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OIG audit of Global Fund grants to Myanmar reveals gaps in service delivery and supply chain management despite good results in other areas

Myanmar has made significant progress in its fight against HIV, TB and malaria, thanks in part to increased financial commitments from the government and initiatives to extend health care coverage. At the same time, there are gaps in service delivery and issues related to supply chain management.

These are some of the key findings from an audit of grants to Myanmar conducted by the Office of the Inspector General (OIG). A [report on the audit](#) was released on 7 August 2018. This article provides a summary of the OIG's findings.

The audit, which covered the period from January 2016 to December 2017, examined all six active grants implemented by two principal recipients (PRs): Save the Children and the United Nations Office for Project Services (UNOPS). See Table 1 for details.

Table 1: Grants included in the audit

Component	Grant no.	Principal recipient	Signed amount (\$ million)
HIV	MMR-H-SCF	Save the Children	\$118.0 m
	MMR-H-UNOPS	UNOPS	\$99.0 m
TB	MMR-T-SCF	Save the Children	\$24.4 m
	MMR-T-UNOPS	UNOPS	\$97.0 m

Malaria	MMR-M-SCF	Save the Children	\$28.3 m
	MMR-M-UNOPS	UNOPS	\$75.2 m
TOTAL			\$441.9 m

Notes:

1. All of the grants listed in Table 1 ran from January 2013 to December 2017.
2. The signed amounts shown in the table include funding that was awarded from the 2014–2016 allocations. The grants have since received additional funding from the 2017–2019 allocations.
3. For the three UNOPS grants, the Ministry of Health and Sports (MOHS), through the national disease programs, implemented the grants as a sub-recipient (SR).
4. The links in the table are to the grant pages on the Global Fund website.

The audit focused primarily on the HIV and TB grants. The malaria grants are being reviewed as part of another audit that the OIG is conducting on the Regional Artemisinin-resistance Initiative (RAI). The findings from the RAI audit will be included in a forthcoming OIG report on regional and multi-country grants.

The audit included site visits to selected health facilities, treatment centers, warehouses and stores. Due to travel restrictions and security concerns in parts of the country, site visits were limited to seven out of the 15 states and regions, which represented 59%, 63% and 32%, respectively, of HIV, TB and malaria patients in June 2017.

In addition to good programmatic performance and increased governmental financial commitments, the audit identified two other key achievements: (a) effective collaboration between government and other stakeholders in implementing interventions; and (b) improved financial controls.

Table 2 provides a high-level summary of the audit findings.

Table 2: Myanmar audit findings at-a-glance

AREA 1: Adequacy and effectiveness of the implementation arrangements — particularly the supply chain, use of community workers, data management, and provision of services to ensure efficient and sustainable achievement of grant objectives Rating: Partially Satisfactory

OIG comments: The implementation arrangements have supported the delivery of HIV, TB and malaria medicines and other services to intended beneficiaries. Nevertheless, there is a need to optimize the utilization of resources to impact and maximize cost efficiency.

AREA 2: Effectiveness of systems, processes and controls in place to ensure quality of service to intended beneficiaries Rating: Partially Satisfactory

OIG comments: Despite conflicts in parts of the country, good progress has been made in addressing the HIV epidemics in the last few years. Programmatic achievements include significant increase in antiretroviral therapy treatment success rate, and material decline in malaria cases. However, while investments made have supported interventions across all three diseases, access to quality services, especially around HIV testing among key populations, monitoring and infection control at health facilities, remain a challenge.

AREA 3: Adequacy and effectiveness of sub-recipient management and assurance mechanisms in safeguarding Global Fund resources Rating: Partially Satisfactory

OIG comments: The overall assurance framework has improved since the last OIG audit (in 2014). There are controls and systems to ensure effective management of Global Fund resources. However, oversight and assurance require moderate improvements.

The OIG has a four-tiered rating scheme, as follows: Effective; partially effective; needs significant improvement; ineffective.

Key issues and risks

The OIG identified the following key issues and risks:

- Services and the supply chain are fragmented, meaning they are being managed separately for each disease, with little opportunity for integration;
- There are challenges with respect to how services are being delivered;
- There are limitations in the plans for transitioning treatment services from NGOs to the government; and
- There are limitations in assurance and oversight by principal recipients (PRs), the country coordinating mechanism (CCM) and the local fund agent (LFA).

Below, we briefly describe each issue and risk.

Fragmentation

The OIG provided the following examples of fragmentation in services:

- The Global Fund supports over 17,000 malaria health volunteers but this network has not been used to support HIV or TB services.
- Only 22% of methadone maintenance treatment centers provide integrated HIV services, despite the high HIV prevalence among people who inject drugs.

In addition, because of legislative barriers, none of the over 1,600 community outreach workers funded by the grants who provide HIV prevention services for key populations were undertaking HIV testing.

Fragmentation also affected supply management, the OIG said, with different supply chains for implementers of each disease program. In many cases, warehouses for all three programs are close to each other, and distribution routes substantially overlap. For example, the OIG noted, in Yangon alone there are 13 central or regional warehouses covering the three disease programs within a 21-km radius.

The OIG also observed that efforts to develop an integrated logistics management information system amongst health partners and the government have seen limited movement.

Service delivery

The audit revealed the following difficulties:

- 25% of facilities visited by the OIG had expired kits at the testing site at the time of the visit, which could have resulted in those kits being used.
- 38% of the facilities visited did not test in accordance with approved HIV testing guidelines.
- Key populations, such as people who inject drugs, are not yet effectively reached with services. Less

than half of the people who inject drugs reached by prevention programs were tested for HIV, even though HIV prevalence among this population is over 28%.

Despite the fact that TB infection-control guidelines were disseminated to facilities offering both TB and HIV services, the OIG noted, health workers were not screened for TB at least annually in 46% of the facilities it visited.

Transition planning

The OIG said that plans to transition treatment of over 26,000 patients on antiretroviral therapy (ART) from NGOs to government providers have not yet addressed the risks associated with the transition.

The National AIDS Program is already facing storage constraints at the central level, the OIG said, and there is some doubt about the ability of the current governmental supply chain system to absorb the increase in patient numbers.

In addition, the OIG noted, an assessment of the human resource requirements of this shift had not been done at the time of the audit. Finally, the OIG said that the transfer plan lacks a description of how patient tracking and tracing, which are necessary components of a successful transition, will be done.

Oversight and assurance

The audit found that supervision by the PRs was not carried out consistently due to security challenges as well as the workload associated with grant-making. When supervisory visits to health facilities did take place, the OIG said, written feedback was not consistently provided to the visited sites.

In addition, the OIG said, a large proportion of the recommendations provided by auditors and by PRs themselves remained unaddressed at the time of the audit. Finally, the OIG observed, oversight by the CCM was limited: Only one oversight visit was conducted in all of 2016 and 2017.

Progress on previously identified issues

The last OIG audit of grants to Myanmar was conducted in 2014. The main weaknesses identified concerned financial and supply chain management. The current audit noted improvements in financial management, largely due to the strengthening of internal financial controls at the SR level. In addition, the OIG observed, there has been some improvement in supply chain management, including better storage conditions for commodities and a significant reduction in stock-outs and expiries.

Agreed management actions

To address the latest audit findings, the Global Fund Secretariat has agreed to:

- Work with the PRs, the Ministry of Health and Sports (MOHS) and relevant partners to conduct supply chain assessments to identify key areas of fragmentation and define areas for potential integration;
- Work with relevant stakeholders to finalize (a) an enterprise architecture blueprint for health information system interoperability; and (b) an integrated community case management policy and strategy to address integration and quality issues at the community level; and
- Ensure that a comprehensive ART transition plan is developed.

The [full OIG audit report on Myanmar](#) is available on the Global Fund website.

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