

Memorandum on Gavi's programme audit in the Republic of Cameroon

The attached audit report sets out the conclusions on the programme audit of Gavi's grant executed by the Ministry of Public Health (MoPH) for the Republic of Cameroon's, and national immunisation programmes support by Gavi.

The audit work was undertaken in October and November 2022, by Gavi's programme audit team, reinforced by support from the Supreme Audit Institution (CONSUPE). It reviewed activities from the Expanded Programme on Immunisation (EPI) and Health Systems Strengthening (HSS) grants, during the period 1 January 2018 to 30 June 2022.

During this period, Gavi supported vaccine introduction grants, HSS, operational costs for campaigns, the cold chain equipment optimisation platform, and the national response to the Covid-19 pandemic through the COVAX Facility.

The key conclusions from the audit report's executive summary (pages 3 to 5), as described further in the body of the audit report, are as follows:

1. There is an overall rating of **needs significant improvement** in managing Gavi's support, which means that "one or few significant issues were 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."
2. Twenty-six weaknesses were identified relating to the following areas: (i) governance and management arrangements, (ii) accounting and financial management; (iii) budget management; (iv) procurement; (v) programme expenditures; (vi) fixed asset management; (vii) vaccine supply management; and (viii) Monitoring and evaluation.
3. Key findings included the following elements:
 - a. USD 76,439 of programme expenditures that were unjustified. insufficiently justified, ineligible or irregular (table 1, page 5);
 - b. Weaknesses in the programme steering and coordination bodies' operating framework;
 - c. A poorly performing funding mechanism for programme activities and insufficient implementation rates;
 - d. A partially functional internal control framework;
 - e. Shortcomings in the grant accounting, and budget management and monitoring;
 - f. Lapses in the understanding and application of EPI norms and standards in relation to the physical and administrative management of vaccines; and
 - g. Deficiencies in the immunisation data quality, and related checks and reviews.

The results of the programme audit were shared with the Minister of Public Health, which agreed, in a letter dated 23 August 2023, to take the necessary steps to remediate the shortcomings and findings identified, and to reimburse USD 76,439 , being the total of Gavi's funds that was determined to have been misused by the Gavi Secretariat.

Geneva, November 2023

PROGRAMME AUDIT – AUDIT REPORT

THE REPUBLIC OF CAMEROON

MAY 2023



1. Executive Summary

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1.2. Overall audit opinion

For the period under review, the audit team determined that the management of Gavi's support by the Ministry of Public Health, **needs significant improvement** which means that Internal controls, governance, and risk management practices have some weaknesses in design or operating effectiveness such that, which could negatively affect the achievement of the entity's objectives..

So as to reduce the risks associated with the above findings, the audit team raised **26 recommendations**, requiring the implementation of the remedial action plan (defined on **annex 10 of the full report**).

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

1.3. Executive Summary

In 2016, Gavi's Audit and Investigations Department audited the implementation of Gavi-supported immunisation programmes by the Ministry of Public Health (MOPH) of the Republic of Cameroon, raising a number of concerns. This led to the temporary suspension of Gavi's fund disbursement to the MOPH, until alternative arrangements for the delivery and monitoring of vaccine and cash support could be established and operationalised.

The current programme audit, undertaken during the last quarter of 2022, shows an improved situation compared to 2016. Nevertheless, despite significant resources having been mobilised to strengthen the structures for monitoring and implementing the MOPH's Expanded Programme on Immunisation (EPI), some shortcomings remain which must be addressed in order to fully accomplish the expected activities and achieve the programme's objectives. Key findings are summarised below by thematic, and are further developed in section 4 of this audit report.

Governance and management arrangements

The ability of the Inter-Agency Coordination Committee (ICC) to ensure the effective absorption of Gavi grants through appropriate budgeting and decision-making processes is called into question due to the insufficient absorption rate of HSS and CCEOP funding and the low implementation rate of activities during the audit period. Follow up still needs to be strengthened on: the use of funds and vaccines managed by the EPI; the effective implementation of the transition plan and of the various recommendations made from a range reviews and evaluations – in particular the Effective Vaccine Management assessment (EVM 2019) and the Data Quality Improvement Plans (DQIP 2016-2020, DQIP 2021-2025). Although recently updated, the decrees governing the workings of the ICC need to be revised.

The EPI has a clear organisational structure, including a properly defined – but only partially functional – internal control framework during the audit period. Major shortcomings were noted in terms of: data retention and a significant losses of the programme's institutional memory, affecting the completeness and availability of information and documents, particularly those relating to periods prior to 2021.

The audit team notes and welcomes efforts made by the current EPI team of the EPI Central Technical Group (EPI-CTG) in strengthening its governance and financial management capabilities by introducing appropriate management tools during the 12 months prior to this audit, including

the implementation of the TOM2PRO accounting software and an updated procedures manual. However, the audit revealed a number of internal control weaknesses, some of which had a significant impact on the reliability of the systems in safeguarding funds.

There is a lack of rigour in monitoring the implementation of corrective measures and improvements formulated during past audits, evaluations and supportive supervision. Collaboration between the EPI and other Gavi Alliance stakeholders, offers opportunities for rationalisation. As long as these problems persist, the EPI will not be able to achieve its full potential under the leadership of the ICC and the EPI-CTG.

Accounting and financial management

Since October 2021, the EPI-CTG and its regional offices have been using the TOM2PRO accounting software. However, the accounting transactions relating to previous periods were not migrated from the previous version of this software, and the corresponding accounting data was removed when the former EPI-CTG's Administrative and Financial Service officer departed in 2020. The accounting entries from 1 January 2019 to 31 December 2020 have therefore been manually re-entered into TOM2PRO by the current Administrative and Financial Service officer, with the technical support of BAGE.

The review of the accounts revealed a number of shortcomings and inconsistencies, mostly attributable to errors in the accounting treatment of transactions carried out by the regional branches using online payment platforms. The recurrence of these errors can be explained - at least in part - by the absence of established procedures in this matter, until the recent revision of the Procedures Manual (October 2022).

Budget management

The Gavi grant budgets are integrated into the EPI's annual work plans, which were financed during the audit period from resources totalling up to 88% of the overall budget needs and 46% from Gavi funds¹. The review of the procedures for establishing, reprogramming and monitoring the execution of the Gavi grant budgets revealed several shortcomings that have a negative impact on the programme's budget absorption capacity. These are linked, on the one hand, to insufficient consideration of the specific needs of each district, when implementing its respective operational activities for campaigns and routine immunisation, as well as the failure to take corrective action during implementation, and, on the other hand, to poor monitoring of budget implementation,

¹ Other primary donors include: WHO (24%), the Government (21%) and UNICEF (8%). Percentage contributions were calculated based on the total expressed budgetary needs, including unmet needs.

partly attributable to the absence of periodic financial statements consolidating the various support provided by Gavi, whatever entity was the beneficiary.

Procurement and contracting

The acquisition of vaccines, cold chain equipment (CCE), rolling stock and other high-value assets were purchased directly by the UNICEF Supply Division during the audit period. In contrast, purchases of goods and services by the MOPH and EPI were mainly limited to vehicle rentals, payment of fees and mission expenses for consultants or service providers, printing expenses (vaccination booklets, communication posters) and one-off services. The applicable procurement procedures are clearly defined in the EPI procedures manual and are based on the Public Procurement Law provisions. However, a review of a sample of contract award files executed by the EPI revealed shortcomings in terms of planning, execution and monitoring of the contracts executed. The archiving system is also inadequate.

Expenditures and disbursements

The audit team tested in detail a sample of expenditures totalling FCFA 519 409 983 (USD 875 725) which were incurred and/or recorded² during the period from 1 January 2018 to 30 June 2022. 8.5% of these expenditures, i.e. FCFA 44,368,192 (USD 76,439), were deemed to be insufficiently justified, unjustified, irregular or ineligible. Annex 4 of this report provides a summary of these questioned expenditures, while annex 5 details each transaction and audit observations. In particular, the testing highlighted irregularities in the encumbrance of expenditures by certain implementing entities, as well as weaknesses in the accountabilities provided across all levels audited.

Fixed asset management

The review of the fixed asset management and monitoring system revealed several shortcomings in the EPI's fixed asset registers and in the procedures for carrying out physical inventories. These do not provide the EPI with a detailed overview of all the cold chain equipment and rolling stock available and potentially missing, across the country, nor did it ensure the satisfactory monitoring of working condition of each asset, limiting the EPI's ability to anticipate and budget for corrective maintenance and the replacement of obsolete equipment.

Vaccine supply management

The audit team noted the existence at all levels of the supply chain an EPI manual of norms and standards published in 2018, and the existence of stock registers at health facility level, supplemented at central and regional level with the use of the stock management tool (SMT). However, inconsistencies and shortcomings in terms of supply, storage, consumption and stock monitoring were noted, both at the central level and at the sites visited. The most significant were

- Several cases of stock-outs for lengthy periods, involving both co-financed and non-co-financed vaccines.
- Weak stock replenishment across all levels of the supply chain.
- Important discrepancies between the data in the SMT files and the DHIS2 data reported by certain regions.
- Insufficient negative cold storage capacity at central level.
- Storage conditions are sometimes inadequate at various levels, with an increased risk of uncontrollable fires that could lead to significant losses of vaccines and equipment.
- The risks of loss incidents are not covered by third-party insurance contracts, nor explicitly by the government.
- A low level of ownership/application of the EPI manual of norms and standards by agents stationed across the decentralised level.

Monitoring and evaluation

Vaccination data are recorded in the monthly activity reports and directly reported online using DHIS2 by health facility agents in charge of data management across the decentralised level. The data entered is then aggregated, analysed and quality reviewed by health districts, the regional office and finally the MOPH's Health Information Unit. These process is described in the EPI Data Management Procedures Manual, which is based on the DQIP for the period 2016-2020. Since July 2018, a "data quality" working group has been set up to carry out an annual review of the data management system relating to routine EPI activities.

Despite this set up, the audit team noted a lack of promptness in reporting, cases of breakdown in data entry at some of the sites visited, as well as numerous discrepancies, sometimes significant, between the data recorded in the monthly activity reports and that reported in DHIS2. Some of these shortcomings are attributable to the weak implementation of the DQIP, as well as the haphazard nature of the process of giving feedback to immunisation sites, after monthly data reviews are carried out by the district and regional level agents.

² As no records were available for 2018, the expenditures incurred during this period have been selected based on the EPI-CTG's bank statements.

1.4. Financial impact of the audit findings

Table 1 – Summary of Gavi-supported expenditures questioned by the audit team by grant, in FCFA and USD:

Grant	Year	Expenditures amount reported:	Amount tested:	Amount questioned	% questioned of amount tested:
HSS2	2018	–	51,144,497	-	n/a
			89,056		
	2021	270,427,112	135,266,258	14,526,500	10.7%
		467,796	233,989	25,129	
	2022	203,583,677	74,138,400	454,000	0.6%
		327,028	119,093	729	
Covid-19 Delivery Support (CDS)	2021	203,199,416	76,742,500	14,880,000	13.4%
		351,503	132,752	25,740	
	2022	322,450,940	104,834,000	-	0.0%
		517,971	168,401		
Other Gavi grants prior to 2019*	2019	24,044,442	17,343,112	9,198,112	53.0%
		40,926	29,520	15,656	
	2021	326,358,270	53,669,716	5,309,580	9.9%
		564,548	92,840	9,185	
	2022	40,164,300	6,271,500	-	0.0%
		64,518	10,074		
TOTAL	FCFA	1,390,228,215	519,409,983	44,368,192	8.5%
	USD	2,334,289	875,725	76,439	

* The EPI accounting records for the period in scope distinguish between three categories of grants as shown in this table. The “other Gavi grants prior to 2019” category is made up of expenditures that had not yet been reprogrammed to RSS2, CDS or any of the Gavi grants yet to be defined in the accounts, of which over 88% are from the 2021 and 2022 financial years. This is explained in section 4.2.2 of this report.