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## AIDSPAN AND PARTNERS ENHANCE THE CAPACITY OF THREE SUPREME AUDIT INSTITUTIONS TO AUDIT GLOBAL FUND GRANTS

Recently, Aidspan organized a series of workshops to enhance the capacity of Supreme Audit Institutions (SAIs) from three sub-Saharan Africa countries to audit Global Fund grants. SAIs are public institutions with a constitutional mandate to scrutinize the use of public resources, and in most Anglophone countries they are known as the Office of the Auditor-General. These three workshops were conducted for the Office of the Auditor General of Lesotho on 7-9 June, the Office of the Federal Auditor General (OFAG) of Ethiopia and the Audit Service Corporation (ASC) on 14-16 June, and the Office of the Auditor General of Namibia on 21-23 June 2021. This is part of the second phase of a project entitled to 'strengthen the capacity of Supreme Audit Institutions to perform audits of Global Fund grants in Sub-Saharan African countries'. Two more workshops are planned for August, for the SAIs of Nigeria and South Africa.

Aidspan and partners implemented the first phase of the project in 2018-2020, funded by the GIZ BACKUP Initiative, which covered capacity building in Global Fund grant auditing for eight SAIs from Burkina Faso, Ghana, Liberia, Kenya, Malawi, Rwanda, Sierra Leone, and Togo.

The project responds to a gap identified in a 2018 Aidspan study supported by GIZ BACKUP, which revealed that only eight Anglophone country SAIs (which has since increased to ten) audit Global Fund grants in sub-Saharan Africa. Furthermore, these SAIs conduct purely financial audits and do not address programmatic components. In the rest of the countries, government Principal Recipients (PRs), in consultation with the Global Fund Secretariat, hire private sector firms using grant resources to audit Global Fund grants. However, using national SAIs to perform audits is better for building the country's capacity. Moreover, it enhances country ownership as the SAIs present their audit findings in public, such

as to the parliaments in Anglophone countries and the judiciary for the Francophone ones. SAIs usually have a better understanding of the country context and are also better placed to follow up on the implementation of audit recommendations.

The project's primary objective is in line with Aidsplan's mission to increase the transparency and accountability of Global Fund grants at the country level. The project partners include the Global Fund Secretariat, the Office of the Inspector General (OIG), the African Organization of English-speaking Supreme Audit Institutions (AFROSAI-E), Country Coordinating Mechanisms (CCMs), and state Principal Recipients (PRs) managing Global Fund grants.

SAIs learn how to conduct financial and programmatic audits of Global Fund grants

During the three-day workshops, Aidsplan and partners explained the role of the Global Fund and its mode of operation. This enabled the SAIs to better understand the Global Fund structures, processes, grant requirements, and grant documents. The SAIs were taken through performance-based funding, the Global Fund financing model, where a funded project must demonstrate effective and time-bound results to receive the next tranche of funding. Our trainers showed the SAIs how to conduct a financial audit. This included risk identification and the development of an audit plan, which involve appointing an audit team, identifying key grants documents as the basis for the audit, reviewing reports to guide preliminary risk assessment, and determining the audit budget and sources of information. Furthermore, the SAIs were shown how to execute an audit plan and write reports.

Apart from financial audits, the SAIs were introduced to the concept of programmatic audits that verify if the human resources, processes, and systems in place are adequate to support the delivery of the programmatic outcomes articulated in the grant's contractual commitments. The SAIs were taught the importance of focusing beyond purely financial audits: as finances are a means to an end while programmatic outcomes are the end. Just as with financial audits, the trainers explained the general risks to the SAIs, including how to determine the correct time to conduct a programmatic audit and how to link financial, procurement, and supply chain management to programmatic performance. The trainers covered the key areas to consider when conducting a programmatic audit. These include the procurement and distribution of health products, stock status that affects service delivery and compliance with guidelines, human capacity requirements for service provision, operations at the service delivery level, community interventions, supervision, monitoring and evaluation systems, and use of data. The SAIs were advised to bring on board specialists in these fields, such as public health experts, those specialized in pharmaceutical health products and procurement supply management, quantity surveyors and engineers, computer security experts, and legal experts ? all of which are likely to be needed when conducting a programmatic audit.

Almost all second phase workshops delivered virtually due to the COVID-19 pandemic

The pandemic has forced people to adopt new ways of operating, and this is no different for the SAI project. Due to COVID-19 containment measures, there was no international travel during the second phase of the project, unlike the first phase when Aidsplan trainers and partners traveled to countries to rollout the workshops. Thus, there were fewer logistical arrangements required for the second phase, as trainers and partners participated virtually. The three workshops were delivered almost entirely through webinars, with a few differences depending on the COVID-19 situation in each country. In Ethiopia and Lesotho, workshop participants came together in one room with only a few following the proceedings virtually. In Namibia, however, following a surge in the numbers of COVID-19 cases and government's new rules reducing the numbers of people allowed to meet in public and for not more than two hours, the entire workshop had to be held virtually. Of course, it goes without saying that the SAIs would have preferred to attend workshops where both facilitators and participants were physically present.

The second phase workshops took less time than those under the first phase. This is because during the first phase of the project, an extra day was added to allow the SAIs to visit a health facility to learn, from a hands-on practical perspective, how to conduct a programmatic audit and discuss their findings with the health facility staff. Unfortunately, due to COVID-19, this was not possible during the second phase.

### Lessons learned during the second phase

A virtual workshop allows more people to participate, provided that the facilitators are able to pay enough attention to each participant. They are also less costly as they require fewer logistical arrangements compared to a workshop where everyone is physically present. However, virtual workshops require a heavy investment in teleconferencing infrastructure, such as sufficient internet bandwidth to support people's online participation. Some of the participants kept dropping out of the workshop due to poor internet connectivity. To ensure that no one was left behind, Aidspace shared the workshop recordings at the end of the day for participants to catch up on areas that they had missed. Nonetheless, it is not easy for a facilitator to have this kind of control over virtual participants and thus this type of training requires very skilled facilitators.

### Expected outcome

Following the workshops, SAI Namibia ? who to date has not audited any Global Fund grants managed by state PRs ? is preparing to start auditing the grants this year. For SAIs in Ethiopia and Lesotho who have already been conducting financial audits of Global Fund grants, Aidspace and its partners anticipate that these audits will be better performed and the SAIs have also promised to include some aspects of programmatic auditing. In each SAI there is a focal point person who periodically provides updates on the progress made in implementing what they have learned from the workshops. The short-term outcomes , in terms of whether the capacity building resulted in improved audit functions, will be better known after the SAIs have conducted this year's audits of Global Fund grants. We look forward to improved transparency and accountability in these three countries.

A need to strengthen the capacity of more SAIs and provide technical support to those already trained

Aidspace is looking forward to enhancing the capacity of more SAIs, particularly those from Francophone countries. However, as well as capacity building, SAIs also require backstopping during audit planning, execution, and report writing. Already some of the SAIs trained during the first and second phase are requesting this kind of technical support. However, due to funding constraints, Aidspace is only able to offer backstopping to a select few. It would be great to have more partners on board to contribute towards building in-country capacity.

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