

MINUTES OF JOINT MEETING OF OVERSIGHT COMMITTEE AND RESOURCE MOBILIZATION COMMITTEE

1. INPUT FIELDS INDICATED BY YELLOW BOXES

MEETING DETAILS		(Place "x" in the Relevant Box)			
LOCATION/VENUE	1 ST Floor CCM Secretariat Meeting Room				
MEETING NUMBER	01	TOTAL NUMBER OF PARTICIPANTS/ (INCLUDING ALTERNATIVES & CCM SECRETARIAT STAFF)	OC MEMBERS		6
DATE (dd.mm.yy)	30 Aug 2022		RMC MEMBERS		1
MEETING SCHEDULE START	01:30		CCM SECRETARIAT STAFFS		4
MEETING ACTUAL STARTED	01:30		OTHERS		20
MEETING ACTUAL ENDED	04:30		TOTAL		31
DETAILS OF PERSON WHO CHAIRED THE MEETING			MEETING TYPE		
HIS / HER NAME & ORGANIZATION	First Name	Dr. Bouakhan			
	Family Name	Phakhounthong		Regular Meeting	X
	Position/Title	OC Member		Extra-ordinary Meeting	
	Organization	Ministry of Health		Other Meeting	
HIS / HER ROLE ON THE MEETING	Chair	X	GLOBAL FUND SECRETARIAT / LFA ATTENDANCE AT THE MEETING	LFA	
	Vice-Chair			FPM / PO	X
	OC Member			OTHERS	X
	Alternate			NONE	

2. AGENDA OF THE MEETING

AGENDA SUMMARY		
AGENDA ITEM No.	WRITE THE AGENDA TITLE OF EACH AGENDA ITEM/TOPIC	Responsible Person
Agenda Item #1	Overview of Risk Management	Mr. Graham D. Smith (GF TA), All participants
Agenda Item #2	Update on CMPE audit findings and the impact on future disbursement	PR UNOPS/CMPE
	Technical Assistance to support the national ATM programs;	CCM Sec, OC, RMC All participants
Agenda Item #3	AOB and close the meeting	Chair

3. MINUTES OF EACH AGENDA ITEM

Agenda Item #1	Overview of Risk Management
SUMMARY OF PRESENTATIONS AND ISSUES DISCUSSED	
<p>The chair opened the meeting and welcomed all participants. The meeting agenda was presented for comments.</p> <p>GF TA has presented on overview of risk management as below:</p>	

An Overview of Risk Management

What is Risk?

- “A risk is something **uncertain** – it might happen or it might not. ...[It] matters because, if it happens, it will have an effect on **objectives.**”
- Institute of Risk Management

Key Characteristics of Risk

- It lies in the uncertain future
- It is dynamic (changes over time)
- It is relative (to a point of view, to a point in time, and to your grant objectives.)

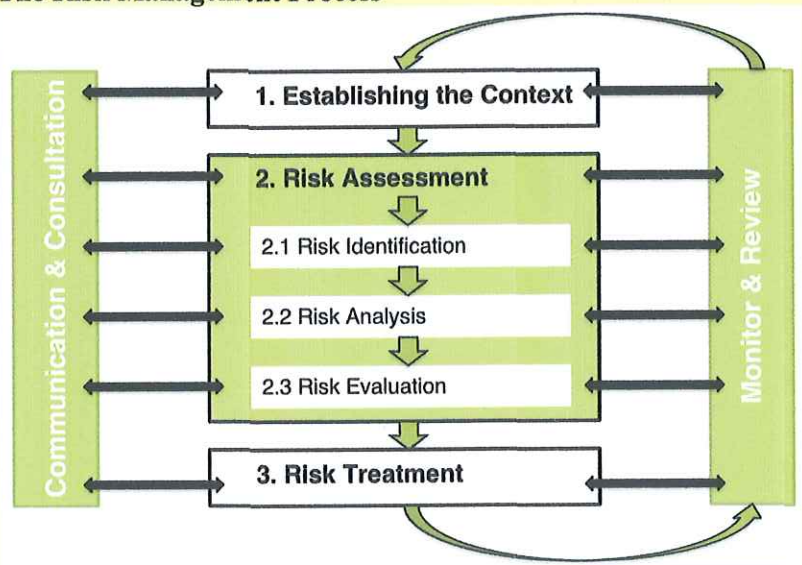
What is Risk Management?

- “Any activity taken to identify and then **control the level of risk** which **objectives** face”
- Institute of Risk Management

Why Manage Risk?

- To increase your chances of achieving your grant objectives
- To protect your grant funds and assets
- To reduce the chances of unpleasant and costly surprises
- To improve organizational readiness
- To improve stakeholder confidence in your management capacity

The Risk Management Process



1. Establishing the Context

This involves reviewing:

- Your grant objectives
- Historical grant performance
- Any OIG/LFA reports
- Any PR/SR/SSR capacity/performance assessments
- Your grant implementation map (look for potential stress points/bottlenecks)

2. Risk Assessment

- 2.1 Risk Identification
- 2.2 Risk Analysis
- 2.3 Risk Evaluation

2.1 Risk Identification

Sample Risk Statements:

- “Poor quality storage facilities, which *may* render test kits ineffective causing us to miss testing targets”
- “Historic high staff turnover, which *could* cause failure to reach output targets and loss of technical capacity”

- “Highly discriminatory operating environment, which *has the potential* to result in underutilization of services by marginalized populations”

2.2 Risk Analysis

Likelihood + Severity

This involves 2 questions for each risk identified:

- What is the chance (likelihood) that this risk will occur in the next 12 months?

Highly Unlikely – Unlikely – Likely - Highly Likely

- If it does occur, how severe will its impact on our grant objectives be?

Minor – Moderate – Major – Critical

- **Risk Evaluation**

Risk Levels		Severity			
		Minor	Moderate	Major	Critical
Likelihood	Highly Unlikely	Low	Low	Medium	Medium
	Unlikely	Low	Medium	High	High
	Likely	Medium	High	High	Very High
	Highly Likely	Medium	High	Very High	Very High

Risk Ratings

- A risk rating is a guide to action: the higher the risk level the more urgent the need to treat the risk;
- Rating risks enables you to be strategic about which ones to invest in addressing;
- Risk ratings vary over time – you need to reassess risks annually.

Exercise 1: Rating the Risks already Identified for the HANSA Grant

Key Risks to HANSA Grant

Key Risks to HANSA Grant (from Funding Request)	
Decentralization Risk:	The risk of reduced focus and support for TB/HIV programs as management responsibility shifts from central down to provincial/district level
Co-Financing Risk:	The risk of delays in realization of domestic funding commitments particularly in relation to procurement
CSO Engagement Risk:	The risk of limited CSO resourcing and engagement

Risk1: Evaluate this Risk

Decentralization Risk: The risk of reduced focus and support for TB/HIV programs as management responsibility shifts from central down to provincial/district level

- How likely is it that this risk will actualise?
- If this risk actualizes, how severe will its impact be?

Risk Levels		Severity			
		Minor	Moderate	Major	Critical
Likelihood	Highly Unlikely	Low	Low	Medium	Medium
	Unlikely	Low	Medium	High	High
	Likely	Medium	High	High	Very High
	Highly Likely	Medium	High	Very High	Very High

Risk2: Evaluate this Risk

Co-Financing Risk: The risk of delays in realization of domestic funding commitments particularly in relation to procurement

- How likely is it that this risk will actualise?
- If this risk actualizes, how severe will its impact be?

Risk Levels		Severity			
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Risk3: Evaluate this Risk

CSO Engagement Risk: The risk of limited CSO resourcing and engagement

- How likely is it that this risk will actualise?
- If this risk actualizes, how severe will its impact be?

Risk Levels		Severity			
		Minor	Moderate	Major	Critical
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Risk Rating Results

Risk	Severity	Likelihood	Risk Level
Decentralization Risk TB and HIV programme receive less focus and specific support at central level while decentralization process and provincial/district management capacity takes time to hand over ownership and responsibilities for addressing the two epidemics.			
Co-Financing Risk Domestic funding delay of procurement by domestic co-financing			
CSO Engagement Risk Limited/delayed access to funding and involvement of CSOs to implement community-based TB and HIV activities			

3. Treating Risks

3 Ways of Reacting to Risk

- AVOID: Stop doing the thing that gives rise to the risk
- IGNORE: Carry on doing the thing that gives rise to the risk, regardless:
- REDUCE: Plan and implement actions that reduce the risk (*mitigate.*)

Treatment Approaches

- Focus on **addressing the contributing factors** that give rise to the risk
- Treatment actions can reduce **chance (likelihood) and/or severity** of impact: even if you can't control likelihood, you can still reduce potential impact
- Common treatment approaches involve **capacity building and/or systems strengthening**

**Planned Mitigations for HANSA Grant Key Risks
(from Funding Request)**

Risks	Proposed Mitigations
Decentralization Risk (Less focus and support for TB/HIV)	<ol style="list-style-type: none"> 1. Indicators related to GF investment in TB/HIV have been developed with annual targets. 2. Progressive shift of share of DLI Funding Value over time. (National level share ↓, provincial and district share ↑)
Co-Financing Risk (Domestic procurement delays)	<ol style="list-style-type: none"> 1. Procurement of essential tests/drugs of TB/HIV supported by GF budget during 1st year. Then progressively handed over to GoL. 2. Training by WB of the DPC procurement unit, procurement planning and monitoring, transparency and publication, staff DOI, check of specifications including value for money, careful planning of consultants' recruitment.
CSO Engagement Risk (Ltd access to funds/ ltd involvement)	Setting up of a mechanism for subcontracting CSOs by MoH DPC is a prerequisite for the first-year advance funding of DLI funds in both DLI J for TB and DLI K for HIV

2 Key Questions for Monitoring Mitigations

- **Did it happen? (Was the mitigation implemented as planned?)**
- **Did it work? (Did it reduce the risk?)**
 - **Reducing Risk =**
 - Reducing likelihood
 - Reducing severity of (potential) impact
 - Reducing both likelihood and severity

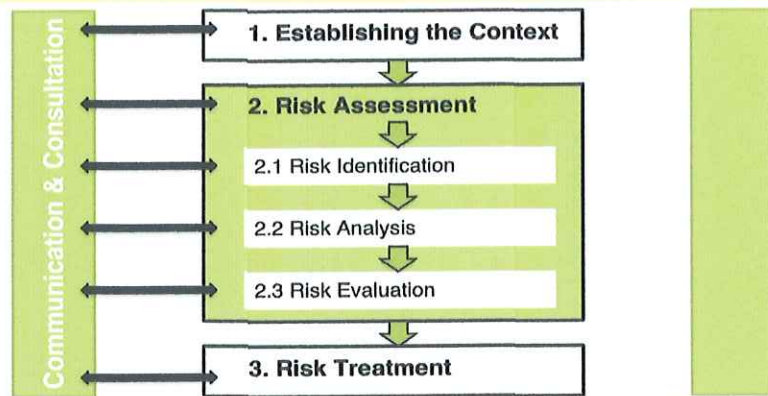
**Exercise 2: Monitoring the Mitigations already Planned to Manage Key Grant Risks
Mitigation Implementation Monitoring**

Mitigations	Mitigation Status	Mitigation Result
Develop specific indicators related to GF investment in TB and HIV with defined targets per year: (DLI J for TB notification and GeneXpert coverage for each province and DLI K for HIV for coverage of key populations).		
Progressively shift share of DLI funding value from NTC to PHD and DHO in accordance with HANSA DLI verification protocol		
Procurement of essential tests and drugs of TB and HIV to be supported by GF procurement budget during the first year (including 6 months buffer) until mid-2022 and then progressively handed over to GoL to give more time to secure the domestic funding.		
Training by WB of the DPC (MoH) procurement unit, procurement planning and monitoring, transparency and publication, staff DOI, check of specifications including value for money, careful planning of consultants' recruitment.		
Set up a mechanism for CSO subcontracting by MoH DPC (a prerequisite for the provision of the first-year advance funding of DLI funds in both DLI J for TB and DLI K for HIV)		

Treatment Impact

Risk Levels		Severity			
		Minor	Moderate	Major	Critical
Likelihood	Highly Unlikely	Low	Low	Medium	Medium
	Unlikely	Low	Medium	High	High
	Likely	Medium	High	High	Very High
	Highly Likely	Medium	High	Very High	Very High

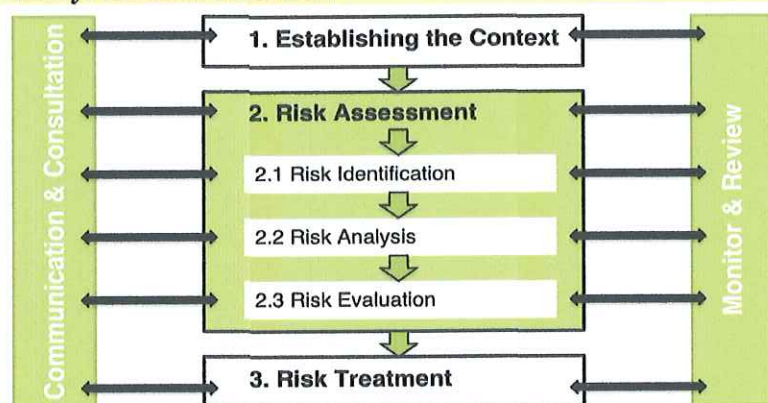
Communication & Consultation



Throughout the Risk Management Cycle

- Actively involve different departments in risk identification and assessment
 - A richer perspective on risk
 - A stronger chance of buy-in
- Involve a broad range of stakeholders for a more balanced assessment: CCM, PR, SR, Govt, CSO, service beneficiaries and target populations
- Share the mitigation plan appropriately
- Update key stakeholders about actions taken and the results

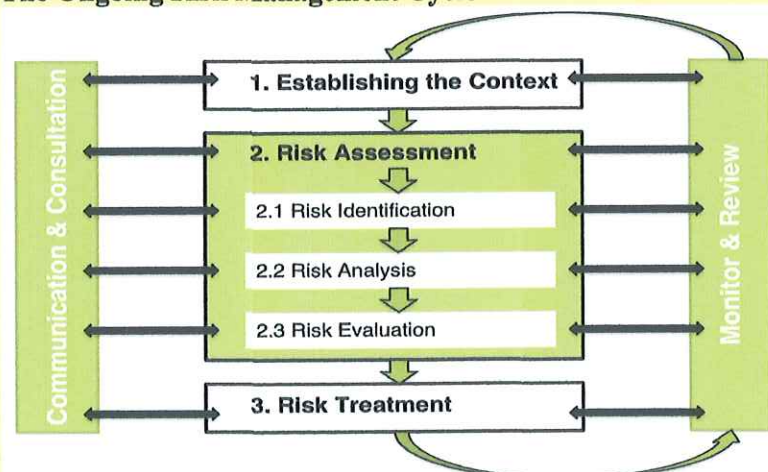
Finally: Monitor & Review



What to Monitor

- Change in risk likelihood or severity of impact? New risks?
- Implementation of mitigation plans – are things going as planned?
- Impact of mitigation actions – did they reduce the risk as expected?
- The operating environment – any critical developments?
- Lessons learned should inform next risk assessment cycle

The Ongoing Risk Management Cycle



Summary: 3 Key Risk Management Tasks for Oversight

1. Monitoring Risks

- Have they actualised/happened?
- (If not) Has the risk level changed (likelihood and/or severity)? – *Annual Assessment*

2. Monitoring Mitigations

- Have they been implemented? (*Checked regularly in Oversight Committee Meetings*)
- (If yes) Did they reduce the risk level (likelihood and/or severity)

3. Agreeing New Mitigations

- (If the risk level has increased) What additional mitigations will be implemented?
- (If no change in risk level after mitigation implementation) What additional mitigations will be implemented?

Two Tools to Support Risk Management in Oversight

- Co-financing commitment tracker
 - Tracks annual domestic budget approvals and expenditure against annual co-financing commitments for HIV and TB
- HANSA grant risk and mitigation tracker
 - Logs risk rating for each of the three HANSA grant risks and tracks progress and impact of mitigations
 - User selects Severity and Impact levels for each risk – risk rating is automatic based on selection
 - Allows addition of new mitigations

Key discussion points and comments from the meeting

- CCM Secretariat is requested to brief more clarification on definition and background of three risks: decentralization risk, Co-financing risk, and CSO Engagement risk before rating the risks evaluation.
- The participants had a long discussion on this subject but it was difficult in rating by showing hand. Therefore, the meeting agreed to give more time to the participants for rating individually by marking the risk evaluation forms and submitted to the CCM Secretariat during the meeting or by Whatsapp or Email within one week after the meeting. In the meantime, almost all of the participants who attended the meeting on site have submitted the completed forms to CCM Secretariat and the evaluation results has been summarised as below:
 - Decentralization Risk is likely and major affect;
 - Co-financing Risk is highly likely and critical affect;
 - CSO Engagement Risk is unlikely and moderate affect.
- Regarding the Co-Financing Update. After participants listening to CCM Secretariat's presentation on the co-financing updated status, some comments from the meeting are summarized as below:
 - It would be helpful if the tentative timeline is included in the spending funding plan and it might change based on funding availability;
 - CCM Secretariat and concerned committees to have more active roles in following up and tracking the commitment of the health products that the government has agreed to finance for three programs;
 - It is critical for government to continue financing the health products based on the amounts that have been agreed with the GF to ensure there is sufficient funding to cover all of the procurement needs for life saving treatment. This is also the GF requirement for the Government commitment in order to access to full amount of funding from the GF of \$15.5 million allocations to Lao PDR and will not affect to the next 3 years funding circle request;
 - The national programs are suggested to discuss and revise the plan if there is any additional request with the higher-ranking level of the Ministry and CCM. In addition, the national programs should discuss with MOH and MOF on the foreign exchange fluctuation particularly depreciation of Kip and the strategy to manage foreign exchange fluctuation in the country. CCM Secretariat is suggested to follow up the discussions and commitment that were made during the HANSA joint mission in June. In this regard, NTC and CHAS have submitted the proposal for co-financing to DPC-MOH and will be updated the progress to the GF later;
 - Representative from UNOPS has noted that:
 - Refer to the procurement regulation of Ministry of Finance, all procurements have to proceed domestically. Due to this leads to much higher unit cost of RDT, UNOPS proposed to procure internationally in order to save the money of 20% compares to domestic procurement;
 - High absorption rate of the grant after reprogramming and there is no saving;

SUMMARY OF PRESENTATIONS AND ISSUES DISCUSSED

Malaria Program

The meeting has welcome Ms. Farah Sayegh, the new Programme Coordinator for UNOPS PR in Lao PDR. UNOPS team has updated on the results of CMPE audit and the impact on future disbursement as below:

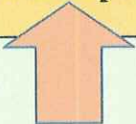
BDO Audit Key Findings: Annual Audit of CMPE (SR)

Audit Period		2021	
No	Functional Area	Audit Finding Title	Priority Rating
1	Finance	Expenditure not fully recorded	Low
2	Finance	Excessive cash payments	High
3	Finance / Management	Delay in cash advance settlement	Medium
4	Finance	Incomplete supporting documents	Medium
5	Procurement	Weakness in procurement procedures	Medium

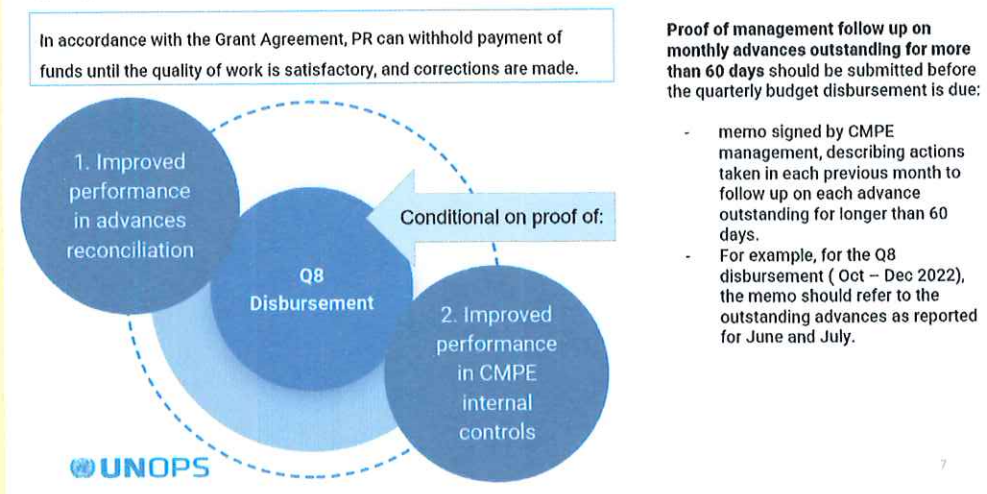
Audit Finding 2:	Excessive Cash Payments	High
Observation	Some expenditures were paid in cash during training events, where it exceeded the petty cash threshold . Meeting room for the events were paid in cash.	
Impact	Risk of misappropriation of the project funds	
Recommendation	<ol style="list-style-type: none"> 1. Ensure compliance with its internal policies and procedures; 2. Minimize cash payments; 3. Review the cash payment limit included in the cash policy on a regular basis; 4. Explore the banking options available & appropriate for the needs of the organization and project implementation. 	
CMPE Response	<ul style="list-style-type: none"> ● Incompliance due to absence of bank accounts on provincial side; ● The regulation has been developed in 2019 and applied in 2021; ● Payments correspond to service cost of government training facilities; ● In Sep 2021, CMPE has officially notified all provinces to provide bank accounts of provinces and districts, to fully apply cash transfers to the facilities. ● In exceptional cases, where the bank accounts are not available, the justification should be documented. 	
PR Response	<ul style="list-style-type: none"> ● PR disagrees with CMPE's response and we agree with the audit findings, where the risk associated is high; ● The financial guidelines are in place since 2019 and not 2021. ● Trainings have been organized for the central staff in 2019, and early 2020 and with Provincial Staff in March 2020. ● In 2021, the PR followed up with additional communication, re-stating that payments in cash are not allowed. ● PR discussed repeatedly with CMPE and DCDC in 2021, that "CMPE to conduct a survey of the bank accounts available in the DHOs and provide a list of DHOs which do not have bank accounts". The DHO must describe the alternative controls (e.g. Treasury function). The information must be certified by DHO and PHO, consolidated at Province Level (never delivered). 	

Audit Finding 3:	Delay in cash advance settlement	Medium
Observation	Several advances were not settled within the required timetable. No documentation to show justification for the delay in the liquidation of the advances.	
Impact	<ul style="list-style-type: none"> ● Increase the likelihood that expenditure may not be reported in the correct period or that relevant supporting documents may not be present. ● Delayed liquidation may affect project implementation. ● Provision of additional advances without liquidating the initial advance increases the risk of the commingling of funds. 	
Recommendation	<ol style="list-style-type: none"> 1. Monitor advances closely; 2. Proactively follow-up on outstanding advances; 3. Justify the delay (officers), to be reviewed and approved by the immediate supervisor before the cash advance is cleared. 	

Audit Finding 3: Delay in cash advance settlement

CMPE Response	<ul style="list-style-type: none"> ● Delay was due to review of supporting documents by provincial finance officer, where some documents needed to be justified ● COVID 19 Lock down put significant delay for the advance settlement.
 PR Response	<ul style="list-style-type: none"> ● Delay in cash advance settlement have been a repetitive finding in all of the PR's supportive supervisions since 2018, with no improvement on CMPE's side. ● CMPE staff is trained, and PR has provided tools to track advances. ● PR has been advising repeatedly that the outstanding advances should be followed up with provinces on monthly basis, with management involvement and actions taken on outstanding > 60 days. ● In July, outstanding advances by CMPE Central (Vientiane) staff: 1,15 billion KIP > 90 days and 1.1 billion KIP > 60 days.

Impact on Future Disbursements




Key discussion points and comments from the meeting

- The same issues from the audit have been found for over 10 years such as incomplete supporting documents or ineligible payment. These are remained concerns of the national programs especially the financial management;
- In this regard, the representative of UNOPS has noted that these issues will affect the grant making for the next funding request. According to past experience of working together for many years, it is a long-term issue which occurs from the central to local levels. Therefore, UNOPS is planning to strengthen the capacity of CMPE financial staffs from central to local levels for improving their working performance and to enhance their responsibility in accordance with SOP and financial guidelines. CMPE has been recommended to conduct the actual site visit instead of reporting by the local level.

Agenda Item #3	Technical Assistance to support the national ATM programs
SUMMARY OF PRESENTATIONS AND ISSUES DISCUSSED	
<p>The CCM Secretariat presented the summary table of TA mapping on coordination and workstreams of the different TAs to support the process of preparation for the next GF funding request for the year 2024-2026, including HANSA Evaluation.</p> <p>Some key discussion points and comments from the meeting</p> <ul style="list-style-type: none"> The CCM Secretariat has been suggested to modify some of the table titles then circulate to all relevant partners to review and add more specific information in three columns such as budget allocation, contract date and duration, and scope of work and send it back to CCM Secretariat. 	

Agenda Item #	AOB
SUMMARY OF PRESENTATIONS AND ISSUES DISCUSSED	
<p>Evaluating the impact of the Global Fund Investments through HANSA program in Lao PDR Mr. Alan Cairns, from the HANSA Evaluation Team presented on the evaluation exercise as below:</p> <p>Objective: The evaluation seeks to answer three key research question related to GFATM investment</p> <ol style="list-style-type: none"> 1. Programmatic impact of HANSA on the TB and HIV programs and on the quality of health services; 2. Impact on wider MOH governance and objectives / system resilience Covid 19; 3. Assessing the sustainability of funding and the programs. <p>Coordination: Minimise disruption / maximize share learning</p> <ol style="list-style-type: none"> 1. DLI learning exercise (coordination by WB); 2. Community Consultation Exercise <p>Timing:</p> <ul style="list-style-type: none"> 19-30 Sept 2022: Inception report and consultations <u>first</u> mission in-country; 24 Oct 2022: Share initial and preliminary observations with stakeholders; Nov 2022: Second mission in-country, participate in MTR (early Nov) – discuss preliminary findings; Dec 2022-Jan 2023: Complete evaluation, disseminate final evaluation report. <p>key discussion points and comments from the meeting</p> <ul style="list-style-type: none"> Participants did not have any more comment for this item. <p>DLI Learning: The representative from WB did not present this item.</p> <p>Community Consultation:</p> <p>After the participants listening to the presentation on the community consultation from the GF FPM, some key discussion points and comments from the meeting are summarized as below:</p> <ul style="list-style-type: none"> According to the requirement of the GF, in preparation of the new GF funding request for TB and HIV components in March next year, the CCM is required to include the feedback and inputs from the community, key populations and the community groups; However, the budget receiving under HANSA has included CSO budget. Their experiences in giving services and how to improve their services can take into account and design the implementation of next GF grants for 2024-2026 periods as GF has some fundings from Community Right Gender department; The Community Right Gender (CRG) department has mobilized a consultant to support the CSOs in the country in consultation process on the key lessons learnt, achievements, bottlenecks of the community in terms of TB and HIV services and make the recommendations for improving service quality in the future. The consultant has been identified and TOR has been circulated to the partners and national programs for their inputs. The final draft of the consultation report should be shared prior to HANSA Mid-term Review in November in order to have further discussion among the concerned partners during the HANSA Mid-term review and DLI Learning exercises. 	

4. MINUTES PREPARED BY:

TYPE/PRINT NAME	Mr. Budhsalee Rattana	DATE:	12 September 2022
FUNTION/ POSITION	Coordinator and Finance Officer CCM Secretariat	SIGNATURE	

5. MINUTES APPROVED BY:

TYPE/PRINT NAME	Dr. Bouakhan Phakhounthong	DATE:	
FUNTION/ POSITION	OC Meeting Chair	SIGNATURE	