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## OIG RELEASES REPORTS ON AUDITS IN NAMIBIA AND KYRGYZSTAN, AND ON A DIAGNOSTIC REVIEW IN THE CARIBBEAN

On 2 October 2012, the Office of the Inspector General (OIG) released three reports, two on audits conducted in Namibia and Kyrgyzstan, and one on a diagnostic review undertaken at the Caribbean Community Secretariat (CARICOM).

### Namibia

The OIG said that while it noted a number of good practices and achievements as a result of the grants in Namibia, it also identified a number of significant weaknesses in the management of the grants. The OIG made 48 recommendations that it categorized as “critical” and another 15 that it labelled “important.”

The audit, which was conducted in June–July 2011, covered six grants from Rounds 2–6 involving two principal recipients (PRs): the Ministry of Health and Social Services (MOHSS) and the Namibia Network of AIDS Service Organisations (NANASO). Total funding for the grants was \$201 million, of which \$148 million (74%) had been disbursed at the time of the audit.

The OIG identified expenditures of \$2.2 million which it said were either ineligible or unsupported and should be repaid. The OIG said that after it shared its report with the country coordinating mechanism (CCM) and the PRs, additional information concerning these expenditures was provided which the OIG has not been in a position to verify. It was agreed that the Global Fund Secretariat would ask the local fund agent (LFA) to verify the additional information and that the Secretariat would, if appropriate, adjust the amount to be refunded.

The OIG said that significant actions have been taken by the PRs, the LFA, the country coordinating mechanism (CCM) and the Global Fund Secretariat to implement the audit's recommendations.

GFO plans to report in more depth on the Namibia audit in a future article.

## Kyrgyzstan

As it did in its Namibia audit, the OIG concluded that the grants in Kyrgyzstan had scored some significant achievements but had also manifested weaknesses in grant management.

The audit, which was conducted in November–December 2009, covered six grants from Rounds 2–8 involving three PRs, all units of the Ministry of Health: the Republican AIDS Centre (two HIV grants), the National Centre of Phthisiology (two TB grants) and the State Sanitary Epidemiological Department (two malaria grants). Total funding for the grants was \$47 million, of which \$32 million (68%) had been disbursed to the end of 2008.

The OIG identified expenditures of \$122,062 which it said were either ineligible or unsupported and should be repaid. The OIG identified a further \$58,482 in expenditures which it said should be repaid unless the PR in question, the State Sanitary Epidemiological Department, is able to provide appropriate supporting documentation to the LFA.

Although the amounts of expenditures which the OIG said should be repaid are relatively small, the OIG said that “some issues” have been referred to the OIG’s investigation unit for follow up. This means that some misappropriation of funds may be suspected.

The audit identified significant weaknesses in financial management, governance and oversight, and procurement. Subsequent to the audit, the three PRs were replaced by the United Nations Development Programme (UNDP).

The OIG identified a number of programmatic successes. For example, with the support of the Global Fund, the National Tuberculosis Control Programme achieved universal DOTS coverage, expanded DOTS-plus coverage in prisons, improved drug management, and integrated TB services at the primary health care level.

In addition, the OIG reported, Kyrgyzstan has recorded a significant reduction in malaria morbidity due to vector control measures, diagnosis and treatment.

With respect to HIV/AIDS programmes, the OIG noted that the PR carried out most of the planned activities under the Round 2 and 7 HIV grants. The OIG added that programmes successfully implemented included HIV prevention among youth, commercial sex workers and men who have sex with men; and harm reduction among injecting drug users, including prisoners, through syringe and needle exchange and methadone substitution therapy.

With respect to oversight, the audit identified a number of problems within the CCM. The OIG noted that civil society makes up only 17% of the CCM membership, well below the 40% recommended by the Global Fund. In addition, the civil society members were not selected by their own sectors based on a documented, transparent process (as is required). Further, although both the Chair and Vice-Chair of the CCM are from the government, there is no plan in place to mitigate the inherent conflict of interest. (This deficiency led to a Round 8 proposal from Kyrgyzstan being deemed ineligible.) Finally, the OIG said that although the CCM had an oversight plan, it did not meet the Global Fund’s requirements and was not implemented due to a lack of funding.

One of the actions taken in response to the audit was to have Grant Management Solutions, a US-based technical support agency, provide support to the CCM to strengthen its oversight function. In addition, the CCM secretariat was moved from the MOH to the Office of the Prime Minister.

## CARICOM

The diagnostic review for CARICOM covered one Round 9 multi-country grant, with a Phase 1 budget of \$11.2 million of which \$9.5 million had been distributed at the time of the review, which was in July 2012.

The OIG said that the diagnostic review “observed a strong, well-managed program that responded to its objectives of supporting national capacity in the response to HIV using a regional approach” and that many good practices were noted. Nevertheless, the OIG said, a number of risks were identified that could impede the successful outcome of grant programmes if they are not mitigated.

The OIG said that an action plan in response to the review’s recommendations has been prepared jointly by the Global Fund Secretariat, the regional coordinating mechanism and the PR.

GFO plans to report in more detail on the CARICOM diagnostic review in a future article.

The audit reports for Namibia and Kyrgyzstan and the report on the diagnostic review in CARICOM are available on the Global Fund website [here](#).

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