



CONSOLIDATED REPORT

ON

AUDITS OF UNDP COUNTRY OFFICES

AS PRINCIPAL RECIPIENTS OF GRANTS

FROM THE GLOBAL FUND TO FIGHT AIDS, TUBERCULOSIS AND MALARIA

FOR THE PERIOD JANUARY TO DECEMBER 2012

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Consolidated Report on Audits of UNDP Country Offices as Principal Recipients of Grants from the Global Fund to Fight AIDS, Tuberculosis and Malaria Executive Summary

Background

In January 2013, the Office of Audit and Investigations (OAI) analysed the lessons learned from the 15 OAI audits of the Global Fund to Fight AIDS, Tuberculosis and Malaria (Global Fund) grants managed by UNDP as the Principal Recipient that had been conducted by OAI. As of December 2012, UNDP was the Principal Recipient in 25 countries managing 55 Global Fund grants totalling approximately \$1.4 billion.

Audit Coverage

The 15 audit reports issued by OAI in 2012 covered the UNDP Principal Recipient function in 13 countries (Angola, Belarus, Belize, Bolivia, Democratic Republic of the Congo (DRC), El Salvador, Haiti, Iraq, Maldives, Programme of Assistance to the Palestinian People in the West Bank and Gaza [PAPP], Sao Tome and Principe, Sudan and Zambia) as well as the UNDP corporate procurement functions for projects funded by the Global Fund. The number of Global Fund grants audited was 51 with a total expenditure volume of \$232.5 million. Of the 15 audit reports issued, 3 were rated "satisfactory" and 12 were rated "partially satisfactory."

The 15 audits reported a total of 73 issues and made a total of 69 recommendations to address those issues. Many of the issues reported had also been noted in last year's audit reports. The recurring or important issues were:

From the country office audits:

- Weaknesses in project monitoring and evaluation.
- Weaknesses in Sub-recipient reporting, including quality of Sub-recipient supporting documentation.
- Inadequate safeguarding and distribution of finished pharmaceutical products.

From the audit of the procurement function for Global Fund projects:

- Late engagement of the Global Procurement Unit in the country offices' procurement processes.
- Inadequate procurement planning leading to procurement delays.

To ensure the successful implementation of Global Fund grants, OAI recommended that:

- The monitoring and evaluation function of country offices be strengthened, as OAI noted suboptimal monitoring and evaluation in at least four country offices. Also, the number of field visits carried out by the monitoring and evaluation teams was often inadequate, the field visits had not been carried out, or the follow-up on issues noted during field visits had not taken place.
- The country offices' management and oversight of Sub-sub-recipients be improved since weak capacity was evident in, *inter alia*, the poor quality of quarterly reports submitted by Sub-recipients to UNDP and in issues related to the management of stock and assets by Sub-recipients as noted in most OAI audits. Country offices should rigorously implement a quality assurance plan for testing finished pharmaceutical products with, as may be needed, the support of relevant units at headquarters.
- The monitoring and oversight by country offices of the supply management of health products be strengthened, including proper storage conditions, development of warehouse plans, efficient stock management to avoid stock-outs, and adequate record keeping in order ensure the quality and availability of health products in support of programme deliverables.
- The Global Procurement Unit, Bureau of Management become a key partner to country offices as its function is to provide continuous assistance through advice and support in procurement planning, processing and on-site training. Country offices often perceived the Unit as a supplier of last resort and used its services only after running into issues while conducting their own procurement process.

- The Procurement Support Office, in consultation with the Office of Information Systems and Technology develop and implement an online procurement planning tool that supports country offices in effective planning of Global Fund related procurement.

Implementation of audit recommendations

Even though this report presents analysis and data for the 15 audits issued between 1 January and 31 December 2012, OAI recognizes that implementation of the audit recommendations requires time. Therefore, the rate of implementation of the audit recommendations in Section III of the report only reflects the implementation data relating to the 57 recommendations included in the 11 audit reports issued between 1 January and 30 September 2012. In close cooperation with the Bureau for Development Policy, OAI monitored, on a quarterly basis, the progress achieved by UNDP country offices in implementing the audit recommendations. As of 31 March 2013, the overall implementation rate was 78 percent for the 11 reports issued between 1 January and 30 September 2012. Out of a total of 57 recommendations, 32 had been fully implemented, 18 were reported as still in the process of being implemented, 6 showed no action had been taken, and 1 recommendation had been withdrawn by OAI.

I wish to express my appreciation to the management and staff of the UNDP country offices concerned and to the UNDP Global Fund Partnership Team's Bureau for Development Policy, as well as the Bureau of Management's Procurement Support Office, Special Advisory Team, for the assistance and cooperation extended to the various OAI audit teams.



Helge Osttveiten
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I. Introduction

The Global Fund is a global public/private partnership dedicated to attracting and disbursing resources to prevent and treat HIV/AIDS, tuberculosis, and malaria. As of December 2012, UNDP was the interim Principal Recipient in 25 countries managing 55 Global Fund grants totalling about \$1.4 billion.

As interim Principal Recipient, UNDP country offices are required to implement the Global Fund grants according to the terms and conditions of grant agreements signed between both parties. On a country by country basis, UNDP may agree to a special condition to be included in Annex A of the grant agreement, requiring either the delivery of a Capacity Development Plan for national entities to assume the Principal Recipient role, or a Capacity Development Roadmap. Except in donor-constrained countries (countries that are under sanctions from donors), the role of UNDP as interim Principal Recipient is time-bound.

UNDP usually operates as the interim Principal Recipient in countries with poor governance, limited transparency and accountability, inadequate capacity, political constraints, and/or humanitarian emergencies. As a consequence, there is an inherently higher risk relating to the implementation of the Global Fund grants in such environments.

Scope of the audit of Global Fund grants

Since 2009, OAI has been conducting dedicated audits of Global Fund grants in severe and high risk countries, including countries managed under the Global Fund's Additional Safeguard Policy,¹ which are: Chad,² DRC, Haiti, Iran, Iraq, PAPP, South Sudan, Sudan, Syria and Zimbabwe. Global Fund grants in the Additional Safeguard Policy countries are normally audited annually; grants in other countries are audited in accordance with a risk-based audit cycle.

The general objectives of these audits are to assess the effectiveness of risk management, the adequacy and effectiveness of controls, and the governance processes of UNDP. They aim to provide reasonable assurance to the Administrator regarding the:

- reliability and integrity of financial and operational information, including accuracy of financial reports submitted to the Global Fund;
- effectiveness and efficiency of operations;
- safeguarding of assets; and
- compliance with legislative mandates, regulations and rules, policies and procedures, and with the grant agreements signed with the Global Fund.

The scope of audits of Global Fund grants included all activities related to the implementation of Global Fund grants by UNDP country offices. The implementation activities were grouped into five categories for audit purposes. During the period covered by this consolidated report, the grouping of the activities changed in order to place greater focus on activities relevant to programme delivery, expanding the Sub-recipient management section, incorporating capacity building into governance and strategic management and distinguishing procurement of health products and quality control.

A draft version of the consolidated report had been shared with the Bureau for Development Policy and their comments had been taken into account in the final report.

¹ The Additional Safeguard Policy is a range of tools established by the Global Fund as a result of its risk management processes.

² The audit of UNDP Chad was postponed to March 2013.

II. Overview of the audits

The 15 audit reports reviewed covered 51 Global Fund grants with a total expenditure volume of \$232.5 million (Figure 1). Of the 15 audit reports issued, 3 were rated “satisfactory” and 12 “partially satisfactory.” Of the 15 audit reports issued, 8 reports were for countries that were audited for the first time.³

Figure 1: Global Fund grants audited in country offices

Country Office	Report No.	Issue Date	Audit Rating	Audited Period	Expenditure during the Audited Period (million)	Global Fund Grants Audited					No. of Audit Issues	No. of Recommendations
						Total	HIV/AIDS	TB	Malaria	CCM		
Angola	872	21-Mar-12	Partially Satisfactory	1-Jul-10 to 30-Sep-11	\$10.6	2	1	1			3	3
Belarus	1045	16-Oct-12	Satisfactory	1-Jan-11 to 31-May-12	\$17.5	4	2	2			0	0
Belize	972	24-Oct-12	Partially Satisfactory	1-Jan-10 to 31-Dec-11	\$0.6	1	1				6	5
Bolivia	901	15-Aug-12	Partially Satisfactory	1-Jan-10 to 31-Dec-11	\$6.6	3		1	1	1	3	3
Democratic Republic of the Congo	868	18-Jul-12	Partially Satisfactory	1-May-10 to 31-Jul-11	\$43.0	7	3	2	2		7	4
El Salvador	902	2-Nov-12	Satisfactory	1-Jan-10 to 31-Dec-11	\$13.0	5	2	1		2	3	3
Haiti	1035	19-Oct-12	Partially Satisfactory	1-Jan-11 to 31-Mar-12	\$17.7	2	2				4	4
Iraq	971	1-June-12	Partially Satisfactory	1-Jul-10 to 31-Dec-11	\$9.0	2		2			6	6
Maldives	867	30-Mar-12	Partially Satisfactory	1-Jan-09 to 31-Aug-11	\$2.1	1	1				6	5
PAPP	975	1-Aug-12	Partially Satisfactory	1-Jan-11 to 31-Dec-11	\$1.4	2	1	1			5	5
PAPP	849	16-Jan-12	Partially Satisfactory	1-Jan-10 to 31-Dec-10	\$2.8	2	1	1			5	4
Sao Tome & Principe	964	21-Jun-12	Partially Satisfactory	1-Jan-10 to 31-Dec-11	\$3.1	5	1	1	3		7	7
Sudan	847	25-Jan-12	Partially Satisfactory	1-Jan-10 to 31-Dec-10	\$38.6	9	2	5	2		8	7
Zambia	966	1-Aug-12	Satisfactory	1-Jan-10 to 31-Mar-12	\$66.5	6	3	1	2		3	3
Total:					\$232.5	51	20	18	10	3	66	59
Procurement Support Office (corporate audit)	893	18-Apr-12	Partially Satisfactory	1-Jan-10 to 30-Sep-11	\$173.4 ⁴	0					7	10

³The eight countries were Belarus, Belize, Bolivia, El Salvador, Haiti, Maldives, Sao Tome and Principe and Zambia.

⁴ As the Global Procurement Unit receives funds from grants for procurement, this amount is not included in the total to avoid double counting of some audit expenditures.

III. Implementation of audit recommendation

OAI, in close cooperation with the UNDP Global Fund Partnership Team of the Bureau for Development Policy, continuously monitors the progress achieved by UNDP country offices in implementing the audit recommendations made. Country offices are required to report any progress made directly in the Comprehensive Audit Report and Recommendations Database System (CARDS) and to upload supporting documentation. This information is subsequently validated by OAI.

The 15 audit reports contained a total of 69 recommendations. The distribution of the 69 recommendations by audit area or category was as follows: procurement and supply management (27 recommendations), programme management (14 recommendations) and Sub-recipient management (12 recommendations), which in total accounted for about 77 percent of the 69 recommendations made. The finance (10 recommendations) and governance and strategic management (6 recommendations) areas received the remaining recommendations. Thus, the two main areas of concern emanating from the OAI audits were procurement and supply management, and programme management.

Even though this report presents analysis and data for the 15 audits issued between 1 January and 31 December 2012, OAI recognizes that implementation of the audit recommendations requires time. Therefore, in order to present information relating to the rate of implementation of the audit recommendations, the data contained in this section of the report represents the 57 recommendations included in the 11 reports issued between 1 January and 30 September 2012. A review of the implementation status as of 31 March 2013 in CARDS for the 57 recommendations relating to the 11 reports issued between 1 January and 30 September 2012 indicated that 32 recommendations had been fully implemented; 18 recommendations were in progress; 1 recommendation had been withdrawn and 6 recommendations were not yet implemented. Forty percent of the 24 outstanding recommendations were between 6 and 12 months old, and 1 had been pending for over a year. Overall, the implementation rate was 78 percent. The implementation rates for each audit are described in Figure 2.

Of the 57 recommendations, 21 recommendations (37 percent) were rated high priority. Of these high priority recommendations, 15 (71 percent) had been fully implemented, one (5 percent) had been withdrawn, and four (19 percent) were still in progress.

As of 31 March 2013, with the exception of two (Cuba), all audit recommendations issued in 2011 had been implemented.

Figure 2: Implementation rate of OAI Global Fund audits as of 31 March 2013

Country Office	Report No.	Issue Date	No. of Recommendations	Implementation rate as of March 2013 (%)
Angola	872	21-Mar-12	3	100
Bolivia	901	15-Aug-12	3	100
Democratic Republic of the Congo	868	18-Jul-12	4	100
Iraq	971	1-Jun-12	6	50
Maldives	867	30-Mar-12	5	100
PAPP	849	16-Jan-12	4	100
PAPP	975	1-Aug-12	5	0
Sao Tome & Principe	964	21-Jun-12	7	97
Sudan	847	25-Jan-12	7	100
Zambia	966	1-Aug-12	3	100
Procurement Support Office	893	18-Apr-12	10	0
Total			57	78

The important issues identified from country office audits, which are described in more detail in Part IV of the report, were:

- (a) Weaknesses in project monitoring and evaluation.
- (b) Weaknesses in Sub-recipient reporting, including quality of Sub-recipient supporting documentation.
- (c) Quality assurance testing for finished pharmaceutical products not performed (or not performed in a timely manner).
- (d) Inadequate safeguarding and distribution of finished pharmaceutical products.

Many of the recurring issues, *inter alia*, lapses in monitoring and evaluation, weak capacity of the Sub-recipient, and weaknesses in the quality assurance process for finished pharmaceutical products were also noted in previous audit reports although, they do not necessarily apply to the same countries. It is also recognised that some corrective measures that would have been taken in a previous year might not immediately bear fruit across all country offices. This consolidated report aims to highlight for the Bureau for Development Policy these recurring issues so that appropriate actions and follow-up are taken.

The audit of the Global Procurement Unit reported on the insufficient engagement of the Unit as a key partner to UNDP country offices in their Global Fund related procurement. It also reported on the lack of proactive coordination and planning between the Unit and the country offices.

IV. Detailed description of recurring and/or high priority corporate issues in Global Fund grants

1. Programme management

Issue 1 Inadequate project monitoring and evaluation

Monitoring and evaluation is a key aspect of implementing Global Fund grants. Its purpose is to keep track of project performance to ensure accountability and informed decision-making at both the program and policy level. The UNDP Global Fund Operations Manual for Projects Financed by the Global Fund (June 2011) defines monitoring as “the routine tracking of the key elements of project performance that is carried out through record keeping, regular reporting, and putting in place surveillance systems such as field visits, observations, and client surveys.” Often, the approval of the monitoring and evaluation plan by the Global Fund Secretariat is a condition precedent for the disbursement of funds.

As interim Principal Recipient, UNDP did not always carry out adequate monitoring and evaluation activities to monitor the performance of Global Fund grants. In its audit reports, OAI noted inadequate monitoring and evaluation activities in at least four countries (Haiti, Maldives, PAPP, and Sao Tome and Principe). In particular, OAI noted: (a) the absence of a monitoring and evaluation plan or a field visit plan; (b) inconsistency in preparing field visit reports; (c) a lack of information on the root cause of the issues identified; (d) the absence of a follow-up mechanism on issues noted during field visits; and (e) a lack of integrated monitoring and evaluation visits by different Units of the Project Management Unit, such as Finance, Procurement and Programme. OAI had indicated that failure to design and carry out adequate monitoring and evaluation activities may impact effective monitoring of Sub-recipient activities and the ability to take action to promptly address any weaknesses.

In general, inadequate guidance or supervision at the country office level was the cause of the weaknesses noted. In another instance, the absence of a Monitoring and Evaluation Officer was noted as the main cause of the shortcomings.

OAI has recommended that country offices strengthen their monitoring and evaluation activities. Adequate

resources for the monitoring and evaluation function should be a pre-requisite for accepting the role of Principal Recipient.

2. Sub-recipient management

Issue 2 Weaknesses in Sub-recipient reporting

UNDP provides funding to the Sub-recipient to carry out activities planned under the programme. The working arrangements between UNDP and its Sub-recipients are paramount to the accomplishment of the objectives of the programme. As part of these arrangements, Sub-recipients are required to submit to the Principal Recipient quarterly reports no later than 30 days after the end of each quarter. Additionally, annual reports, which include financial and programmatic information, are also required to be submitted.

In its audit reports, OAI noted weaknesses in Sub-recipient reporting in at least six countries (DRC, El Salvador, Haiti, Iraq, PAPP, and Sao Tome and Principe). In particular, OAI noted: (a) delays in the submission of quarterly Sub-recipient reports; (b) submission of incomplete Sub-recipient reports; (c) non-submission of annual reports; and (d) inadequate documentation in support of expenditures reported by the Sub-recipients.

Weak capacity of Sub-recipients in preparing timely and complete quarterly reports made it challenging for UNDP country offices to consolidate the information required and to submit their Progress Update and Disbursement Requests to the Global Fund on time.

Inadequate guidance or supervision of Sub-recipients at the country office level was the main cause of the weaknesses noted. OAI has recommended that country offices strengthen the reporting capacity of their Sub-recipients to ensure they submit proper reports in a timely manner.

3. Procurement and supply management

Issue 3 Weakness in the quality assurance process

Global Fund policies require that Principal Recipients obtain and test random samples of finished pharmaceutical products at different points in the supply chain from receipt in-country, to delivery of the finished pharmaceutical products to end users/patients. Such samples must be tested for compliance with applicable quality standards by a laboratory pre-qualified by WHO or accredited in accordance with the International Organization for Standardization Standard 17205: calibration and testing laboratories, or by a laboratory contracted by the Global Fund.

OAI noted weaknesses in the quality assurance process in at least three countries (Iraq, Sao Tome and Principe, and Sudan). In particular, OAI noted that finished pharmaceutical products were not tested by a prequalified or accredited laboratory and that quality control checks were not performed throughout the entire distribution chain.

Failing to test finished pharmaceutical products at different points in the supply chain by a pre-qualified or accredited laboratory may lead to the delivery of substandard finished pharmaceutical products to end users/patients, putting their lives and the reputation of UNDP at risk. Inadequate in-country health facilities combined with the lack of clear guidance on quality assurance requirements from the Bureau of Management's Procurement Support Office, Special Advisory Team, had been the main contributing factor. OAI has recommended that country offices, with the support of the Bureau of Management's Procurement Support Office, Special Advisory Team, and the UNDP Global Fund Partnership Team, implement an adequate quality assurance plan for the testing of finished pharmaceutical products.

Issue 4 Poor stock management

The UNDP Operations Manual for Projects Financed by the Global Fund, issued in June 2011, states that

before medical products are procured, the Principal Recipient must verify that storage space for the products is adequate with respect to volume as well as quality of space (clean, dry, not subject to excessive heat or light, cold chain areas available if needed, all storage areas free of rodents, and secure facilities). Storage areas should be assessed using WHO Good Storage Guidelines for Medical Supplies or Joint Agency Guidelines for the Storage of Essential Medicines and Other Health Commodities.

In its reports, OAI noted inadequate storage conditions for health products kept in main warehouses and service delivery locations in at least five instances (Belize, Haiti, Sao Tome and Principe, Sudan, and Zambia). The warehouses were managed by government entities. In particular, the reported weaknesses included: (a) the lack of a floor plan and shelving to adequately store the medical supplies; (b) poor or inaccurate record keeping; (c) warehouse conditions for storing temperature sensitive health products were inadequate and not in line with WHO guidelines on temperature requirements; (d) expired products that had not been disposed of; (e) stock-outs; and (f) Global Fund items were not segregated from other items not belonging to the Global Fund. Inadequate stock management may result in the misappropriation, loss, inadequate supply, and deterioration of health products, and reduce the availability of treatments available to patients, thereby negatively affecting the grant implementation and outcomes.

Weak capacity of the Sub-recipient in terms of space and staffing was the main cause of the weaknesses noted. In another instance, the country office could not exercise proper oversight as it was denied access to the warehouse. OAI has recommended that country offices: strengthen the supply management of health products, including ensuring proper storage conditions; develop adequate floor plans; improve stock management to avoid stock-outs and; improve record keeping.

4. Finance

Issue 5 Inaccurate recording of advances

According to UNDP accounting procedures, UNDP country offices are required to record disbursements provided to Sub-recipients that are non-governmental/private organizations as advances in the general ledger accounts in Atlas. Offices are also required to liquidate the advances, and record the appropriate expenditures per the detail provided by the Sub-recipient in Atlas prior to providing the next advance.

In its audit reports, OAI noted at least three cases (Maldives, PAPP and Sudan) where the country offices had at the time of disbursing the advances to the Sub-recipients, recorded the funds as expenditures, rather than as un-liquidated advances. As a consequence, it was not possible to reconcile the disbursement data in Atlas with the disbursement data reported to the Global Fund without manually disaggregating and analysing the disbursement data outside of Atlas.

The same issue was observed in the previous year's audit reports and was noted to be due to conflicting advice by the Bureau for Development Policy on the accounting of Sub-recipient advances. Following the OAI recommendation, the Bureau for Development Policy had changed and clarified the procedures on the accounting for non-governmental Sub-recipient advances and expenditures in accordance with UNDP policies and procedures. Therefore, this issue is not expected to occur as often in the future.

OAI has recommended that country offices record cash advances made for the implementation of Sub-recipient activities as advances and record expenditures only when funds have been properly and fully accounted for.

Issue 6 Delayed/inaccurate reporting to the Global Fund

The Global Fund agreements require the Principal Recipient to submit Progress Update and Disbursement Reports on a quarterly or bi-annual basis; the reports are due within 45 days after the period ends. These reports are then reviewed by the Local Fund Agent before they are finalized and the disbursements for the

following period are released.

OAI noted instances of late submission by UNDP as Principal Recipient of the Progress Update and Disbursement Reports to the Local Fund Agent, with some cases showing a submission delay of up to a year (Angola and Sao Tome). There were also delays between the first submission of the Progress Update and Disbursement Reports and its finalization by the Local Fund Agent. The poor quality of reports also resulted in numerous adjustments, further delaying the finalization of the reports (Maldives).

Reporting deficiencies and inaccuracies, delayed submissions and untimely reviews of the Progress Update and Disbursement Reports, which then require various iterations with the Local Fund Agent and the Global Fund, result in delays in the disbursement of funds to UNDP, thereby negatively impacting project implementation. OAI has recommended that country offices ensure the required Progress Update and Disbursement Reports are accurate, reviewed for quality and submitted to the Local Fund Agent in a timely manner. In a few cases OAI also recommended that country offices strengthen the financial management skills set to allow better quality reporting in some cases

5. Audit of the Global Procurement Unit

Issue 7 Global Procurement Unit's inability to function as a key partner to country offices

The goal of the Global Procurement Unit is to provide continuous assistance to country offices through on-site training, advice and support on procurement planning and processing. There were a number of challenges which prevented the Global Procurement Unit from meeting its goals. For example, OAI noted that the Global Procurement Unit had not yet positioned itself as a key partner to country offices. Rather, the Global Procurement Unit was often perceived as the supplier of last resort. Country offices often contacted the Global Procurement Unit only after they had run into issues while conducting their own procurement process, which in at least one case, resulted in compromising the quality of the services rendered in order to meet the country office's tight delivery deadlines. The Global Procurement Unit's inability to position itself as a key partner of country offices limits the Unit's ability to proactively engage in difficult procurement transactions and may affect the overall efficiency and value-for-money of procurements.

The Procurement Support Office charged a percentage cost recovery fee to country offices for the procurement of Global Fund related items but was not able to explain how the percentage was derived. While cost recovery for services provided is a generally accepted practice, the basis for such cost recovery must be transparent. Unclear cost recovery in addition to the 7 percent general management support fees might be questioned by country offices and donors if not properly supported.

OAI has recommended that, in order to improve its strategic positioning with country offices, the Procurement Support Office develop and circulate operating procedures for the Global Procurement Unit, highlighting the timeline required for different lines of products to be procured for country offices. Further, OAI has recommended that the Procurement Support Office document the basis for the cost recovery fees charged for the services provided by its Global Procurement Unit's Health Procurement Team and demonstrate their reasonableness.

Issue 8 Inadequate procurement planning

Efficient planning is one of the most critical components of successful procurement. OAI noted that the Global Fund related procurement actions at the Procurement Support Office level were triggered mainly by the requests made by country offices. These requests often came in very late and the Global Procurement Unit staff experienced situations where requests had to be refused in certain instances due to insufficient lead time for processing and due to insufficient staff resources for supporting rushed orders. This approach did not allow for effective planning of the Procurement Support Office's resources. OAI noted inadequate coordination among the country offices, the Special Advisory Team, Bureau for Development Policy/HIV Group and the Global Procurement Unit, as well as the lack of proactive identification of needs by the stakeholders involved.

Inadequate planning and tools prevent effective and efficient procurement activities and may result in the Procurement Support Office not procuring at best value-for-money. OAI has recommended that the Procurement Support Office, in consultation with the Office of Information Systems and Technology, develop and implement an online procurement planning tool that supports country offices in their Global Fund related procurement. The tool should be available to country offices and accessible by the Global Procurement Unit for forecasting purposes, thus improving the ability to distribute the forecasted procurements to the Unit's buyers to enable efficient handling of procurement actions.

Annex 1: Summary of audit ratings

Audit sections/Audit reports	Sudan Report # 847	Palestine Report # 849	Maldives Report # 867	DRC Report # 868	Angola Report # 872	Bolivia Report # 901	El Salvador Report # 902	Iraq Report # 971	Belize Report # 972	Palestine Report # 975	Sao Tome & Principe Report # 964	Zambia Report # 966	Haiti Report # 1035	Belarus Report # 1045
Overall rating	PS	PS	PS	PS	PS	PS	S	PS	PS	PS	PS	S	PS	S
Governance and strategic management	S	S	S	PS	S	PS	S	S	S	S	S	S	S	S
Organizational structure	S	S	S	N/A	S	S	S	S	S	S	S	S	S	S
Staffing			S	S	S	S		S	S	S	S	S	S	S
Support by the GF Team	S	S												
Cooperation and coordination with CCM	S	S	S	S	S	U	S	S	S	S	S	S	S	S
Capacity building and exit strategy	S	S	S	PS	S	S	S	N/A	N/A	S	PS	S	S	N/A
Programme management	S	PS	PS	PS	PS	S	S	PS	S	PS	PS	S	S	S
Project approval and implementation	PS	S	PS	PS	N/A	S	S	PS	S	PS	PS	S	S	S
Project implementation	S													
Conditions precedent and Special Conditions	S	N/A	S	S	S	S	S	S	S	N/A	PS	S	S	S
Monitoring and Evaluation	S	PS	PS	U	S	S	S	S	S	S	S	S	PS	S
Grant closure			N/A		PS	S	S	N/A	N/A	N/A	S	S	N/A	N/A
Sub-recipient management						S	PS	PS	S	PS	PS	S	PS	S
Selection, assessment and contracting						S	S	S	S	S	S	S	S	S
Funding						S	S	S	S	S	S	S	S	S
Reporting						S	PS	PS	S	PS	PS	S	S	S
Oversight and monitoring						S	PS	PS	PS	PS	PS	S	PS	S
Audit	N/A	S	N/A	U	N/A	S	S	PS	N/A	PS	S	S	N/A	S
Relationship SR/SSRs	S	PS	S	PS	PS									
Procurement and supply management	PS	PS	S	PS	S	PS	S	S	U	S	PS	PS	S	S
Procurement of health products	PS	PS	S	PS	S	PS	S	S	U	PS	S	S	S	PS
Quality assurance of health products								PS	S	S	U	S	S	S
Procurement - other	PS	S	S	S	S	S	S	S	U	S	S	PS	S	S
Individual contracts	S	S	S	N/A	S	PS	S	S	S	N/A	S	S	S	S
Supply management	PS	S	N/A	PS	S	S	S	S	PS	S	PS	PS	PS	S
Asset management	PS	PS	S	S	PS	S	S	S	S	S	S	PS	S	S
Finance	PS	PS	U	U	PS	S	S	S	S	S	PS	S	S	S
Revenue and Accounts Receivables						S	S	N/A	S	N/A	PS	S	S	S
Expenditure	S	PS	PS	PS	S	S	S	S	S	S	S	S	S	S
Accounting for advances	PS	PS	PS	U	S									
Reporting	PS	S	U	N/A	PS	S	S	S	S	S	PS	S	S	S
Human Resources	PS													

Note: During the period covered by this consolidated report, the grouping of the activities changed in order to place greater focus on activities relevant to programme delivery, expanding the Sub-recipient management section, incorporating capacity building and Human Resources, into governance and strategic management and distinguishing procurement of health products and quality control.