

Memorandum on the Republic of Burundi

Programme Audit report

The attached Gavi audit report sets out the conclusions of the programme audit of Gavi's support to the Government of the Republic of Burundi immunisation programmes. The audit was conducted between August and November 2019 and reviewed the period 1 January 2015 to 31 December 2018. The scope covered activities including the Expanded Programme on Immunisation and Health Systems Strengthening. Other Gavi supported activities, included vaccine introduction grants, measles-rubella and MenA campaign operational costs, a product switch grant, the HPV-demo.

The executive summary (pages 3-4) summarises key findings(details of which are in the body of the report):

1. There is an overall rating of partially satisfactory (page 3) which means that "internal controls and risk management practices were generally established and functioning but needed improvement. One or more high risk areas were identified that may affect the achievement of the entity's objectives".
2. Twenty-four issues were identified in the following areas: (i) Governance and management arrangements; (ii) Accounting and financial management; (iii) Budgetary management; (iv) Procurement (v) Expenditures and disbursements; (vi) Vaccine supply management.
3. Key findings were that:
 - a. Expenditures totalling US\$ 271,400 were questioned and categorised by the audit team as unsupported, inadequately justified, irregular or ineligible (table 1, page 5), out of which Gavi requested US\$ 43,887 to be reimbursed.
 - b. The review of internal controls over programme activities management highlighted several weaknesses such as: lack of effectiveness of Financial and Technical Partners coordination mechanisms, the EPI Manual of Procedures still had to be improved and harmonised with the UGP Manual, and the absence of operationalisation of the oversight and internal audit units.
 - c. The EPI accounting team was not sufficiently trained in using its accounting system, which resulted in the system's capacities being under-exploited. The accounting practices are still not aligned with the requirements in terms of Gavi-funded accounting consolidation; therefore, a framework will need to be implemented.
 - d. Budgetary monitoring review processes and the follow-up and tracking of advances to sub-recipient partners were not effective.
 - e. An examination of the procurement framework as well as the review of select transactions highlighted discrepancies in procurement planning and monitoring processes, with regards to submission procedures and contract execution.
 - f. Despite good immunisation coverage performance, the health data quality still represents a challenge in terms of collecting information on health services, mastering the denominator, and in terms of epidemiologic monitoring of evitable diseases.

The results of the programme audit have been discussed and agreed with the Ministry of Health, including their commitment to remediate the identified issues.

Regarding the questioned amounts totalling US\$ 271,400, the MOH provided additional elements allowing Gavi to validate the execution of various activities, for which the expenditures had been classified as inadequately justified. This validation allowed Gavi to bring down the amount to be reimbursed by US\$ 227,513, to a final amount totalling US\$ 43,487.

In a letter dated 29 October 2020, the Minister committed to reimburse the amount of US\$ 43,887 by instalments in each of the final quarters of 2021 and 2022.

Geneva, May 2021

THE REPUBLIC OF BURUNDI



Gavi Secretariat, Geneva, Switzerland
(hereinafter Gavi)



Final audit report – June 2020



1. Executive Summary

1.1. Audit ratings per category and finding

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1.2. Overall audit opinion

For the period under review, the audit team assessed that the management of Gavi's support by the Ministry of Health as overall **partially satisfactory**, which means that internal controls and risk management practices were generally established and functioning but needed improvement. One or more high risk areas were identified that may affect the achievement of the entity's objectives.

So as to address the risks associated with the findings, the team raised 24 recommendations, of which 4 (16%) were rated as critical and need to be addressed by implementing remedial measures according to the action plan (defined on Annex 9).

* 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 this report.

1.3. Executive summary

Governance and management arrangements

The Partners' Financial and Technical coordination group (PTF) operates through the CPSD and various thematic groups, including the mother and child group, which is the main forum for immunisation. These thematical groups played an essential part in validating action plans. The audit team also noted that the effectiveness of such mechanisms was limited.

Both the UGP ("Unité de Gestion du Projet" – in effect a Programme Management Unit) and the EPI unit were the primary leads in executing action plans, for which the overall coordination still needs to be improved further.

A review of the internal control framework governing the management of programme activities, highlighted several deficiencies. This includes: the EPI procedural manual whose ongoing improvement still needs to be aligned to the UGP manual, so as to increase process efficiencies. Equally, respective oversight functions were not operationalised, including both the Internal Control Unit (CCI) and the MOH Inspector General, which limited the overall impact of the control framework.

The audit team noted that several external audit reports were belatedly finalised after the agreed deadline and that these reports included some discrepancies. More vigilance needs to be applied in order to comply with the stipulated provisions, and a suitable monitoring mechanism should be put in place to track the implementation of audit recommendations and other programme issues.

Financial and accounting management

One of the UGP's fiduciary responsibilities is the tracking and monitoring of advances to sub-recipients. However, no monitoring process was in place, and there was no visibility over extant advances or the aging of residual unreconciled amounts. Thereafter, the UGP was also responsible in validating the expenditures' supporting documentation, after any monitoring. This validation process needed to be formalised in order to increase its transparency and effectiveness.

The accounting and tracking of fixed assets remains a significant weakness for which the framework, tools and practices need to be reviewed, and in particular with respect to the management of vehicles and other rolling stock.

The EPI accounting team struggled due to insufficient training in using its accounting system, and how to optimally leverage the system's tools and capacities. Accounting practices were not aligned with the Gavi's stipulations on consolidation and fund management, hence a suitable framework needs to be put in place.

An analysis of disbursements to subnational levels noted that Gavi funds were not consistently transferred to sub-recipients' designated bank accounts.

Budgetary management

Certain final budgets validated by Gavi were not entered into the accounting system, and as a consequence, subsequent budgetary monitoring reviews worked off incomplete information.

Procurement

A review of the procurement framework and a sample of past awards, highlighted weaknesses in the planning and monitoring processes, compliance with submission procedures and contract execution.

The audit team noted that no annual supply or consolidated procurement planning process was undertaken, and that weaknesses in make-up of procurement files and their subsequent archiving need to be urgently addressed.

Shortcomings with respect to compliance with procurement procedures were identified, including advertisement and notification requirements, adherence to procedural step deadlines and conformance with the threshold limits determining which procurement method to follow. In addition, the lack of suitable bid quotation tracking tools, and weaknesses in the monitoring of contract execution, further exacerbated.

Expenditures and disbursements

The audit team examined in detail a sample of transactions from the audit period representing expenditures totalling BIF 2,981,731,797 (USD 1,613,491). From their review, the audit team questioned amounts totalling USD 271,400, which were classified as inadequately justified, irregular, ineligible or unjustified. Details are shown in section 4.5.1.

Vaccine supply management

Despite its various reporting mechanisms, the EPI did not have a consolidated position of its overall vaccine stocks across the country (national depot, districts depots and health centres) to help prevent overstock or stockout incidents.

In terms of its vaccines at district level, weaknesses were identified in temperature monitoring and measures still needed to be implemented in order to avoid potential vaccine losses.

Equally, the country's logistical capability was stretched over how best to deal with the many broken cold chain equipment units and the ongoing treatment of hazardous waste. Despite a credible performance in its immunisation coverage, lapses in the country's health data quality remained challenged in terms of: collecting health services data; correcting for denominator issues; and the surveillance processes for vaccine preventable diseases.

Finally, monitoring and supervision activities and learnings across the various levels of the health service were not sufficiently leveraged in order to adequately advise, build capacity and support health workers in the execution of their activities, as per national directives.

1.4. Financial impact of the audit findings

Table 1 – Questioned expenditures by grant in BIF and USD:

Grant	Year	Implemented by:	Amount tested:	Out of total spent	Amount questioned	% questioned of amount tested:
HSS	2015	UGP	579,464,587	2,112,366,535	49,801,400	9%
			313,563	1,143,055	26,949	
	2016		275,706,905	975,499,424	50,067,884	18%
			149,192	527,868	27,093	
	2017		271,705,734	947,471,719	112,500,479	41%
			147,027	512,701	60,877	
2018	365,035,866	1,390,724,079	102,002,572	38%		
	197,530	752,556	55,196			
Immunisation services	2015	PEV	110,162,550	392,300,869	10,095,000	9%
			59,612	212,284	5,463	
	2017		350,162,275	1,200,048,726	46,113,625	13%
		189,482	649,377	24,953		
	2018	UGP/PEV	1,029,493,880	3,641,484,810	130,966,820	13%
557,085			1,970,500	70,869		
TOTAL	BIF		2,981,731,797	10,659,896,162	501,547,780	17%
	USD		1,613,491	5,768,342	271,400	