

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

The attached audit report sets out the conclusions on the programme audit of Gavi's support to the Government of Mali's national immunisation programmes, as managed by the Ministry of Health and Social Development (MoHSD).

The audit was conducted by Gavi's programme audit team between February 2020 and May 2022, interrupted by the COVID-19 pandemic. It reviewed the period from 1 January 2016 to 31 December 2019. The audit scope covered the MoHSD's management of Gavi grants, the Expanded Programme on Immunisation, and vaccine supply management processes.

The audit report's executive summary (pages 3 to 5) sets out the key conclusions, details of which are described in the body of the audit report. These included:

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 weaknesses were identified relating to weaknesses in governance, oversight and operations, and non-compliance with Partnership Framework Agreement requirements.
3. Key findings included the following elements:
 - a. Operational weaknesses observed in both the Inter-agency Coordination Committee and the Health Systems Strengthening committee which have impacted on the annual work plan (AWP) planning process;
 - b. The Immunisation Section was constrained in its ability to influence due to its informal status within the Directorate General for Health's organisational structure, and to its inadequate resourcing;
 - c. The internal control framework revealed significant weaknesses preventing it from fulfilling its core function and from providing the required level of assurance over the management of Gavi-supported programmes;
 - d. The current procedural manual did not adequately frame the financial management and accounting activities;
 - e. Financial accounting and reporting on the use of Gavi grants, and weaknesses in the earmarking of Gavi's funding, were impacted by the lack of regular accounting and shortcomings in the monitoring of unliquidated advances.
 - f. Budget implementation updates, monitoring and reporting were performed manually outside of the accounting system, taking more time and increasing the risk of human error;
 - g. Problems were noted with the archiving of procurement files and underlying documentation which did not comply with established procedures, potentially undermining compliance with the principles of integrity and transparency;
 - h. Inadequately justified, irregular and unjustified programme expenditures totalling FCFA 176 385 887 (USD 301,655), were subject to a request for reimbursement;
 - i. A review of the stock management procedures and tools, augmented by the team's visits to vaccine stores, highlighted deficient administrative and physical stock management practices;
 - j. Preventative and curative maintenance of cold chain equipment needs to be strengthened.
 - k. Not all the supervisions budgeted for in the Immunisation Section's Comprehensive Multi-Year Plan were carried out, and recommendations identified were not adequately followed up; and

- I. Incomplete immunisation data for which there was no analysis or quality checks, was recorded in the DVD-MT system by the Regional Health Directorates and then conveyed up to the central level.

The results of the programme audit have been discussed and agreed with the MoHSD. In a letter dated 16 August 2021, the MoHSD committed to implementing its action plan to remediate the identified issues.

Gavi Secretariat continues to work with the MoHSD to ensure the above commitments are implemented, and to establish a reimbursement schedule for the aforementioned questioned expenditures.

Geneva, October 2022

PROGRAMME AUDIT – AUDIT REPORT

THE REPUBLIC OF MALI

NOVEMBER 2021



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 Health and Social Development (MoHSD), **needs significant improvement** which means that Internal controls, governance and risk management practices have some weaknesses in design or operating effectiveness such that, there is not yet reasonable assurance that the objectives are likely to be met.

So as to reduce the risks associated with the above findings, the team raised 20 recommendations, requiring the implementation of the remedial action plan.

* 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 on **Annex 3** of the audit report.

1.3. Executive Summary

Governance and management arrangements

The governance mechanisms framing the management of Gavi's grants cover both financial and programmatic aspects, and are grounded within a mechanism designed to operationalise immunisation programmes across all levels of the health system.

Weaknesses were observed in the functioning of two key bodies, namely the Inter-agency Coordinating Committee (the decision-making body responsible for strengthening the management of immunisation in Mali) and the Health Systems Strengthening (RSS) committee, responsible for regularly monitoring the execution of Gavi's HSS programme, which could constrain programmatic scope. These shortcomings illustrated, among other things, a lack of regularity in the frequency of meetings or the follow-up of recommendations, also impacting on the annual work plan (AWP) planning process which required the involvement of both these bodies.

Furthermore, the Immunisation Section (IS), which is a pivotal structure implementing the vaccination programmes, was constrained in its ability to influence and intervene. This was in part due to the IS' informal status within the Directorate General for Health's (DGS-HP) organisational structure and to the lack of resources available to IS. The ongoing organisational restructuring process should be fast-tracked so that IS can undertake its mission effectively.

Finally, the internal control framework, which was designed to prevent and identify possible control failures and mitigate risks associated with the management of Gavi-funded programmes, needs to be strengthened. The framework revealed significant weaknesses preventing it from fulfilling its core function and from providing the required level of assurance.

Financial and accounting management

There were shortcomings in the PRODESS procedural manual, currently in effect at the MHSD. It did not adequately frame the financial management and accounting activities. Given that the lack of procedures in this area, this resulted in shortcomings beyond issues of processing supporting documents.

Fair headway was made in implementing the accounting system (TOM2PRO), and further improvements were in progress at the time of the audit (including reconstituting accounting records for the period 2016 to 2019), nevertheless certain accounting practices were lacking. Several weaknesses relating to financial reporting and the earmarking of Gavi funds endured. Illustrating this was: the lack of regular accounting and delays in recording transactions in TOM2PRO at central and decentralised levels; and shortcomings in the monitoring of unliquidated advances.

Accounting and management of fixed assets fell short due to the lack of proper procedures, resulting in non-compliance of the specified contractual provisions.

Budgetary management

The regular preparation and dissemination of financial reports should, among other things, ensure that the budget execution is well-monitored. However annual budgets for both the central level and the decentralised levels were not recorded in the accounting system. This prevented regional accountants from directly updating the budget execution status for Gavi grants within the system. Furthermore, as there was no budget code for Gavi activities, this did not allow for the preparation of frequent budget analyses that are needed for adequate monitoring.

Procurement

Based on the procurement files reviewed by the audit team, it was observed that the procedures and various thresholds followed were aligned with the national procurement regulations. Nevertheless, problems were noted with archiving the files and underlying documentation. Such shortcomings undermined ensuring that national procedures are consistently complied with and that principles of integrity and transparency are met.

Expenditures and disbursements

The audit team reviewed a sample of expenditures from the audit period, totalling CFA 1.6 billion, equivalent to USD 2,784,323. This review resulted in questioning expenditures totalling CFA 176,385,887 (301,655 USD), which were inadequately supported, irregular or unsupported. A breakdown of the results from this review are shown in section 4.5 of this report.

Vaccine supply management

The audit team noted the lack of standard operating procedures (SOPs) tailored to the Mali context. The Immunisation Section responded by referring to WHO's manual and generic Effective Vaccine Management standard operating procedures, published in 2012 in its consolidated form. However, the audit team's review and analysis of the vaccine management processes and stock records, combined with visits to vaccine stores – both at the national as well as the decentralised level – highlighted shortcomings in terms of the management and physical handling of vaccines and immunisation supplies.

Concerns primarily relate to the unreliability of stock records and gaps in associated controls, as well as poor inventory practices (e.g., irregular physical inventories, and the any discrepancies identified were not documented and followed up). Adequate separation of duties needs to be implemented, in order to secure the vaccine management processes and minimise potential errors from handling stock receipts and issuances.

In addition, both preventative and curative maintenance of cold chain equipment need to be strengthened. The audit team observed that maintenance plans were either not complied with, or were not consistently done across the national and decentralised levels.

Monitoring and evaluation

The Immunisation Section's Comprehensive Multi-Year Plan provided for supervision activities targeting the various service providers, distributed across the health system. Supervisions should make it possible to escalate any weaknesses or problems identified, in order to promote continuous improvement of practice and delivery.

However, the audit team observed that supervisions were undertaken intermittently, and that recommendations were not followed-up.

In addition, there was no analysis or checks over the immunisation data recorded in the DVD-MT system, prior to Regions conveying this data up to the central level.

Data completeness weaknesses were also observed. The lack of data quality review progress highlighted the need to further strengthen the management and validation of vaccination coverage data.

1.4. Financial impact of the audit findings

Expenditures questioned by audit, by grant in CFA and USD:

Grant	Year	Beneficiary	Total committed expenditures	Expenditures tested	Total expenditures questioned	Percentage of expenditures tested questioned
HSS	2016	DFM	100,744,600 <i>169,747</i>	33,268,140 <i>56,054</i>	581,506 <i>980</i>	2%
		DGS-HP	428,012,736 <i>721,170</i>	117,300,640 <i>197,643</i>	7,538,020 <i>12,701</i>	6%
		DRS MOPTI	127,676,955 <i>215,126</i>	30,454,088 <i>51,313</i>	1,765,405 <i>2,975</i>	6%
		DRS KOULIKORO	47,831,111 <i>80,592</i>	11,985,000 <i>20,194</i>	- -	0%
	2017	DFM	72,706,380 <i>124,372</i>	12,385,413 <i>21,187</i>	- -	0%
		DGS-HP	519,506,165 <i>888,674</i>	276,161,594 <i>472,406</i>	1,820,170 <i>3,114</i>	1%
		DRS MOPTI	131,261,547 <i>224,538</i>	31,020,000 <i>53,063</i>	- -	0%
		DRS KOULIKORO	238,283,428 <i>407,611</i>	62,149,908 <i>106,314</i>	28,648,200 <i>49,014</i>	77%

Grant	Year	Beneficiary	Total committed expenditures	Expenditures tested	Total expenditures questioned	Percentage of expenditures tested questioned
	2018	DFM	162,364,275 <i>290,993</i>	113,727,498 <i>203,825</i>	6,612,674 <i>11,851</i>	6%
		DGS-HP	197,795,244 <i>354,494</i>	80,275,200 <i>143,871</i>	- -	0%
		DRS MOPTI	142,979,945 <i>256,252</i>	119,379,945 <i>213,956</i>	- -	0%
		DRS KOULIKORO	160,703,154 <i>288,016</i>	41,375,495 <i>74,154</i>	- -	0%
	2019	DFM	76,492,800 <i>130,600</i>	58,366,370 <i>99,652</i>	13,534,651 <i>23,108</i>	23%
		DRS GAO	152,604,663 <i>260,550</i>	43,245,020 <i>73,835</i>	24,161,325 <i>41,252</i>	56%
		DRS MOPTI	206,933,571 <i>353,309</i>	38,013,875 <i>64,903</i>	- -	0%
		DRS KOULIKORO	180,475,288 <i>308,135</i>	65,112,522 <i>111,170</i>	8,903,706 <i>15,202</i>	14%
		FENASCOM	58,338,983 <i>99,605</i>	58,338,983 <i>99,605</i>	- -	0%
		Measles Rubella campaign	2019	INSTITUT NATIONALE DE LA STATISTIQUE	233,530,130 <i>398,719</i>	233,530,130 <i>398,719</i>
Men A 2017	2017	DRS KOULIKORO	151,036,690 <i>258,365</i>	151,036,690 <i>258,365</i>	16,986,730 <i>29,058</i>	11%
		DRS BAMAKO	37,468,050 <i>64,093</i>	37,468,050 <i>64,093</i>	- -	0%
		TOTAL	FCFA USD	3,426,745,715 5 894,963	1,614,594,561 2 784,323	176,385,887 301,655