

PEF-TCA

IN-COUNTRY AUDIT – FINAL REPORT

December 2022

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1. Executive summary

1.1. Overall audit opinion

Our audit procedures were designed to provide assurance to management and the Gavi Board on the effectiveness of implementing of Targeted Country Assistance (TCA) in-country.

The Partners' Engagement Framework (PEF) is one of the pillars of the Alliance Accountability Framework which was approved by the Board in June 2015.¹ The PEF's main objective is to leverage the comparative strengths of the Alliance partners, to accelerate sustainable and equitable vaccine coverage. Thus, PEF is the primary mechanism to fund and coordinate partners' activities and engagement relating to immunisation. PEF funding consists of three main envelopes supporting of the following components: Targeted Country Assistance (TCA), Special Investment in Strategic Focus Areas (SFA), and Foundational Support (FS). This audit focused on the TCA component.

Overall audit opinion:

The audit team assessed the design and operating effectiveness of controls relating to PEF-TCA to be as **"partially effective"**, which means, *"internal controls and risk management practices 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"*.

We identified four high risk issues relating to the need for more robust process definition based on the TCA guidance, clarity on roles and responsibilities and increased coordination and oversight on activities' performance.

To address the risks associated with the issues, the audit team raised four recommendations which were rated high risk and five medium risk. We note that most of these recommendations are already under consideration as part of the operationalisation of the 2022-2025 TCA Guidance.

1.2. Summary of key audit issues

| Ref. | Description | Rating* | Page |
|------|---|---------|------|
| 1.3 | Incompatible roles and responsibilities undertaken by the partners | ■ | 4 |
| | Lack of documented evidence for effectiveness of certain TCA supports | ■ | |
| | Insufficient in-country monitoring of the implementation of TCA activities | ■ | |
| | Weak mechanisms at Gavi Secretariat level to monitor the implementation of TCA activities | ■ | |

* The audit ratings attributed to each section of this report and the level of risk assigned to each audit issue is defined in annex 3 of this report.

¹ Gavi Engagement Framework for implementing the 2016 2020 Strategy document <https://www.gavi.org/news/document-library/10-new-gavi-engagement-framework-implementing-2016-2020-strategy-document-pdf>

1.3. Summary of issues

This report presents issues on the implementation of Targeted Country Assistance (TCA) as observed across five countries, visited by Gavi's programme audit team in 2021. The audit teams reviewed TCA activities primarily from the two-year period 2019 and 2020, although some audit observations also extended into 2021. This period roughly aligns with the latter half of the Gavi 4.0 strategic period and governing TCA guidance (2019-2020). Subsequently, following a period of consultation in 2021, the TCA guidance was revised and reissued (2022-2025), reflecting the new direction of Gavi's 5.0 strategy. Wherever possible, we took into consideration this new guidance.

The audit team identified four high-risk issues which need to be addressed by the Gavi Secretariat for corrective action and remediation. These issues illustrate departures from the underlying core TCA principles², potentially detracting from achieving the programme's objectives.

Our review highlighted risks associated with the accumulation of incompatible roles being conducted by in-country TCA partners. Frequently they were significantly involved in multiple steps of the TCA process ranging from: needs assessment; activity and milestone design; provision of support; and reporting on progress and results. Also concerning was that the partners' reporting lines were often directly into Gavi, with little - if any - national engagement or oversight.

The documentation evidencing the effectiveness of TCA support, was often incomplete or missing. Various gaps were noted between the planned TCA activities and the actual activities that were undertaken and reported on. Terms of reference were not always complied with, there was insufficient reporting on activities even though it was mandated, and there were some inconsistencies on the milestone reporting for TCA activities.

The monitoring of TCA activity implementation was insufficient, both at in-country level as well as at the Gavi Secretariat. Although Gavi's guidance set out key requirements, its operationalisation was incomplete, resulting in the absence of well-defined processes and mechanisms to which all relevant stakeholders subscribed to.

Finally, there was an asymmetry in the level and granularity of detail regarding what TCA implementing partners chose to share regarding their TCA performance, undermining transparency principles, and frequently resulting in Government perceptions, that they were under-informed or not consulted.

In summary, the high-risk issues highlighted above constitute a challenge to the Gavi Alliance's ability to foster greater country ownership and engagement with regards to TCA support, underpinned by the extent that TCA activities are able to transfer key capabilities and skills.

² The core Gavi 4.0 TCA principles were: (i) differentiation; (ii) country ownership; (iii) accountability; and (iv) transparency. These have been enhanced under Gavi 5.0.

2. Objectives, context and scope

2.1. Audit objectives

This audit followed a 2019 Partners' Engagement Framework (PEF) Internal Audit engagement which focused on the respective Gavi Secretariat-owned processes. This audit aimed to provide an assessment of the in-country TCA processes and the performance of TCA activities in a sample of visited countries.

2.2. Context, principles and processes

Introduction

TCA supports technical assistance tailored to countries' needs via services provided by the core and expanded Gavi partners. TCA currently accounts for approximately 50% of the PEF funding to partners. While every Gavi partner country is eligible for TCA, additional priority is given to 20 countries due to their challenges related to coverage, equity and sustainability of immunisation. Since 2017, each country is required to develop a "OneTA (Technical Assistance) Plan" aligning the partners together into a single, coordinated plan overseen by the country.

TCA was based on four overarching core principles: (i) *differentiation*; (ii) *country ownership*; (iii) *accountability*; and (iv) *transparency*. With respect to *differentiation*, Gavi-supported countries are categorized into three tiers (tier 1; tier 2 and tier 3) based on the scale and severity of their immunisation-related challenges. This allows to triage and tailor the level of support and effort to each country, with an accent on tier 1 countries, comprising the top 20 challenged countries. *Country ownership* is facilitated through a process of continual involvement of all three main groups of counterparts – namely the EPI, MoH and PEF TCA implementing partners – throughout the process, including planning and monitoring performance.

The final two principles *accountability* and *transparency* are embedded in the PEF model through the establishment of programmatic and financial reporting requirements for the partners, as well as regular in-country, joint reviews of the progress and performance of TA by the partners and country stakeholders. The above core principles are accompanied by three other principles: that activities are (v) *targeted*, (vi) *harmonised*, and (vii) *efficient and effective*.

As part of Gavi 5.0 strategy (2021–2025), the vision for PEF has evolved both in the importance of sustaining TA progress as well as embracing several shifts in delivering on Gavi's mission, resulting in a revision of the overarching principles. Shifts include a focus on reaching "zero-dose" children and missed communities, with equity as the organising principle; and increased focus on programmatic efficiency and sustainability by addressing persistent gaps and challenges raised from various reviews and audits from the country-level. Additionally, future TA plans should formulate countries' approach towards sustainability and the development of new partnerships, especially through the engagement of local institutions and partners across multiple sectors.

The following programmatic areas include types of technical assistance activities eligible for Gavi's TCA support:

- Programme implementation (support for programmatic planning and implementations)
- Programme management (General, leadership, management and coordination, financial management and assurance)
- Human Resources for Health
- Service delivery
- Demand promotion and Advocacy, Communication and Social Mobilization (ACSM)
- Health Information Systems (Data)
- Vaccine-specific support
- Supply chain
- Transition
- Vaccine regulation, pricing and procurement
- Legal, policy and regulatory environment
- Health and immunisation financing

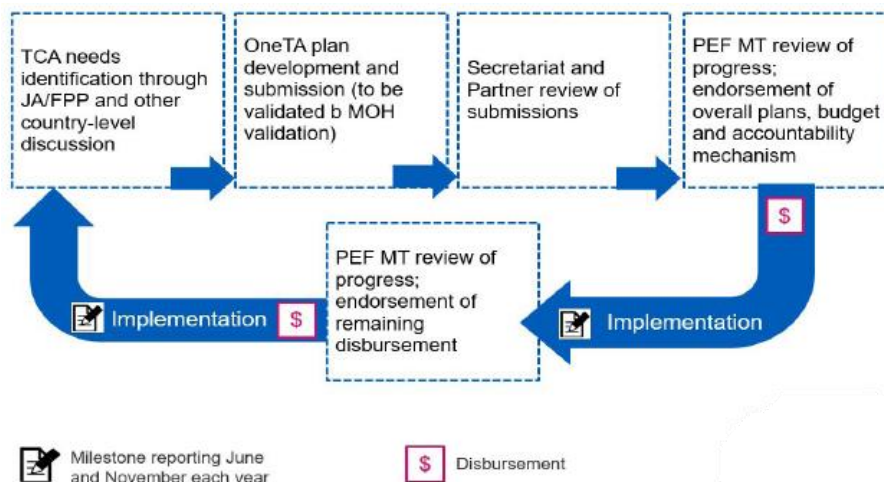
TCA procedural framework

The PEF framework is primarily articulated via the 2019-2020 TCA Guidance, setting out the key components of the TCA process. The Guidance provided a high-level overview of the process, roles and responsibilities, including information on the eligibility and prioritisation of countries' TCA submissions and reference to other procedures and templates (e.g. planning, SMART milestones, reporting).

Following a period of consultation (2021), the prior guidance was superseded by the updated "PEF Targeted Country Assistance (TCA) Guidance for 2022-2025 Multi-Year Planning" published In April 2022, addressed to Ministries of Health (MOH), Expanded Programme on Immunisation (EPI) and PEF TCA implementing partners.

Description of the 2019-2020 annual PEF-TCA process

The delivery of PEF-TCA is a structured process which involves multiple stakeholders at in-country, regional as well as at the Secretariat level.



- Identification –and prioritisation of country needs

This step is usually part of the annual Joint Appraisal (JA), which provides the platform to review performance of the Gavi-supported programmes.

- Submission – of OneTA plan

Following the JA, in-country stakeholders develop their respective proposals, for consolidation into the “OneTA plan”, specifying the key elements concerned (including TCA programmatic funding area, proposed activity, milestones for measuring progress, expected outcome, budget and budget assumptions). The proposed activities and milestones are transferred to an online portal (PEF portal) which is accessible to all stakeholders.

- Review – of OneTA plan submissions

This review is performed by the Gavi Secretariat and Partners.

- Approval – PEF Management Team (MT) review and endorsements

The reviewed OneTA plans are submitted to the PEF MT for approval and for suitable allocation of funding. Thereafter, Partners report twice a year through the PEF portal, indicating the status of achievement of milestones against the five possible status classifications, i.e.: on track; completed; minor delay; major delay; or reprogrammed.

- Implementation

Delivery under PEF is mainly done through the core partners (WHO, UNICEF, CDC and the World Bank) who sign various contribution grant agreements or Memorandums of Understanding (MoUs) with the Gavi Secretariat. Other partners are frequently contracted for those areas where the core partners do not have a clear comparative advantage. Contracting these other (or expanded) partners is done according to a service agreement, with progressive payments being linked either to milestone deliverables or time spent.

- Monitoring

As part of the monitoring of delivery, stakeholders participate in quarterly monitoring sessions. Additionally, the Regional Working Groups (RWGs) monitor TCA performance through their regular meetings. Progress reports are also presented to the PEF MT during their meetings.

PEF independent evaluations were initially proposed to be conducted every two years. An independent baseline evaluation was conducted in 2016, followed by an evaluability assessment in 2018. Individual country assessments have also been introduced with six countries having been assessed.

2.3. Scope and approach

Scope

This audit focused on the following processes and areas for a selection of five countries in the 2021 Programme Audit plan (Burkina Faso, Chad, Mali, Nigeria and Togo), and for the period from 1 January 2019 until 31 December 2020 (hence under the Gavi 4.0 strategic approach):

- Adherence to PEF-TCA 2019-2020 guiding principles throughout the yearly cycle
- Review of the in-country TCA implementation monitoring & reporting processes
- Performance assessment of TCA activities (effectiveness and efficiency)

Over Gavi 4.0, the annual PEF budget increased by 23%, from USD 134m in 2016 to USD 165m in 2020, with TCA taking the largest share of the envelope, increasing from USD 65m (49% of PEF budget) in 2016 to USD 100m (61% of PEF budget) in 2020. The remainder of 2020 was made up of SFA allocation of USD 29m (18% of PEF budget) and FS allocation of USD 36m (22% of PEF budget).

The PEF-TCA budgets allocated to the five sampled countries in this audit were as summarized in the table below (amounts in USD):

| | 2019 budget | 2020 budget |
|--------------------|-------------|-------------|
| Burkina Faso (BFA) | 1,692,367 | 2,234,758 |
| Chad (TCD) | 2,908,112 | 3,799,428 |
| Mali (MLI) | 1,504,536 | 1,430,541 |
| Nigeria (NGA) | 7,390,821 | 7,953,026 |
| Togo (TGO) | 584,470 | 613,981 |

Approach

- Desk review and meetings with the PEF team (secretariat level)
- Preparation of a comprehensive work programme to be executed in-country by Programme Audit teams, according to the 2021 annual audit plan
- Desk reviews specific to countries, performed by each Programme Audit team
- Selection of a sample of TCA activities per country for the performance assessment
- In-country audit procedures as part of the Programme Audit fieldwork execution
- Consolidation of results in the current report addressed to Gavi Secretariat only (as opposed to Programme Audit reports)

As of 31 Dec 2021, the embedded PEF-TCA work programme was executed, and test results were collected from the five visited countries and from Gavi Secretariat level.

Scope exclusions

This audit excluded the following areas from its scope:

- Areas addressed by the internal audit's 2019 PEF-TCA audit, typically regarding secretariat-owned processes;
- Areas addressed by internal audit's 2019 Procurement audit (vendor selection and contracting);
- Areas addressed by internal audit's 2017 Expanded Partners audit;
- PEF components other than TCA (mainly SFA and SF);
- New TCA principles reflecting Gavi 5.0 strategy, that were not in place or enforced during this audit's period.

Annexes

Annex 1 – Acronyms

| | |
|-----------|--|
| PEF – TCA | Partner Engagement Framework – Targeted Country Assistance |
| ICC | Interagency Coordination Committee |
| MoH | Ministry of Health |
| EPI | Expanded Programme on Immunisation |
| CP/CS | Country Programmes / Country Support |
| WHO | World Health Organisation |
| UNICEF | United Nations Children’s Fund |
| CDC | Centre for Disease Control and Prevention |
| TA | Technical Assistance |
| IRC | Independent Review Committee |
| JA | Joint Appraisal |

Annex 2 – Methodology

Gavi's Audit and Investigations (A&I) audits are conducted in accordance with the Institute of Internal Auditors' ("the Institute") mandatory guidance which includes the definition of Internal Auditing, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing (Standards). This mandatory guidance constitutes principles of the fundamental requirements for the professional practice of internal auditing and for evaluating the effectiveness of the audit activity's performance. The Institute of Internal Auditors' Practice Advisories, Practice Guides, and Position Papers are also adhered to as applicable to guide operations. In addition, A&I staff adhere to A&I's standard operating procedures manual.

The principles and details of the A&I's audit approach are described in its Board-approved Terms of Reference and Audit Manual and specific terms of reference for each engagement. These documents help A&I auditors to provide high quality professional work, and to operate efficiently and effectively. They help safeguard the independence of the A&I auditors and the integrity of their work. The A&I's Audit Manual contains detailed instructions for carrying out its audits, in line with the appropriate standards and expected quality.

In general, the scope of A&I's work extends not only to the Secretariat but also to the programmes and activities carried out by Gavi's grant recipients and partners. More specifically, its scope encompasses the examination and evaluation of the adequacy and effectiveness of Gavi's governance, risk management processes, system of internal control, and the quality of performance in carrying out assigned responsibilities to achieve stated goals and objectives.

Annex 3 – Definitions: opinion, audit rating and prioritisation

A. Overall Audit Opinion

The audit team ascribes an audit rating for each area/section reviewed, and the summation of these audit ratings underpins the overall audit opinion. The audit ratings and overall opinion are ranked according to the following scale:

| | |
|--------------------------------------|--|
| Effective | No issues or few minor issues noted. Internal controls, governance and risk management processes are adequately designed, consistently well implemented, and effective to provide reasonable assurance that the objectives will be met. |
| Partially Effective | Moderate issues noted. Internal controls, governance and risk management practices are adequately designed, generally well implemented, but one or a limited number of issues were identified that may present a moderate risk to the achievement of the objectives. |
| Needs significant improvement | One or few significant issues noted. Internal controls, governance and risk management practices have some weaknesses in design or operating effectiveness such that, until they are addressed, there is not yet reasonable assurance that the objectives are likely to be met. |
| Ineffective | Multiple significant and/or (a) material issue(s) noted. Internal controls, governance and risk management processes are not adequately designed and/or are not generally effective. The nature of these issues is such that the achievement of objectives is seriously compromised. |

B. Issue rating

For ease of follow up and to enable management to focus effectively in addressing the issues in our report, we have classified the issues arising from our review in order of significance: High, Medium, and Low. In ranking the issues between 'High', 'Medium' and 'Low', we have considered the relative importance of each matter, taken in the context of both quantitative and qualitative factors, such as the relative magnitude and the nature and effect on the subject matter. This is in accordance with the Committee of Sponsoring Organisations of the Treadway Committee (COSO) guidance and the Institute of Internal Auditors standards.

| | |
|---------------|---|
| Low | At least one instance of the criteria described below is applicable to the issue raised: <ul style="list-style-type: none"> • Controls mitigating low inherent risks are either inadequate or ineffective. • The Issues identified could have a minor negative impact on the risk and control environment. • The probability of the risk occurring is unlikely to happen. • Corrective action is required as appropriate. |
| Medium | At least one instance of the criteria described below is applicable to the issue raised: <ul style="list-style-type: none"> • Controls mitigating medium inherent risks are either inadequate or ineffective. • The issues identified may result in a risk materialising that could either have: a moderate impact on delivery of organisational objectives; moderate reputation damage; or moderate financial consequences • The probability of the risk occurring is possible and the mitigations put in place moderately reduce the risk. • Management action is required within a reasonable time period. |
| High | At least one instance of the criteria described below is applicable to the issue raised: <ul style="list-style-type: none"> • Controls mitigating high inherent risks or strategic business risks are either inadequate or ineffective. • The issues identified may result in a risk materialising that could either have: a major impact on delivery of organisational objectives; major reputation damage; or major financial consequences. • The risk has either materialised or the probability of it occurring is very likely and the mitigations put in place do not mitigate the risk. • Management attention is required as a matter of priority. • Fraud and unethical behaviour including management override of key controls. |