



Independent observer  
of the Global Fund

## PROGRESS MADE ON IMPLEMENTING AMAS, THOUGH 17 REMAIN LONG OVERDUE

For the first 10 months or so of 2017, 91 agreed management actions (AMAs) were closed and 73 new ones were opened. As of 10 October 2016, there were 17 long overdue AMAs (defined as being more than 180 days late).

AMAs are actions that the Secretariat has agreed to implement following discussions with the Office of the Inspector General (OIG) about problems identified in OIG audits and investigations.

In a report on AMAs presented to the Board at its recent meeting in Montreux, Switzerland, the OIG highlighted three areas involving AMAs that it wanted to bring to the Board's attention:

1. risk management;
2. procurement and supply chain; and
3. AMAs emanating from the 2016 audit of grants to Nigeria.

Risk management

The OIG said that the creation of an organization-wide risk accountability framework is “significantly overdue.” It cited one AMA from an internal audit it performed on the integration of specialists into country teams (GF-OIG-13-024) that was due to be completed on 31 December 2013. The AMA said that the Risk Department should work with the relevant divisions and departments in the Secretariat to establish an accountability framework that defines the roles, responsibilities, authorities, and accountabilities of various stakeholders; and develop guidance on the risk appetite to facilitate considered risk-taking in grant management.

The OIG also cited a second AMA from a high-level audit of the Global Fund Assurance Model (GF-OIG-14-006) that was due on 30 June 2014. The AMA reads as follows: “The creation of the accountability framework will further clarify roles and responsibilities pertaining to risk management. The risk function is facilitating the creation of this framework as agreed last year in response to an OIG recommendation.”

### Procurement and supply chain

In its report, the OIG said that there were 15 active AMAs in this area, and that the most common topics were logistics, management, and information systems (LMIS) strengthening; storage and warehousing; and quantification and forecasting. The countries affected by these AMAs were Cameroon, Cote d'Ivoire, Guinea-Bissau, Guyana, Tanzania, Uzbekistan, and Zimbabwe.

### Nigeria

The OIG said that the Secretariat is on track concerning the implementation of AMAs emanating from the audit of grants to Nigeria which the OIG conducted in 2016 (see [GFO article](#)). For example, the Secretariat has already:

- assessed the internal control deficiencies identified in the audit and identified non-compliant areas that require further review;
- conducted a capacity assessment of the government principal recipients (PRs); and
- assessed its short- and long-term plans for the Nigeria portfolio to ensure the achievement of grant objectives.

The OIG identified four AMAs which are due to be completed by 31 December 2016 and which the OIG considers critical:

- based on the outcome of its capacity assessment, the Secretariat will introduce additional controls and consider alternative implementation arrangements for key processes;
- the Secretariat will develop and implement a consolidated risk and assurance plan for the Nigeria portfolio;
- the Secretariat will develop an implementation plan for Nigeria, which should, at a minimum, contain an analysis of the current situation and a clear plan with milestones and deadlines; and
- the Secretariat will address and mitigate the risk of poor oversight by a PR, the National Agency for the Control of AIDS, of its sub-recipients (SRs), and will expand the terms of reference of the LFA's routine spot checks of SRs to include intensified validation of training-related claims and expenditures. This will include random on-site validations of a sample of SR training events and meetings as they are held, and periodic post-event validations of invoices with suppliers and participants.

### Secretariat report on AMAs

The Secretariat submitted a separate report to the Board on AMAs, with a particular focus on long outstanding AMAs. The report is divided into four parts: Grant Management AMAs; Risk Management

AMAs; finance, IT, sourcing and administration AMAs; and Strategic, Investment and Impact Division AMAs.

We present a few examples below. Readers seeking more information should consult the full report.

## Viet Nam

The Secretariat provided an update on an AMA that emanated from a [2013 audit](#) into grants awarded to Viet Nam. The AMA called for the PR and the Viet Nam Administration of HIV/AIDS Control (VAAC) to develop an integration plan for antiretrovirals (ARVs) in order to harmonize supply management across all HIV care and treatment sites in Viet Nam regardless of funding source.

The Secretariat explained that this issue is systemic in nature and would take a longer time to resolve than originally envisaged. It said that the VAAC has set up a central procurement unit and that the central program management units of both the Global Fund-financed program and that of PEPFAR are being merged. Further, PEPFAR has officially announced that it will no longer fund opioid substitution therapy (OST) as of September 2017, and that it will stop funding ARVs by September 2018.

The Secretariat added that PEPFAR's procurement channel will be dismantled in 2017-2018 and that the central procurement unit of the Ministry of Health has started already to take over the procurement and distribution of ARVs. Within the Global Fund programs, ARVs will be procured through Wambo. Discussions are underway to allow for domestic funding to be channeled through Wambo for the procurement of ARVs.

## Guinea-Bissau

The Secretariat provided an update on an AMA from a [2014 audit](#) into grants awarded to Guinea-Bissau.

The AMA called for the Secretariat to ensure that the revised approved operational policy note (OPN) on annual funding decisions and disbursements will include a performance-based funding approach that can be tailored for countries with significant data quality challenges.

The Secretariat said that a new OPN on the annual disbursement-making form (ADMF) was rolled out and revised in June 2016, and that an annual funding decision for the Guinea-Bissau TB grant was processed in July 2016. It added that Board approval of the HIV grant is expected imminently and that an annual funding decision for that grant will be processed within a couple of weeks.

Board Documents GF-B36-12 (OIG AMA Update) and GF-B36-12A (Secretariat AMA Update) should be available shortly at [www.theglobalfund.org/en/board/meetings/36](http://www.theglobalfund.org/en/board/meetings/36). Neither documents GF-OIG-13-024 nor GF-OIG-14-006 are available on the Global Fund's website. At the time these audits were completed, the Fund's Disclosure Policy did not call for report on audits of internal Secretariat processes to be made public. The policy has since been modified.

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