



Independent observer  
of the Global Fund

## Supreme Audit Institutions in Africa would welcome an opportunity to start or expand their involvement in auditing Global Fund grants

Aidspan organized a roundtable on “Audit of Global Fund Grants by SAIs (Supreme Audit Institutions) in Sub-Saharan Africa” in eight African countries on 24–26 April in Kigali, Rwanda, with the support of GIZ BACKUP Health.

The eight countries are Burkina Faso, Ghana, Kenya, Liberia, Malawi, Rwanda, Sierra Leone and Togo. Three of the SAIs currently audit Global Fund grants; the other five do not. All of the SAIs audit some donors’ grants.

The roundtable aimed (a) to share audit best practices from the three participating countries that already audit Global Fund grants; and (b) to identify knowledge gaps and needs for capacity building for the SAIs.

At the end of the roundtable, participants expressed interest in learning more about the Global Fund in-country architecture and, for SAIs already auditing Global Fund grants, ways to increase the scope of the audits. For SAIs not currently auditing Global Fund grants, participants wanted to know more about conditions for the SAIs to start auditing the grants.

For country grants, the Global Fund has several layers of quality assurance.

At the country level, there are the principal recipient's (PR's) own assurance mechanisms; the local fund agents (which are the "eyes and ears" of the Global Fund in-country); the external auditor (i.e. the auditor engaged to audit an individual country's grants); and the country coordinating mechanism (CCM), which submits the funding request (including details on which institution is in charge of the external audit of the grants) and oversees the grant implementation.

External auditors can be private firms or SAIs. They are labeled "external" because they do not answer to the authority in the institution they audit. Rather, external auditors answer to an "external" body which, for the SAIs, is often the country's Parliament. Note that the PR's assurance mechanisms often includes an internal auditor who answers to the head of the institution.

At the corporate level, there are the country teams in the Global Fund Secretariat; and the Office of the Inspector General (OIG) which is the internal auditor of the Global Fund and reports to its Board. Each year, the OIG undertakes a number of audits of country grants.

Roundtable participants represented key stakeholders involved in managing and/or auditing Global Fund grants:

- the Global Fund Secretariat, which establishes the guidelines for the external audits performed at country level;
- the Global Fund's Office of the Inspector General (OIG);
- country Auditor Generals who audit state entities;
- Organizations of supreme audit institutions in English- and French-speaking Africa;
- the International Organization of Supreme Audit Institutions (INTOSAI) Development Initiative (IDI);
- internal auditors of PRs; and
- CCMs.

The participants also included a representative of the GIZ BACKUP; and Aidsplan staff and resources.

An ongoing project

The roundtable is part of an ongoing Aidsplan project titled "Supreme Audit Institutions (SAIs) Audit Global Fund Grants in Sub-Saharan Africa." The project was initiated after an Aidsplan study, conducted with the support of GIZ BACKUP Health in 2017, found that in sub-Saharan Africa, only eight SAIs from English-speaking countries annually audit Global Fund grants. In addition, SAIs that currently audit Global Fund grants perform only financial audits; therefore, there is need to increase the scope of those audits to include compliance and program performance.

The project aims to enable SAIs to audit state PRs by providing tailored support, capacity building and opportunities for peer-learning among SAIs in selected African countries. Also, the project aims to better understand accountability institutional arrangements in French-speaking Africa.

The eight countries participating in this project have received more than \$5.8 billion in Global Fund investments to date (see table). Six of them have State PRs which manage on average about 85% of the value of the Global Fund grants in their countries. The other two — Rwanda and Togo — have State PRs that manage 100% of the grants.

Table: Cumulative Global Fund investments in the project's eight countries

Country	Investment (\$ million)
Burkina Faso	483.6 m

Ghana	834.0 m
Kenya	1,099.5 m
Liberia	245.9 m
Malawi	1,300.6 m
Rwanda	1,360.2 m
Sierra Leone	278.5 m
Togo	264.8 m
TOTAL	5,867.1 m

The project is in line with the Global Fund Strategic Objective 2 which is to “Build Resilient and Sustainable Systems for Health” and its sub-objective to strengthen public financial management. The Secretariat wants to increase the number of SAIs involved in their countries grants between now and 2022.

Importance of SAIs in “making a difference to the lives of citizens”

Obadiah Biraro, Auditor General of Rwanda

During the opening ceremony of the roundtable, the Auditor General of Rwanda, Obadiah Biraro, explained that INTOSAI’s International Standards of Supreme Audit Institutions, known as “ISSAI 12,” highlights the importance of SAIs in “making a difference to the lives of citizens” through improved accountability, transparency and integrity of the public sector.

Biraro explained that his office audits activities (money is a facilitator of those activities) and that the audit must address problems found. An auditor who works for a SAI accounts for human lives; for a Global Fund grant for example, the priority of the auditor should be the life of “the woman who reports to the hospital for her CD4 count” instead of that of “the man or woman who drives a V8 [car].” Biraro was alluding to the fact that in the past, several officers in charge of the grants embezzled funds earmarked for buying ARVs and diverted the money to fund a lavish lifestyle (such as driving V8 cars).

Also, Biraro recounted how his office has audited the Global Fund grants to Rwanda since 2015, how the Office of the Auditor General (OAG) has set up a Global Fund audit unit with appropriate staff, and how the OAG has submitted timely audit reports to the Global Fund Secretariat on the 31st of December every year, despite numerous challenges.

The Minister of Health of Rwanda, Diane Gashumba, clarified how the Ministry perceives the role of the auditor. “The OAG is ensuring that we are accountable for funds used.... The OAG is strict but constructive and professional. Auditors are therefore contributing to the welfare of our people,” she said.

Diane Gashumba, Minister  
of Health of Rwanda

Despite the annual external audit by the OAG, the audit of grants to Rwanda earlier this year by the Global Fund’s OIG noted weaknesses in data systems and controls, especially in the malaria grant which accounts for 20% of the Global Fund investment in the current cycle. Note that the OIG found that financial assurance — offered by the PR, which in this case is a State institution, and the Office of the Auditor General — is effective in Rwanda. These findings indicate how grants with “clean” financial audits may still be plagued with performance issues. [Aidspace has summarized the Rwanda OIG report here.](#)

In fact, all three SAIs participaln fact, all three SAIs participating in this project — in Ghana, Kenya and Rwanda — conduct mainly financial audits of Global Fund grants.

Eric Boa, Global Fund Secretariat

Eric Boa, Senior Manager of the Grant Finance Center of Expertise, representing the Global Fund Secretariat, disclosed that the Secretariat plans to update its guidelines for external audit of Global Fund grants in the coming months. While the new guidelines, [like the current ones](#), will still require an annual external audit, they will offer more opportunities for SAIs that meet established criteria to audit Global Fund grants.

#### Audit institutional arrangements in French-speaking Africa

Currently, no SAI in French-speaking Africa is involved in auditing Global Fund grants owing partly to their different institutional arrangements. Contrary to the commonwealth countries, where the Office of the Auditor General is the main institution ensuring public accountability, several institutions form the accountability apparatus in the French-speaking countries. In both Burkina Faso and Togo, for instance, the SAIs are the Courts of Accounts (La Cour des Comptes) and are part of the judiciary system. The Courts of Accounts mostly conduct compliance and performance audits, while other institutions conduct the financial audits for the State. Note that when needed, the Courts of Accounts also conduct financial audits.

In Burkina Faso and Togo, two other State institutions are involved in the State accountability and act like internal auditors of the State institutions. They are the Inspectorate of the State and the Inspectorate of Public Finances (or their equivalents).

The Inspectorate of the State enforces the rules that govern the administration, financial management and accounting in the State institutions and the civil society organizations that receive public funds. This inspectorate reports to the Office of the President. The Inspectorate of Public Finances is in charge of the financial and fiscal control of entities that receive or manage public funds, and reports to the Ministry of Finance.

Note that according to the participants from French-speaking countries in Africa, the institutional arrangements described above are similar in other French speaking countries.

“The sea is full of water and still it rains in it”

All SAIs invited to the roundtable audit some donors’ grants in their own countries. Their mandate covers all institutions that receive public funds whether the institutions themselves are public entities or not.

During the roundtable, participants from the five countries that do not audit Global Fund grants expressed an interest in auditing such grants. SAIs that already audit Global Fund grants expressed an intention to go beyond the financial audit; they also said they were willing to share their knowledge and experience. All SAIs indicated they would like more trainings to help their audit teams better understand the Global Fund architecture, grants to their countries and their assurance mechanisms. Daniel Domelevo, the Auditor General of Ghana, shared a proverb: “The sea is full of water and still it rains in it” — meaning while some

countries already do well in terms of financial audit, there is still room for more knowledge to improve results.

The GIZ representative, Pär Gebauer, expressed the GIZ's interest in strategic investment and health system strengthening. Supporting the SAIs to audit the Global Fund grants whenever possible is part of this strategic path which explains why they have been supporting Aidspace in this project.

Aidspace Executive Director Ida Hakizinka committed to offering the trainings needed by the SAIs between May and November of this year. She also invited participants to the second round of the regional roundtable planned for November to take stock of the progress and discuss the way forward.

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