

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

The attached audit report sets out the conclusions on the programme audit of Gavi's grant executed by the Ministry of Health and Population (MoHP) for the Republic of the Congo, and the national immunisation programme support provided by Gavi.

The audit work was undertaken in October and November 2022, by Gavi's programme audit team, reviewed activities from the Expanded Programme on Immunisation (EPI) and Health Systems Strengthening (HSS) grants, during the period 1 January 2017 to 31 December 2021.

During this period, Gavi supported the operational costs for campaigns, the HSS programme, and the national response to the Covid-19 pandemic through the COVAX Facility.

The key conclusions from the audit report's executive summary (pages 2 to 4), as described further in the body of the audit report, are as follows:

1. There is an overall rating of "**Ineffective**" (page 2) in managing Gavi's support which means, "Internal controls, governance and risk management practices are not adequately designed and/or are not generally effective. The nature of these issues is such that, the achievement of the programme's objectives could be seriously compromised."
2. Twenty-one weaknesses were identified relating to the following areas: (i) governance and management arrangements, (ii) accounting and financial management; (iii) procurement; (iv) vaccine supply management; and (vi) Monitoring and evaluation.
3. Key findings included the following elements:
 - a. USD 94,198 of programme expenditures that were insufficiently justified, ineligible or irregular (table 1, page 4);
 - b. Coordination of the programme proved to be inadequate, and the legal framework needs to be overhauled. In particular, there has been no formal planning of programme activities for several years;
 - c. The EPI's governance framework had several shortcomings, in respect of the framing of roles and responsibilities, human resources management, supervision and the internal control framework mechanism;
 - d. The accounting and financial management of Gavi support is inadequate, both at the level of the Directorate of Studies and Planning and the EPI;
 - e. Significant shortcomings have been noted, both in the monitoring of procurement plans, as well as the application of public procedures and contract execution;
 - f. Generally speaking, the EPI's vaccine supply management is not governed by standard operating procedures, resulting in poor stock management and significant closed-vial vaccine wastage;
 - g. Finally, the absence of a performance framework, poor data quality and lack of supervision are major challenges to achieving the programme's objectives.

The results of the programme audit were shared with the Minister of Health and Population, who responded in a letter dated 18 September 2023, by committing to take the necessary actions to remediate the shortcomings and problems identified, and to reimburse the questioned expenditures.

PROGRAMME AUDIT – AUDIT REPORT

THE REPUBLIC OF THE CONGO

DECEMBER 2022



1. Executive Summary

1.1. Audit ratings per category

Section*	Finding	Risk*	Page
4.1	Governance and management arrangements		
4.1.1	Inadequate functioning of programme coordination and steering bodies	■	9
4.1.2	Inadequate planning of programme activities	■	10
4.1.3	Poor articulation of roles and responsibilities (DEP)	■	11
4.1.4	Inadequate operating framework and staff management (EPI)	■	12
4.1.5	Inadequate internal control system (EPI)	■	14
4.2	Accounting and financial management		
4.2.1	Insufficient grant management by the DEP	■	15
4.2.2	Inadequate accounting and financial management by the EPI	■	16
4.2.3	Excessive use of cash payments (DEP)	■	17
4.2.4	Payment of taxes with Gavi funds (EPI)	■	18
4.2.5	Inadequate management of EPI fixed assets	■	19
4.2.6	Expenditures questioned	■	20
4.3	Procurement		
4.3.1	Insufficient supervision of EPI contracts awarded	■	21
4.3.2	Observations relating to contracts audited (EPI)	■	22
4.4	Vaccine supply management		
4.4.1	Insufficient supervision of EPI logistics activities	■	24
4.4.2	Significant losses of vaccines due to expiry	■	25
4.4.3	Poor physical management of vaccines	■	26
4.4.4	Insufficient administrative management of stocks	■	28
4.5	Monitoring and evaluation		
4.5.1	Performance framework not operational	■	30
4.5.2	Inadequate quality of immunisation data	■	31
4.5.3	Insufficient supervision activities	■	33
4.5.4	Weak ownership of technical assistance	■	34

1.2. Overall audit opinion

The audit team assessed **the Republic of the Congo's** management of Gavi support during the audit period was overall **"Ineffective"** which means, "Internal controls, governance and risk management practices are not adequately designed and/or are not generally effective. The nature of these issues is such that, the achievement of the programme's objectives could be seriously compromised."

To address the risks associated with the issues, the audit team raised 21 recommendations (of which 17, or 81% were rated as high risk), requiring the implementation of the remedial action plan proposed by the parties audited (defined on **annex 18** of the full 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 3 of the full report.

1.3. Executive Summary

This report, whose main findings are summarised below, sets out the results of this first audit of the Gavi programmes, which was carried out in 2022 and covered the various aspects of the management of support received by the Republic of the Congo from its partnership with the Gavi Alliance (hereafter "Gavi"). The audit reviewed the processes and internal controls relating to: governance and management arrangements; accounting and financial management; procurement, vaccine supply management; and the monitoring and evaluation of the programmatic results, during the period from 2017 to 2021.

Generally speaking, the coordination and implementation of Gavi's support presented serious shortcomings in all the areas audited, as reflected in the poor results achieved, which requires urgent corrective action.

Governance and management arrangements

The legal framework defining the operation of the programme's coordination and steering bodies must be updated and complied with, in particular by formalising the role of the Inter-Agency Coordination Committee and setting up a Technical Advisory Group for Immunisation. The lack of coordination negatively impacted on the planning programme activities and executing their budgets.

In addition, the governance and internal control framework for the Ministry agencies directly involved in implementing the programme (EPI and the Directorate of Studies and Planning (or DEP)) was inadequate. Roles and responsibilities of the various departments and key personnel need to be clarified through organisational charts, job descriptions and procedural manuals. Assurance mechanisms such as the Inspectorate General for Health (IGS) intervened too infrequently, and the implementation of recommendations from audits and inspections were not followed. Inadequate governance adversely impacted across all of the programme's components.

Accounting and financial management

The EPI and the Directorate of Studies and Planning do not have an adequate accounting system to manage Gavi funds and to timely prepare, accurate and reliable financial documents. The accounting tasks of these two entities lack supervision and controls at all levels. In particular, there are serious weaknesses in the treasury and bank management function, including inadequate monitoring of cash advances and bank transactions, and excessive reliance on cash payments. The audit reviewed a sample of expenditures using Gavi funds and questioned the equivalent of USD 94,188 (i.e. 14% of the expenditures tested), as a consequence of the proven shortcomings in the control of supporting documents. Lastly, the programme's fixed assets were not systematically recorded nor were physical inventories regularly undertaken.

Procurement

The contracts awarded by the EPI between 2018 and mid-2021 were carried out in the absence of an official framework, by a unit made up of programme staff whose situation was not regularised

until September 2021. Furthermore, the members of this unit do not have the qualifications and expertise required to analyse tenders and monitor contract performance. An analysis of the contract award files revealed several shortcomings, particularly in the areas of construction and maintenance of cold chain equipment.

Vaccine supply management

The EPI's logistics management is not governed by standard operating procedures. In addition, almost half of the recommendations from the 2011 Effective Vaccine Management study have not been implemented. The absence of a suitable framework was compounded by a lack of training and supportive supervision on the programme's logistical activities.

Vaccine stock management is also particularly problematic, with more than 500,000 doses of shelf-expired COVID-19 vaccine and around one million doses of near-expired yellow fever vaccine (only three months of shelf life remained as of December 2022, at the time of the audit). In addition, the lack of documentation of various stock movements, compounded by incomplete stock records containing numerous inconsistencies, undermined the traceability of vaccine doses.

Numerous challenges were noted, both in terms of insufficient storage capacity (for both vaccines and dry goods) and maintenance of the cold chain, calling for the need of a strategic review of the supply chain model across the country. Finally, the EPI depots visited (the central depot in Brazzaville, and sub-depots in Owando and in Pointe-Noire): do not comply with electrical installations standards; are insufficiently protected against the risk of fire; and are poorly maintained.

Monitoring and evaluation

The monitoring and evaluation of the programme's operations and activities are based on an incomplete performance framework, whose target data and results are not aligned with Gavi's performance framework, itself which is not completed exhaustively and accurately. Moreover, this framework has not been validated by the Intra-agency Coordination Committee and is not sufficiently granular at the EPI level.

In addition, the coexistence of two parallel health data information systems contributes to many inconsistencies observed in EPI data, across different levels of the health system. End to end, from collection up to the quality control of data, these findings highlight the programme's weak capacity to improve its data quality, despite the existence of a framework outlining the necessary improvements needed in this area.

Finally, the programme's training and supervision remains largely inadequate given the weaknesses identified. A rigorous follow-up of the recommendations arising from supervision visits needs to be put in place and formalised. The programme's capacity building needs to be structured and optimised for the various components across all levels of the health system, through leveraging suitable technical assistance and with the support of the technical and financial partners.

1.4. Financial impact of the audit findings

Table 1 - Summary of expenditures questioned by the audit team, by type of grant, in Central African CFA francs (XAF) and US dollars (USD). These expenditures may be subject to a request for reimbursement once this report has been finalised:

Grant	Year	Gavi disbursements (USD)	UNICEF disbursements to the MOH		Audited expenditures (a)		Audited expenditures questioned (b)		Relative proportion of questioned expenditures (b/a)
			USD	XAF	USD	XAF	USD	XAF	
RSS	2017	1 305 026	64 542	35 338 375	42 415	23 223 375	9 331	5 108 875	22.0%
	2018	-2 299	136 945	78 472 500	97 056	55 615 000	61 251	35 098 000	63.1%
	2019		3 481	2 038 536	1 414	827 946	0	0	0%
	2020	1 241 333	291 809	167 965 346	270 600	155 757 346	22 897	13 179 258	8.5%
	2021	1 017 315	458 263	244 709 953	294 813	157 428 423	720	384 395	0.2%
Yellow fever operational costs	2021	2 145 897							
COVID-19 delivery support	2021	978 460							
Total		6 685 732	955 041	528 524 710	706 298	392 852 090	94 198	53 770 528	13.7%