



Independent observer  
of the Global Fund

## THE GLOBAL FUND SHOULD LEVERAGE PUBLIC ACCOUNTABILITY INSTITUTIONS IN FRANCOPHONE AFRICA

In French-speaking Africa, the mandate for accountability for public and donor resources devoted to the health sector rests, usually, with three institutions: the Court of Accounts, the General Inspectorate of the State, and the Inspectorate of Health. Currently, none of these institutions is involved in the control, oversight or audit of Global Fund grants in any francophone African country. Government institutions – such as the Ministry of Health and National Aids Commissions – do manage a substantial proportion of these grants, however.

This lack of involvement of any of these institutions throughout the whole region is a missed opportunity to improve grants' design, implementation, and accountability. This missed opportunity is especially regrettable because the [Office of the Inspector General review of West and Central Africa](#) showed that the region, which is home to the majority of French-speaking African countries, has poorer outcomes for the three diseases and health systems than the rest of Africa. (The GFO has highlighted the [main findings of this report](#)). Involving in-country accountability institutions with their mandate, legal power and knowledge of local context can help improve the grants accountability, sustainability and country ownership. In its recent audits in several countries in West Africa (including Liberia, Sierra Leone and Togo) the OIG has worked with the Supreme Audit Institutions (SAIs).

### Government institutions manage grants in francophone Africa

In francophone Africa during this grant cycle 2018-2020, the proportion of the grants managed by State Principal Recipients (PR) varies widely, from 0% to 100%. The State is not a PR in five countries (Burundi, Congo, Djibouti, Gabon, Sao Tome-et-Principe). In contrast, in Comoros and Togo, a State PR manages 100% of the grants. Between those two extremes are six countries (Benin, Burkina-Faso, Cameroun, Côte

d'Ivoire and Senegal) where a State PR manages at least 70% of Global Fund grant funds. In yet other countries, a State PR manages a smaller proportion of Global Fund grants, as in Guinea (31%) and Niger (28%).

Table 1: Global Fund grant totals in francophone Africa signed, and proportion managed, by government entities

Country	Total grant signed US\$ (2018-2020)	Grant signed by Government US\$ (2018-2020)	Proportion
Benin	85,387,678	80,695,150	95%
Burkina Faso	165,583,513	157,390,257	95%
Burundi	77,171,429	0	0%
Cameroon	218,473,237	192,231,608	88%
Central African Republic	78,614,898	0	0%
Chad	92,835,913	43,598,632	47%
Comoros	6,927,024	6,927,024	100%
Congo	35,701,424	0	0%
Côte d'Ivoire	230,739,740	161,705,826	70%
Democratic Republic of Congo	566,359,748	126,613,123	22%
Djibouti	6,223,818	0	0%
Gabon	1,193,325	0	0%
Guinea	106,656,514	33,573,749	31%
Madagascar	74,397,770	28,499,629	38%
Mali	135,450,497	55,512,322	41%
Niger	126,995,463	34,945,646	28%
Sao Tome-et-Principe	6,062,906	0	0%
Senegal	79,961,682	71,954,005	90%
Togo	73,240,584	73,240,584	100%

Source: Aidsplan team, compiled using data from the Global Fund's Data Explorer

Admittedly, a high proportion of francophone African states are [fragile](#), perceived by their citizens as corrupt (the countries tend to rank high [on Transparency International's Corruption Index](#)) or are classified by the Global Fund as [Challenging Operating Environments](#) (COEs; these countries have "protracted crises that heighten the risk of death, disease and breakdown of livelihoods").

Nevertheless, the Global Fund invests in those countries, and in such cases relies heavily on United Nations agencies or International Non-Governmental Organizations to be the PR. Even in those countries, government entities are often sub-recipients of the grants.

#### Institutions of accountability for health in francophone Africa

Depending on the country, either the Court of Accounts or the Inspectorate of the State is the Supreme Audit Institution. For instance, in Burkina Faso, the Court of Account is the SAI while in Cameroon, it is the *Contrôle Supérieur de l'Etat* (called CONSUPE, the equivalent of the Inspectorate of the State).

#### Court of Accounts

The Court of Accounts is an institution that exists in all francophone African countries. The Court of Accounts is part of the Judiciary system, and has both jurisdictional and non-jurisdictional power. Its jurisdictional power includes judging the accounts of public accountants. Its non-jurisdictional powers include the financial, compliance, performance or special audits of all public and donor funds. The Court of Account is often divided into Chambers that focus on different areas such as state-owned companies, devolved government units or central administration and donor funds.

Members of the Court of Accounts are magistrates (with privileges and immunity) and are assisted by non-magistrate staff. Depending on the country, the president of the republic appoints the members of the Court by a decree. In most francophone countries, magistrates of the Court of Accounts are highly experienced civil servants but they are not necessarily lawyers. Note that the process of selecting and appointing the members as well as the security of their tenure, the financing of the Court's activities affect the independence of the Court.

When the court audits a State institution, it uses its non-jurisdictional mandate and issues recommendations. If an audit finds cases of mismanagement, the Court of Accounts cannot arrest suspects. Instead, the court can transmit the information to the jurisdictional section of the Court of Accounts for prosecution (called 'Parquet' in French). The Court of Accounts does not conduct spot checks or unexpected visits to an auditee. It often reports to the Parliament and its reports are public.

### General Inspectorate of the State

The Inspectorate is an institution in charge of administrative control of State. As such, it can audit, investigate, evaluate the use of public and donor funds by a state organization or any organization that receives the support of the State as the [website of the General Inspectorate of Togo](#) affirms (in French). In most countries, this inspectorate reports to the Office of the President. The Inspectorate of the State often has extensive power. For instance, in Burkina Faso it can officially request and obtain information from banks without a court order, and can visit an institution without giving advance notice. The Inspectorate of the State can issue 'protective measures' (such as seizing assets to keep them safe during an investigation) and recommendations.

### Inspectorate of Health

The Inspectorate of Health often has a control function in the Ministry of Health and is akin to an internal audit function within the Ministry. The Inspectorate often has the mandate to recommend both administrative and health measures to the Ministry of Health.

### External auditing in anglophone countries

In comparison, in Anglophone countries, the mandate for the external audit of government institutions lies solely with the Office of the Auditor General, which are the Supreme Audit Institutions (SAIs) in those countries. (The name can change according to the country, for instance in Ghana it is called Ghana Audit Services). In sub-Saharan Africa, [only eight SAIs](#), all from Anglophone countries, audit the Global Fund grants annually. In the more than 30 other sub-Saharan African countries, the Global Fund relies on private firms, selected by the PRs with the Secretariat's approval, and paid out of the grants' resources, to audit the grants.

This reliance on private firms, when the Global Fund Secretariat or Country Coordinating Mechanism has not even approached public accountability institutions to enquire whether they can control or audit grants, has breached the principle that the Global Fund in fact promotes, of using country systems.

This has seemed even more the case when other donors cooperate with those institutions and appear

satisfied with their credibility. In Mali, the [Bureau du Vérificateur Général](#) of Mali (which corresponds to the Inspectorate of the State) has published annual reports, including on financial control of grants from GAVI (the Vaccine Alliance); in Burkina Faso, [the World Bank works](#) with both the Court of Accounts and the Autorité Supérieure de Contrôle d'Etat et de la Lutte contre la Corruption (ASCE-LC), the equivalent of the Inspectorate of the State.

### Upcoming Global Fund guidelines

Perhaps other donors' experience has in part influenced the Global Fund's intention to make a change. In a panel discussion organized in November 2019, by the umbrella organization of the Supreme Audit Institutions of French-speaking Africa (Conseil Régional de Formation des Institutions Supérieures de Contrôle des Finances Publiques d'Afrique Francophone Subsaharienne, or CREFIAF), the Global Fund Secretariat's Senior Manager, Grant Finance Center of Expertise, Eric Boa, explained that the Secretariat is developing new guidelines for the annual financial audit of the Global Fund grants.

The guidelines propose that by default, each country's own SAIs audit Global Fund grants managed by a government PR – if the SAI is deemed to have the capacity to audit the grant. ([The current guidelines](#) have been in place since January 2014; in the new guidelines, the Global Fund considers the financial audit as the one required by default. Depending on the risk profile, other types of audits such as a program or a system audit may be conducted.)

If the Secretariat deems that the SAI of a given country lacks the capacity to audit its Global Fund grants, according to the Fund's Eric Boa, a capacity-building plan should be developed and followed with the help of SAI and the CREFIAF so that eventually the SAI will be capable of auditing that country's Global Fund grants.

Eric Boa insisted on the fact that the Global Fund requires annual financial audits and that those audits should be reliable and timely, i.e. the audit should be done by credible auditors and the audit report submitted within six months after the end of the fiscal year. This reliability rests on two important criteria, among others: the independence of the auditors, and their competence. In the absence of these two elements, Mr Boa said, the Global Fund cannot have confidence in the country SAIs' auditing its grants.

The Secretariat should publish its criteria

As independent observer of the Global Fund, Aidsplan understands and applauds the Global Fund Secretariat's insistence on a credible SAI auditing Global Fund grants. But in accordance with the Fund's fundamental principle of transparency, we argue that the Secretariat should publish:

1. Evaluation criteria it will use to decide whether the SAIs can audit the Global Fund grants or not.
2. Evaluation criteria it has used (or is currently using) for the SAIs and the private firms that are auditing the Global Fund grants now.
3. Annual audit reports of the Global Fund grants, as the Office of the Inspector General (OIG) does with its audit reports.

These evaluation criteria are vital for the SAIs that do not yet audit Global Fund grants, in order to compare themselves to, and learn from, the SAIs that do already audit Global Fund grants. The importance of public availability of the annual audit cannot be overstated: all OIG audits of Global Fund grants in sub-Saharan Africa find issues with procurement, supply chain or data quality, even in countries with no financial mismanagement. It would therefore make sense for the public to be able to correlate the findings of country's annual financial audits with those of the OIG.

Global Fund should innovate the way external financial audits are performed

If in any given country, the Global Fund Secretariat finds that no government institution is able to provide a quality audit, the Secretariat can require that the SAI team be twinned with a private one so that both institutions can leverage each other strengths. On the one hand, private firms lack the authority that SAIs have to request that government employees open some of their books. On the other, private firms may have the know-how and credibility as experts that the SAIs may lack. A combined team would be stronger than one or the other on its own, and could deliver better accountability in the short term while progressively building the capacity of the country's SAI.

The external financial audit is only one of the elements of the Global Fund's first line of defence to assure proper risk management. Other elements are the PR's internal control mechanisms, the Country Team's controls, and the Local Fund Agent's activities. The annual external audit, therefore, does not stand alone. This is one more reason for the Global Fund to work with the public accountability institutions and an incentive for these institutions to do a creditable job, knowing that other elements exist that will support or invalidate their audit findings.

The Global Fund started as an innovative funding mechanism. It should keep the innovations going.

Further reading:

- [Guidelines for annual audits of global fund grant program financial statements](#)
- [OIG Advisory Report: Grant implementation in Western and Central Africa \(WCA\) Overcoming barriers and enhancing performance in a challenging region](#) (GF-OIG-19-013 – May 2019)

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