



Independent observer  
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## OIG RELEASES AUDIT REPORT ON SEVEN GRANTS IN DOMINICAN REPUBLIC

Says that grants are generally well managed

No losses identified

On 31 October 2011, the Global Fund's Office of the Inspector General (OIG) released the final report of an audit on seven grants in the Dominican Republic from Rounds 2-8, administered by five different principal recipients (PRs). The five PRs were:

- Consejo residencial del SIDA (COPRESIDA) – HIV, Round 2
- Instituto Dermatológico y Cirugía de Piel (IDCP) – HIV, Round 2; malaria, Round 8
- Asociación Dominicana Pro-Bienestar de la Familia (PROFAMILIA) – TB, Rounds 3, 7
- Ministerio de Salud Pública (MSP) – TB, Round 3
- Centro Nacional de Control de Enfermedades Tropicales/ Servicio Nacional de Eradicación de la Malaria (CENCET) – Malaria, Round 8

COPRESIDA, MSP and CENCET are all government PRs. PROFAMILIA is an NGO. IDCP is an academic institute. The audit also covered 15 sub-recipients (SRs) and other implementers.

The OIG said that, in general, the grants in the Dominican Republic are well managed. However, the OIG identified some internal control weaknesses in financial management and drug storage, and some problems with stock-outs of antiretrovirals. Examples of weaknesses identified by the OIG were poor forecasting of drug requirements; failure to appoint an external auditor; failure to carry out audits of SRs; and excessive overhead charges.

## Oversight

CCM. The OIG noted several weaknesses in the functioning of the CCM. These included the following:

- CCM officers have not been rotated since the CCM was established in 2002.
- The Minister of Health is the Chair of the CCM and, since October 2009 has been serving as PR for the TB grants. This conflict is not being managed.
- The CCM had no oversight plan and had not made any visits to health facilities implementing grant programs.
- The CCM did not receive external audit reports on the PRs or quarterly progress updates and disbursement reports (PU/DRs).

The OIG noted that the President of Coalición de ONG SIDA, an umbrella organisation for NGOs working in HIV/AIDS, acts as the secretariat for the CCM. However, the OIG said, the office of the NGO coalition does not have the staff to support the secretarial and administrative needs of the CCM. The OIG said that the CCM obtained a one-year grant from the Global Fund to support the CCM secretariat, but that there remained a need to find a continuing and sustainable source of financing for the secretariat.

LFA. The OIG generally gave the LFA, Pricewaterhouse Coopers (PwC) a passing grade, but noted that most of the PRs perceive that the LFA as skilled and interested in financial documentation, but less skilled and interested in programmatic issues.

Secretariat. The OIG said that the PRs were generally pleased with the support from the Global Fund Country Programs Cluster. However, some PR officials complained that cluster staff did not routinely seek clarification of issues raised by the LFA during PU/DR reviews before sending management letters to the PR. The OIG quoted PR officials as saying that the management letters usually contain only the viewpoints and recommendations of the LFA.

## Recommendations and follow-up

The audit report advanced 55 recommendations to address the weaknesses noted in the audits. The OIG commended the CCM and the PRs for showing strong commitment to implementing the audit recommendations. When the final report of the audit was released, 50% of the recommendations had already been implemented.

In an annex to the audit report, the CCM provided feedback. The CCM said that the audit was conducted “with great professionalism, in adherence to the Global Fund procedures, and with respect towards the local technical teams.”

The OIG audit report on the Dominican Republic, and all of the other OIG reports released on 31 October 2011, are available on the Global Fund website [here](#).

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