

## Memorandum on the Republic of Senegal Programme Audit report

The attached Gavi Audit and Investigations report sets out the conclusions of the programme audit of Gavi's support to the Government of the Republic of Senegal's immunisation programmes as executed by the Ministry of Health. The audit was conducted between April and July 2019. Its scope covered the Republic of Senegal Expanded Programme on Immunisation and Health Strengthening Systems from January 1<sup>st</sup>, 2015 to December 31<sup>st</sup>, 2018. During this period, Gavi supported immunisation services, new vaccine introduction grants (for IPV and HPV), measles-rubella campaign operational costs, a product switch grant (PCV13). and Health System Strengthening.

The report Executive Summary (pages 3-4) sets out the key conclusions, details of which are set out in the body of the report:

1. There is an overall rating of Partially Satisfactory (page 3) which means that "Internal controls, financial and budgetary management processes were generally established and functioning but needed improvement. One or more high and medium risk areas were identified that may impact on the achievement of the entity's objectives supported by Gavi".
2. Eighteen issues were identified in the following areas: (i) governance and performance management; (ii) accounting and financial management; (iii) budgetary management; (iv) procurement (v) expenditures and disbursements; and (vi) vaccine supply management.
3. Key findings were that:
  - a. Questioned expenditures totalling US\$ 96,035 were identified, consisting of unsupported, inadequately justified, irregular or ineligible expenditures (table 1, page 5);
  - b. The programme management supervision mechanism was reinforced in 2014 by adding an internal control unit, but this did not entirely fulfil its role and responsibilities. An additional monitoring body, the Inspection of Financial and Administrative Affairs (IAAF), was established to complete oversight mechanisms. However, this does not fully meet expectations and offers a low level of assurance;
  - c. There were weaknesses relating to the deployment of resources at the subnational level. This included accounting errors and other discrepancies leading to delays in the justification of expenditures and a significant increase in recent years in the amount of long-term open advances;
  - d. The payment processes governing select immunisation programme expenditures highlighted a lack of controls and a poor audit trail;
  - e. An assessment of the procurement framework and a review of several transactions, highlighted discrepancies in the planning and monitoring processes, and poor compliance in both key processes and contract execution.

The results of the programme audit were discussed and endorsed by the Ministry of Health, who have agreed to remediate the identified issues. The Ministry of Health, in a letter dated 29 October 2020, committed to reimburse US\$ 96,035, over a two-year period 2021-2022. The Gavi Secretariat continues to work with the Ministry of Health to ensure that the above commitments are met.

Geneva, 9 November 2020

# **THE REPUBLIC OF SENEGAL**

---

**Gavi Secretariat, Geneva, Switzerland**

(hereinafter Gavi)

---

**Final audit report – June 2020**

## 1. Executive Summary

### 1.1. Audit ratings by category and finding

Section*	Finding	Risk*	Page
<b>4.1</b>	<b>Governance and performance management</b>		<b>9</b>
4.1.1	Lack of impact due to the DP's standing in the organisation	■	9
4.1.2	Insufficient internal control mechanisms	■	10
4.1.3	Gaps in oversight mechanisms	■	11
<b>4.2</b>	<b>Accounting and financial management</b>		<b>12</b>
4.2.1	Control weaknesses in the deployment of resources to subnational level	■	12
4.2.2	Poor management of outstanding programme advances	■	13
4.2.3	Defective accounting entries and asset management	■	14
4.2.4	Overdue external audits reports and poor remediation of audit recommendations	■	15
4.2.5	Unreconciled differences between accounting and cashflow	■	16
4.2.6	Inadequate payment process controls and audit trail	■	17
4.2.7	Poor filing and archiving processes (DAGE)	■	18
<b>4.3</b>	<b>Budgetary management</b>		<b>19</b>
4.3.1	Incomplete, overdue or inconsistent financial reports, not in accordance with agreed terms	■	19
<b>4.4</b>	<b>Procurement</b>		<b>20</b>
4.4.1	Defective procurement planning and process management	■	20
4.4.2	Discrepancies in complying with procurement processes	■	21
4.4.3	Weak contract execution and monitoring	■	22
<b>4.5</b>	<b>Expenditures and disbursements</b>		<b>23</b>
4.5.1	Questioned expenditures	■	23
<b>4.6</b>	<b>Vaccine supply management</b>		<b>24</b>
4.6.1	Lack of transition framing and planning for the vaccine depot transfer	■	24
4.6.2	Limited rollout of effective vaccine management practices	■	25
4.6.3	Ineffective data analysis and usage of supervision and monitoring data generated at the subnational level	■	26

### 1.2. Overall audit opinion

For the period under review, the audit team assessed that the management of Gavi's support by the MoH was overall **partially satisfactory**, which means that internal controls, financial and budgetary management processes were generally established and functioning but needed improvement. One or more high or medium risk areas were identified that may impact on the achievement of the entity's objectives supported by GAvi.

In order to mitigate the risks associated to the above-cited findings, the audit team has made 18 recommendations, of which one (5%) was rated as essential, requiring implementation of a remedial action plan (as outlined in annex 11 to the report).

\* The audit ratings attributed to each section of this report, the level of risk assigned to each audit finding and the level of priority for each recommendation, are defined in Annex 2 of the report.

### 1.3. Detailed summary

The MoH implemented structures at national and subnational levels, as well as mechanisms, processes and a framework to manage immunisation programmes across the country. Capacity building measures financed by Gavi via the HSS grant, have been implemented and continue to be deployed in order to accompany and sustain capabilities in accounting and financial management, as well as the administration and management of vaccines and consumables.

Despite significant progresses in terms of management, coordination and implementation of the immunisation programmes, the audit findings highlight various weaknesses in the following key areas:

#### ***Governance and performance management***

The governance mechanisms framing the Gavi grant management, cover both programmatic and financial aspects and are grounded upon an organizational structure that targets the operationalisation of immunisation programmes across all levels of the health system.

The current standing of the Direction of Prevention (DP) in the MOH's organisational structure, limited its leverage and influence over the subnational structures, which were overseen by the Directorate General of Health (DGS). This situation was aggravated by implementation delays of various strengthening measures, such as the establishment of relay offices across the subnational level (e.g. Doctors for the Bureau of Regional Immunisation and Epidemiological surveillance).

The programme management supervision mechanism was reinforced in 2014 by adding an internal control unit, itself attached to the Direction of General Administration and Equipment (DAGE). Nevertheless, this unit did not entirely fulfil its due role and responsibilities.

Further, the Inspection of Financial and Administrative Affairs (IAAF), an additional monitoring body established to complete the oversight mechanism, also merits being strengthened because it does not fully meet expectations, and to date it only provided a relatively low level of assurance.

#### ***Accounting and financial management***

Despite existing progress, and recognising efforts still ongoing during its mission, the audit team observed various weaknesses relating to the deployment of resources at the subnational level. This included several accounting errors and discrepancies, resulting in delaying justifying expenditures, and as a consequence significantly increasing the volume and aging of outstanding advances over the past few years.

As a result, the prompt operationalisation of the plan to recruit regional accountants is important. In parallel, ongoing efforts to collect the outstanding supporting documents and accountabilities to clear the outstanding advances, as overseen by the follow-up committee instituted and under the supervision of the Minister's Office, must continue. In order to sustain these efforts, further measures need to be taken to engage all monitoring and oversight actors so as to address the ineffectiveness of the existing framework and ensure that future advances are properly followed-up.

Equally such deficiencies can also be traced and through the poor remediation and implementation of external audit recommendations, whilst noting that the production of such audit reports have been overdue over past years.

Other elements equally underlined weaknesses under the purview of the national-level management. For example: inadequacies in the accounting entries and monitoring of fixed assets, unreconciled differences between the accounting and the cashflow, and poor filing and archival processes.

In addition, the payment processes governing select immunisation programme expenditures highlighted a lack of controls and a poor audit trail.

#### ***Budgetary management***

The Partnership Framework Agreement stipulated principles for the production and communication of periodic reports so as to, but not limited to, ensure adequate budgetary monitoring. Some of the financial reports produced within the audit period were incomplete, overdue or were presented in a format inconsistent with the agreed terms.

#### ***Procurement***

An assessment of the procurement framework as well as a review of several transactions, highlighted discrepancies in the planning and monitoring processes, both in terms of complying with key processes as well as poor contract execution.

The audit team identified that no annual procurement plans nor consolidated planning processes were established, and that the legal provisions with respect to the periodic reporting and execution of procurements were not complied with.

Moreover, instances of non-compliance with respect to the procurement process were identified. These discrepancies concerned: advertisement requirements and notification period terms; technical and legal reviews and approvals; and the non-compliance with various deadlines for respective procurement steps.

The absence of suitable systems and tools to track purchase orders, and the poorly adapted filing and archiving of procurement files, significantly detracted from improving the situation. In addition, specific attention should be given to ensuring compliance with the contractual rules and dispositions during the execution of contracts.

### Expenditures and disbursements

The audit team reviewed in detail, a sample of expenditures incurred during the audit period, representing an amount totalling USD 2,456,896 (CFA 1.4 billion francs). As a result, expenditures totalling USD 96,035 were questioned by the audit team, corresponding to items deemed to be inadequately justified, irregular, ineligible or unjustified. Detailed results of the testing are presented in section 4.5.1.

### Vaccine supply management

The audit team determined that the rollout and implementation of effective vaccine management practices was limited. This was concluded after the team's review of vaccine handling processes, an analysis of stock records and site visits to various stores at the subnational and national level. The poor practices resulted in various discrepancies with respect to the handling and management of vaccines and consumables. To strengthen operations at the subnational level and mitigate vaccine management risks, it is recommended to deploy a programme of suitable training.

More emphasis should be placed upon subnational supervisions, given their role in identifying associated weaknesses and problems, and the objective of reporting these issues back to line management, so as to establish a cycle of continuous improvement of vaccine management practices. This implies that a robust mechanism which captures and reports data on supervisions to the central level needs to be implemented, for which the Direction of Immunisation should take ownership.

With respect to the transfer of functions between the National Pharmacy of Supply and the depot, a formal plan of what physical and human resources is required to facilitate the transition needs to be defined, as well as the associated change management measures.

### 1.4. Financial impact of the audit findings

Table 1 – Summary of expenditures questioned by the audit team, by grant in CFA francs/USD:

Grant	Year	Implemented by:	Tested amount	Out of total spent	Questioned amount	% of questioned tested amount
HSS	2015	DAGE	8,400,000 <i>14,699</i>	148,714,630 <i>260,228</i>	- <i>-</i>	0 %
	2016		172,858,810 <i>302,476</i>	599,413,248 <i>1,048,881</i>	14,483,780 <i>25,344</i>	8,3 %
	2017		271,200,290 <i>474,559</i>	1,003,684,099 <i>1,756,292</i>	18,131,420 <i>31,727</i>	6,6 %
	2018		350,939,422 <i>614,090</i>	1,083,334,670 <i>1,895,668</i>	8,289,350 <i>14,505</i>	2,4 %
Immunisation services	2015		352,430,986 <i>616,700</i>	1,182,222,423 <i>2,068,707</i>	7,951,000 <i>13,913</i>	2,6%
	2016		28,909,450 <i>50,587</i>	63,019,803 <i>110,275</i>	600,000 <i>1,050</i>	2,1 %
	2017		219,325,223 <i>383,785</i>	829,435,744 <i>1,451,384</i>	5,426,495 <i>9,496</i>	2,5%
<b>TOTAL</b>		<b>CFA francs</b> <b>USD</b>	<b>1,404,064,181</b> <b>2,456,896</b>	<b>4,909,824,617</b> <b>8,591,435</b>	<b>54,882,045</b> <b>96,035</b>	<b>3,9 %</b>