



Independent observer  
of the Global Fund

Progress noted especially in HIV treatment coverage and decline in malaria mortality By: Adèle Sulcas 2 NEWS Jul 31st 2019 ABSTRACT In a follow-up audit of Global Fund grants to the Democratic Republic of Congo, following a first country audit in 2016, the Office of the Inspector General acknowledged successes in disease and supply chain management, but found that stockouts or insufficient stocks of health commodities, the quality of data relating to people living with HIV on treatment or lost to follow-up, and concerns around financial management and the role of the fiscal agent need to be addressed. A new Office of the Inspector General (OIG) audit of Global Fund grants in the Democratic Republic of Congo acknowledges successes across the three diseases achieved under extraordinarily challenging circumstances, but also highlights stockouts or insufficient stocks of health commodities, data inaccuracies relating to people living with HIV, inadequate financial management by the Principal Recipient and limited Secretariat oversight. This audit is a follow-up to the 2016 audit in which the OIG identified a number of deficiencies in the implementation of Global Fund grants, ranging from programmatic

oversight to delivery of quality health services and inadequate internal financial controls. The report was published on 16 July 2019, along with a message from the Executive Director, Peter Sands. The audit covered the period January 2016 to August 2018. The follow-up audit's overall objective was "to provide reasonable assurance on whether the Governance, Risk Management and Internal Controls underlying grant management and implementation" have improved since the 2016 audit. The specific elements assessed were whether improvements in the supply chain have increased the availability and traceability of health products, whether program management and delivery are effective enough to ensure quality of services, and whether adequate and effective controls over financial management are in place. Key issues and key achievements Among 'key issues and risks', pervasive stockouts of HIV test kits, insufficient stock of malaria commodities at health facilities, inaccuracies in data on the number of people living with HIV (PLHIV) who are on treatment and a lack of monitoring of PLHIV lost to follow-up, and inadequate financial management at the Ministry of Health level, with an absence of quality assurance over the work of the Fiscal Agent and limited Secretariat oversight. (See separate article in this GFO on issues relating to the work of fiscal agents.) The OIG also acknowledges 'key achievements and good practices': Despite its numerous and sizable challenges, the country has achieved remarkable successes and lasting impact against the three diseases over the course of its Global Fund-financed programming. The achievements include an increase in HIV treatment coverage from 34% in 2012 to 59% in 2017 and a halving of HIV-related deaths over this period, TB treatment success rates climbing from 77% in 2013 to 87% in 2018, and the successful rollout of a mass campaign to distribute Long-Lasting Insecticide-treated bednets that has contributed to a decrease in malaria mortality, from 43 to 28 deaths per 100,000 between 2015 and 2017. Ratings The OIG report has rated the DRC's supply chain process (Objective 1) as "partially effective", the quality of services (Objective 2) as "partially effective", and financial management (Objective 3) as "needs significant

improvement”. (See ‘Findings’ below for more detail on each of these.)

Active Global Fund grants The Global Fund’s active grants in the DRC, from 2018 to 2020, amount to \$542,961,124 (signed amount) with three Principal Recipients (PRs) managing the five active grants across the three diseases. Table 1: DRC’s active Global Fund grants included in the OIG audit (2018-2020) under New Funding Model Component Grant no. Principal recipient Grant period Signed amount (USD)

Component	Grant no.	Principal recipient	Grant period	Signed amount (USD)
Malaria	COD-M-SANRU	Santé Rurale (SANRU)	Jan 2018 – Dec 2020	275,717,435
HIV/TB	COD-C-CORDAIN	Stichting Cordaid	Jan 2018 – Dec 2020	149,742,258
HIV	COD-H-MOH	Ministry of Health and Population (CAGF)	Jan 2018 – Dec 2020	23,913,524
Malaria	COD-M-MOH	Ministry of Health and Population (CAGF)	Jan 2018- Dec 2020	74,908,613
Tuberculosis	COD-T-MOH	Ministry of Health and Population (CAGF)	Jan 2018 – Dec 2020	18,679,294
Totals				542,961,124

Source: OIG audit 16 July 2019 (report number GF-OIG-19-014)

Country context The Democratic Republic of Congo (DRC) has signed a total of \$1.99 billion in Global Fund grants since 2003, making it one of the Global Fund’s three largest portfolios. With 10% of the world’s malaria deaths, success of the DRC grants makes the country’s programs critical to the Global Fund’s success globally. The DRC implements its grants in a challenging operating environment, where repeated Ebola outbreaks, armed conflict and weak infrastructure continuously undermine successful grant implementation. DRC is currently experiencing yet another Ebola outbreak, which the WHO has declared a ‘public health emergency’, officially escalating the gravity of the international threat. As of 31 July, 1696 deaths and 2577 cases and have been confirmed. The DRC’s population of 81 million people is widely dispersed over a land mass of more than 2.3 million square kilometers, the DRC is Africa’s second-largest country, with a health system comprising 516 health zones across 26 provinces. There is a scarcity of doctors, nurses and midwives: 6 per 10,000 people, which is far below the WHO’s recommendation of 23. Overall, the Global Fund has (to date) signed grant agreements with the DRC worth \$2.028 billion (it was \$1.99

billion at the time of the OIG's report writing) and disbursed \$1.717 billion. The DRC is a 'high-impact' country for the Fund (very large portfolio, mission-critical disease burden), and is also categorized as a Challenging Operating Environment with Additional Safeguard Policies.

Summary of main findings The OIG's three main findings resulted in four Agreed Management Actions (AMAs), which are listed at the end of this section. The findings, in summary, are:

4.1 While anti-malaria drug traceability has improved, stock-outs of health commodities at facility level persist. Various corrective actions to improve the in-country supply chain have been taken since the 2016 audit, including incentivizing health workers to transport commodities from district warehouses to health facilities (in the absence of a stronger distribution system); revising the terms of reference for sub-recipients and putting in place measures to improve their accountability; and implementing reviews of stock availability at health facilities. The end result of these actions, the OIG found, has been that: Drug traceability has improved and the level of expiries has reduced The availability of malaria health commodities at health facilities needs to improve

AMA 1: This AMA has three sub-sections, which cover supporting the design and implementation of a real-time stock-out warning and reporting system supporting the decentralization of the Bluesquare supply-chain dashboard to allow sub-recipients and provincial health directorates to systematically analyse stock situations in provinces and ensuring that the SR terms of reference will be modified to include monthly review of stocks at zonal warehouses (BCZ) and confirming to provincial health authorities and the PR that there is adequate buffer stock (all due by 30 June 2020).

4.2 HIV drug traceability and treatment has improved, but pervasive stockouts of HIV tests remain. Within this finding, the OIG noted several main points: There has been no major disruption of HIV treatment (based on OIG visits to 15 hospitals and health facilities, representing 8% of the national reported number of PLHIV on treatment) Pervasive stockouts of first-line HIV test kits has affected the detection of new HIV cases There is better traceability of

HIV commodities There has been overstatement in the number of PLHVI on treatment and inadequate monitoring of HIV patients lost to follow-up. AMA 2: The Secretariat will support the Ministry of Health to develop a new screening tool and communications materials to promote targeted testing at the site level in line with the new HIV differentiated service delivery models, and to improve the use (and expand coverage) of Tiernet software to monitor HIV patient data (due date: 31 March 2020).

4.3 Financial management controls for government grants and the risk mitigation measures set up by the Secretariat need significant improvement. Given the findings of the 2016 audit, the Global Fund has strengthened its financial safeguards for CAGF, the Government Principal Recipient that manages three of the five active grants, by putting in place mitigation measures designed to address ongoing high fiduciary risks. Following the 2016 audit's AMA relating to enhanced controls, CAGF's performance was evaluated, with the OIG finding that "the unit was well positioned to manage Global Fund grants [but] areas for improvement remain". These include: Limited capacity and control mechanisms to produce accurate financial reports Absence of a quality assurance framework at the Fiscal Agent, and limited Secretariat oversight Incomplete coverage of financial activities in the CAGF procedure manual

AMA 3: The Global Fund will revise the Terms of Reference of the Fiscal Agent to clarify its scope and responsibilities, by integrating a Quality Assurance mechanism to address gaps in the independent verification of transactions, reconciliations and validation of financial reporting, before submitting to the Global Fund (due date: 30 April 2020)

AMA 4: The Secretariat will provide support to strengthen CAGF's internal capacity for adequate processing of financial transactions, effective management of advances, and accurate presentation of financial reports and accounting information. In addition, the Fund will define a revised set of minimum performance requirements for CAGF (due date: 30 September 2021). All AMAs are owned by the Head of Grant Management, Mark Edington.) For the complete Table of Agreed Actions, see page 20 of the audit report.)

Editor's Note: The 2016 OIG

audit was the first country audit of the DRC by the OIG; in 2014 the OIG published an investigation report into irregularities in sub-recipients' implementation, and in 2010 performed an in-country review. Further reading: This audit report, 'Follow-up audit of Global Fund Grants in the Democratic Republic of Congo' (GF-OIG-19-014) The 2016 OIG audit report (GF-OIG-16-022) The Global Fund Executive Director's message to the Board on publication of this follow-up audit report Feedback 0 Likes0 Dislikes 12685 Tags: No comments yet, Please add one. Add Comment ? Name (optional) ? Email (optional) ? Comment QUICK LINKS Career and Opportunities New Gallery Key Documents CONTACT +254 (0)774-135984 P.O. Box 66869 - 00800, Nairobi, Kenya info@aidspan.org We are always looking for ways to improve our contents. let us know what you liked and what we can improve on. Get connected with us on social networks! © Copyright 2022 — AIDSPAN

A [new Office of the Inspector General \(OIG\) audit](#) of Global Fund grants in the Democratic Republic of Congo acknowledges successes across the three diseases achieved under extraordinarily challenging circumstances, but also highlights stockouts or insufficient stocks of health commodities, data inaccuracies relating to people living with HIV, inadequate financial management by the Principal Recipient and limited Secretariat oversight.

This audit is a follow-up to the 2016 audit in which the OIG identified a number of deficiencies in the implementation of Global Fund grants, ranging from programmatic oversight to delivery of quality health services and inadequate internal financial controls.

The report was published on 16 July 2019, along with [a message from the Executive Director](#), Peter Sands. The audit covered the period January 2016 to August 2018.

The follow-up audit's overall objective was "to provide reasonable assurance on whether the Governance, Risk Management and Internal Controls underlying grant management and implementation" have improved since the 2016 audit. The specific elements assessed were whether improvements in the supply chain have increased the availability and traceability of health products, whether program management and delivery are effective enough to ensure quality of services, and whether adequate and effective controls over financial management are in place.

#### Key issues and key achievements

Among 'key issues and risks', pervasive stockouts of HIV test kits, insufficient stock of malaria commodities at health facilities, inaccuracies in data on the number of people living with HIV (PLHIV) who are on treatment and a lack of monitoring of PLHIV lost to follow-up, and inadequate financial management at the Ministry of Health level, with an absence of quality assurance over the work of the Fiscal Agent and limited Secretariat oversight. (See [separate article in this GFO on issues relating to the work of fiscal agents](#))

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The OIG also acknowledges ‘key achievements and good practices’: Despite its numerous and sizable challenges, the country has achieved remarkable successes and lasting impact against the three diseases over the course of its Global Fund-financed programming. The achievements include an increase in HIV treatment coverage from 34% in 2012 to 59% in 2017 and a halving of HIV-related deaths over this period, TB treatment success rates climbing from 77% in 2013 to 87% in 2018, and the successful rollout of a mass campaign to distribute Long-Lasting Insecticide-treated bednets that has contributed to a decrease in malaria mortality, from 43 to 28 deaths per 100,000 between 2015 and 2017.

## Ratings

The OIG report has rated the DRC’s supply chain process (Objective 1) as “partially effective”, the quality of services (Objective 2) as “partially effective”, and financial management (Objective 3) as “needs significant improvement”. (See ‘Findings’ below for more detail on each of these.)

## Active Global Fund grants

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## Country context

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The DRC implements its grants in a challenging operating environment, where repeated Ebola outbreaks, armed conflict and weak infrastructure continuously undermine successful grant implementation.

DRC is currently experiencing yet another Ebola outbreak, which the WHO has declared a 'public health emergency', officially escalating the gravity of the international threat. As of 31 July, 1696 deaths and 2577 cases and have been confirmed.

The DRC's population of 81 million people is widely dispersed over a land mass of more than 2.3 million square kilometers, the DRC is Africa's second-largest country, with a health system comprising 516 health zones across 26 provinces. There is a scarcity of doctors, nurses and midwives: 6 per 10,000 people, which is far below the WHO's recommendation of 23.

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## Summary of main findings

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- supporting the design and implementation of a real-time stock-out warning and reporting system
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Further reading:

- This audit report, ['Follow-up audit of Global Fund Grants in the Democratic Republic of Congo'](#) (GF-OIG-19-014)

- The [2016 OIG audit report](#) (GF-OIG-16-022)
- The Global Fund [Executive Director's message to the Board](#) on publication of this follow-up audit report

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