

Memorandum on the Republic of Côte d'Ivoire

Programme Audit report

The attached report prepared by Gavi's Audit and Investigations department sets out the conclusions of the programme audit of Gavi's financial and vaccine support to immunisation programmes undertaken between 1 January 2013 and 31 December 2015 by the Ministry of Health and Public Hygiene of the Republic of Côte d'Ivoire. Gavi's programme audit was conducted primarily in April 2016.

The Executive Summary (pages 2 to 4) of the attached report sets out the key conclusions as follows, details of which are set out in the body of the report:

1. There is an overall rating of **partially satisfactory** (page 2), which means that « 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 ».
2. Thirteen operational or programmatic issues were identified, resulting from non-compliance with Gavi's Transparency and Accountability Policy that could affect the sustainability of the programme (page 3).
3. Key issues were identified in the following areas (pages 3 and 4) :
 - a. Vaccine supply management ;
 - b. Budgetary financial management ;
 - c. Expenditures ;
 - d. Procurement of goods and services ; and
 - e. Asset management.
4. Key findings were that :
 - a. More than one million doses of vaccine left the national depot without being recorded in stock records during 2015 and 2016 (table 3a, page 4).
 - b. USD 142 280 in programmatic expenditure was found to be inadequately supported, ineligible or irregular (table 3b, page 4).

The results of the programme audit were discussed and agreed with the Ministry of Health and Public Hygiene of the Republic of Côte d'Ivoire. In responding to the recommendations communicated in the audit report, the Minister committed both to remedying the identified issues and to reimbursing by end of April 2018 the amount of USD 142 280 corresponding to the total questionable expenditure. The Ministry of Health also provided reconstituted stock records satisfactorily resolving the national depot's unrecorded vaccine doses identified during the audit.

Gavi will follow up with the Ministry of Health to validate the remediation steps taken and to assess whether improvements made appropriately address the issues identified during the audit.

Geneva, April 2018

THE REPUBLIC OF CÔTE D'IVOIRE

Gavi Secretariat, Geneva, Switzerland
(hereinafter Gavi)

Audit report – 31 October 2017



1. Executive Summary

Gavi's Programme Audit team (the audit team) conducted an audit of Gavi's cash and vaccine support to Côte d'Ivoire between March and April 2016.

This audit focused on the operational expenditures of: Health System Strengthening (HSS) and Immunization Systems Support (ISS) programmes, the Meningitis A campaign, and vaccine supply management over the period 1 January 2013 to 31 December 2015, as managed by the Ministry of Health and Public Hygiene (MSHP) in Côte d'Ivoire.

The table below summarizes MSHP's expenditures financed using Gavi's cash support during the period 1 January 2013 to 31 December 2015, as well as those amounts tested by the audit team, effectively a 65% coverage rate thereon:

Table 1 - Overall expenditures, and amounts tested from 1 January 2013 to 31 December 2015, in Central African francs (CFA) and converted to US dollars (USD) per section 2.4 of this report:

Grant support type :	Expenditures in total (CFA)	Expenditures tested (CFA)	Expenditures in total (USD)	Expenditures tested (USD)	Tested (%)
ISS and Meningitis A	2 024 597 560	965 267 230	3 926 476	1 844 678	47%
HSS	1 078 761 647	1 078 761 647	2 003 016	2 003 016	100%
Total	3 103 359 207	2 044 028 877	5 929 492	3 847 694	65%

Opinion

The audit team assessed that the Ministry of Health and Public Hygiene management of Gavi's support was **partially satisfactory**, which means that "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".

The table below summarizes programme audit's overall ratings:

Table 2 – Audit ratings by category:

Category	Audit Rating	Report section
Vaccine Supply Management	Partially satisfactory	4.1
Budgetary financial management	Satisfactory	4.2
Expenditures	Unsatisfactory	4.3
Procurement – goods and services	Partially satisfactory	4.4
Asset Management	Partially satisfactory	4.5
Overall opinion	Partially satisfactory	

Key findings

The programme audit identified 13 operational or programmatic issues, resulting from non-compliance with Gavi's Transparency and Accountability Policy that could affect the sustainability of the programme.

To address these issues, the audit team made 13 recommendations, of which 5 (38%) were rated as essential, which means “action is required to ensure that the programme is not exposed to significant or material incidents. Failure to take action could potentially result in major consequences, affecting the programme’s overall activities and outputs.”

Among the shortcomings identified in this audit report, the most significant are:

<i>Vaccine supply management</i>	<p>Overall weaknesses in the records of stock movements brought into question the reliability of the data needed to optimally manage the vaccines in support of the immunization programmes.</p> <p>The risk of vaccines expiring was increased as a result of the principle of earliest expired first out not being consistently respected, cold chain facilities not being inadequately managed, and shortfalls in the monitoring the exposure of vaccines to temperature. These gaps were particularly evidenced at the District Sanitary level (see sections 4.1.1 to 4.1.6).</p> <p>Table 3a below, summarises unrecorded vaccine issuances at the central level.</p>
<i>Budgetary financial management</i>	<p>Budget monitoring tools and financial management procedures were in place, and in general functioned satisfactorily (see section 4.2).</p>
<i>Expenditures</i>	<p>Despite three independent levels of review and monitoring maintained by the national entity, more than 3%¹ of the expenditures tested by the audit team were questioned, largely due to poor documentation being on file (see sections 4.3.1 to 4.3.4).</p> <p>Table 3b below, summarises the expenditures questioned.</p>
<i>Procurement – goods and services</i>	<p>For 1%² of the overall expenditures tested by the audit team, the process in selecting suppliers and the consideration of value for money was not credible.</p> <p>Most of the goods and services procured for the Meningitis-A campaign, were selected on single-sourcing basis without the necessary waiver, so as to expedite the implementation of activities while operating under certain time constraints (see sections 4.4.1 to 4.4.2).</p> <p>Table 3b below, summarizes these relevant procurements.</p>

¹ Table 3b on page 4 of this report classifies more than CFA 56.3 million (USD 104,255) of questioned expenditures, amounting to 2.8% of the overall expenditures tested per Table 1, page 2.

² Table 3b on page 4 of this report describes approximately CFA 18.8 million (USD 38,025) of questioned procurements, amounting to 1% of the total transactions tested per Table 1, page 2.

Asset management At the time of the audit, there was no comprehensive fixed asset register in place providing an overall position of the assets funded by Gavi. Similarly, it was not possible to obtain an overview of the entire cold chain equipment supporting the immunisation programmes (see section 4.5.1).

Analytical summary of the deficiencies identified by the audit team

The table below summarises the unrecorded vaccine issuances from the central-level stores:

Table 3a – Unrecorded or missing Gavi-supported vaccine issuances

Category	Doses	Report section
Missing vaccines – Pentavalent (DTC-HepB-Hib); unrecorded issuances from the INHP central-level vaccine warehouse (2015-2016)	494,000	4.1.2
Missing vaccines– PCV-13 (pneumococcal); unrecorded issuances from the INHP central-level vaccine warehouse (2015-2016)	524,599	4.1.2

Only vaccines supported by Gavi are shown above. Similar lapses in stock records were also identified with other vaccines (see section 4.1.2, table 5 of the report).

The table below summarises the expenses questioned by the audit team:

Table 3b - Summary of questioned expenditures, in CFA and converted to US dollars (USD) (per section 2.4 of this report)

Grant type	Classification of questioned expenditures	CFA	USD equivalent	Report section:
ISS	Unsupported expenditures	3,533,175	7,146	4.3.1
ISS	Unsupported expenditures: operating advances to Aires de santé	22,272,497	37,657	4.3.2
Men A	Unsupported expenditures: lump sum amounts, paid as advances to Préfets or Sous-Préfets	16,400,000	33,171	4.3.3 (a)
ISS	Inadequately supported expenditures: vehicle fuel	7,163,167	14,488	4.3.3 (b)
HSS	Ineligible expenditures relating to uncleared accounting transactions held in suspense: vehicle fuel	6,975,181	11,793	4.3.4 (a)
	Sub-total – section 4.3 of this report	56,344,020	104,255	4.3
Men A	Irregular procurements and ineligible expenditures identified by the national Inspection General for Finance and by the audit team.	18,799,900	38,025	4.4.2 (a)
	Sub-total – section 4.4 of this report	18,799,900	38,025	4.4
	Total questioned expenditures	75,143,920	142,280	

The questioned expenses summarised in the table above, were determined by the audit team based on the supporting documentation made available to them during the engagement.

Given the nature of these deficiencies, Gavi reserves the right to conduct further audit work, or to request additional information regarding expenditures incurred during the audit period.