. Their opinions are highly valued both in-country and in the Secretariat. Note that in Cameroon, the OIG has worked with the Internal Audit Unit of the Ministry of Health.

...Although such involvement may improve the oversight and country-ownership of the grants...

In Cameroon and Malawi, the SAIs are mandated to safeguard public funds by verifying accounts and processes at least once a year. The SAIs are entitled to access accounts and documents of all institutions that receive public funds.

Those audit offices have an added advantage of reporting their findings to the Parliament which increases visibility, and can compel hearings, and remedial measures if needed. In case of suspected fraud, the SAI or Parliament can invite the anti-corruption body or its equivalent to carry out investigations.

For those two reasons (mandated access to documents and report to parliament) the SAI may be an important stakeholder of the Global Fund grants and may be as effective as or even more effective than private firms.

For instance, in Malawi, the Global Fund grants implemented by the MoH are audited by the international audit firm KPMG without involvement of the Supreme Audit Institution for different reasons depending on the respondent. This fact implies that the audit report cannot “see the light of a day” in the parliament which deprives the findings of higher visibility and hampers country ownership. Indeed, in Malawi, only audit reports developed by the National Audit Office can be presented in the parliament. Note that the National Audit Office audits projects from other donors, such as the World Bank.

Involvement of the SAI may also encourage whistleblowing activities which complements other Global Fund innovations such as the *I Speak Now Campaign!* The audit office is often well established and recognized by government officials and communities. In countries where citizens trust this office, they are more likely to report cases of alleged fraud or mismanagement of funds.

Involvement of the audit offices also promotes sustainability and continuity when the auditors gain new skills and experience over the years.

... provided the Supreme Audit Institutions have the capacity and the integrity to offer the service

The Supreme Audit Institutions need enough competent personnel with high level of integrity and independence as well as financial resources to conduct those audits. However, that capacity is not always readily available.

The Kenya and Rwanda SAIs highlighted the high pressure on financial, human resources as one of the key challenges faced in auditing the Global Fund grants. For instance, the Rwanda OAG requires 25 audit staff for Global Fund grants audits which take between 7 and 12 weeks. In Kenya, limited number of staff limits the audit coverage. The resource constraints are often

exacerbated by strict and competing deadlines: Rwanda has the same reporting deadline of 31st of December for other donors, such as the World Bank, Africa Development Bank (AFDB) and International Fund for Agricultural Development (IFAD).

Other challenges faced by the audit offices include late submission of supporting documents by the PR (Rwanda), limited understanding of the Global Fund model by the auditors (Kenya), lack of involvement of the Supreme Audit Institution in other grant processes (Kenya) and limited collaboration with the LFA (Kenya).

No official relationship between the CCMs and Supreme Audit Institutions in all five countries

The CCM is entrusted with the role of overseeing the Global Fund grants in-country but audit arrangements are made by the implementers with approval from the secretariat country team. The CCMs are excluded de facto from this process. In addition, as the audits are conducted by private firms in Cameroon, Malawi and Zambia, it is not surprising that no official relationships exist between their CCM and the audit office.

Similarly, there seems to be no interaction between the SAIs and the LFA in four out of the five countries. Zambia is the exception where the OAG appears to be working closely with the Local Fund Agent (LFA).

Other institutions like the Anti-Corruption Bureau (ACB) or its national equivalent can also help

In Malawi, the Anti-Corruption Bureau (ACB) works closely with the National Audit Office as the latter does not have the mandate to prosecute. Also, both the NAO and the ACB would address or respond to queries by the parliament on issues of common interest.

Note that the OIG partnered with the Malawi ACB in the campaign “*I Speak out Campaign*” about thefts of medication in Global Fund grants as Poster 1 illustrates

Examples of useful collaboration between Anti-Corruption Bureau, and other institutions, donors in Malawi

In Malawi, the Anti-Corruption Bureau has a memorandum of understanding (MoU) with the National Aids Commission (NAC). The ACB assists the NAC in monitoring the implementation of its activities to prevent thefts and other frauds after such acts have occurred in NAC. Since implementation of the MoU, no public report of mismanagement has surfaced.

Also, the ACB has an agreement with the Ministry of Health and the American Embassy to investigate theft of Malaria drugs. After investigation, findings were submitted to the Malawi Drug Theft Investigation Unit and the American Embassy in Malawi but were not made public.

Picture 1: Poster inviting to reduce the risk of drug thefts in Malawi



Source: Office of the Inspector General of the Global Fund; **Text on the poster:** Stealing is the same as killing; in government hospitals, you are killing Malawians, especially children for malaria; Let's all speak now to deal with theft

Discussion

This study indicates some degree of involvement of the Supreme Audit Institutions in three of the five countries in the case-study. In countries where the SAIs are to some extent involved in the Global Fund grant audits, benefits include country ownership, increased visibility through Parliament and increased capacity of the SAIs. In Rwanda where the Office of Auditor General is involved, no funds have ever been reported missing. Such a feat should probably be credited to the culture of respect of public goods and strong internal control implemented in the country. Indeed, the involvement of the SAI is not a panacea as monies from the Global Fund grants have been misappropriated in Kenya and Zambia where the SAIs audit the State PR. But such misappropriations were publicly known and addressed. On the other hand, losses occur also in

countries such as Malawi and Cameroon where the SAIs are not involved in the Global Fund grants but by private audit firms.

The absence of collaboration suggests that the Fund deprives itself of useful national resources and capacity often available in the SAIs; Auditors in SAIs know well their country and when they are not compromised in corrupt deals, they can be useful resources to the Global Fund in conducting different types of audits. It appears that the Global Fund has recently been cognizant of this fact, and plans to engage to the African Organization of English-speaking Supreme Institutions (AFROSAI-E) to increase the number of SAIs that audit their grants from the current seven to 15 by 2022.

The study also suggests minimal or no interaction between the SAIs, the CCMs and the LFA. Interaction with LFA would timely inform the SAIs on grant weaknesses and key areas of concern, and just allow the SAIs to seek clarifications about grants.^{xvi}

It is noteworthy that audits conducted by private firms are paid for by the grant. When appropriate, that fund can be used for capacity building of the SAI if it will enable the SAI to offer similar or better returns. Also, audit reports are not made public by the Global Fund while those of the Supreme Audit Institutions and the OIG are often public. Such a discrepancy should be corrected and in the **interest of transparency, the Global Fund should make public the audit reports of its different grants in countries whether those audits are conducted by public or private entities.**

A limitation of this study is that it did not delve into reasons that cause the involvement of the SAI but rather the current status of involvement.

Conclusion and recommendations

This study showed involvement of the Supreme Audit Institutions and other accountability institutions such as the parliament in Kenya, Rwanda and Zambia which reinforces country ownership. In contrast, Supreme Audit Institutions are generally not involved in the audit of Global Fund grants in Cameroon and Malawi.

While this study is not a representative of all countries, it gives an insight of the current situation in countries where the Global Fund invests.

Aidspan recommends that

- 1. The Global Fund explores the possibility of engaging the Supreme Audit Offices in auditing the grants and involving other anti-corruption institutions, when they exist, to foster good management practices and discourage bad ones.** This involvement may require building capacity of Supreme Audit Institutions on Global Fund processes, formalizing relationships with in-country actors such as the CCMs and country teams, creating communication channels with implementer and anti-corruption commissions where they exist, the Supreme Audit Institutions, and the OIG.
- 2. Increased engagement between the Supreme Audit Institutions, the LFA and CCMs**
- 3. The Secretariat makes public existing audit reports.** Currently, audit reports by the OIG are available online. But other audit reports conducted by private audit firms are not. In the interest of transparency and accountability, those reports should be available to the public.

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