

3.2 Key implementation risks

Using the table below, outline key risks foreseen, including those that were provided in the *Key Program Risks* table shared by the Global Fund during the Country Dialogue process. You can also add key operational and implementation risks, which you identified as outstanding from the previous implementation period, and the specific mitigation measures planned to address each of these challenges/risks to ensure effective program performance in the given context.

Risk Category	Key Risk	Mitigating actions	Timeline
Governance	Weak PR to SR oversight and management. Both PRs do not seem to monitor SRs or implementers consistently and effectively as experienced by the 2 SR related fraud cases that occurred in 2017.	Put in place an MoU with clear definition and follow through of SMART oversight and management TORs and work plans by PRs for each SR or implementer. These will cover all management areas including financial, governance, procurement and programmatic performance, and happen on a monthly basis at the very least. 2. Clear escalation of challenges and non-compliance with defined timelines to the SR/ Implementer leadership and the Global Fund Country Team should no action be taken. The escalation and recommendations will be SMART. 3. Periodic team building exercises to improve cohesion between the PRs and SRs	30 November 2017
Governance	Weak CCM oversight. The CCM does not seem to follow up with PRs consistently on all matters concerning the grants.	1. Clear definition and follow through of SMART oversight TORs and work plans by the CCM. These will focus on financial performance, governance, procurement and programmatic performance. 2. Clear escalation of challenges and non-compliance with defined timelines to the SR/ Implementer leadership and the GF Country Team should no action be taken. The escalation and recommendations will be SMART.	TBD during grant-making
Governance	SR Capacity work plans not routinely followed by PR. As part of PR's responsibilities SR institutional capacity plans covering M&E, finance and organization development of each SR need to be followed strictly.	Continuous monitoring of SR work plans. At least Quarterly Regular review meetings will be used for capacity strengthening as well as grant programs review.	Review meetings already happening but will be strengthened.
Governance	Mistrust and strained relationships noted between and NERCHA and some programs (esp. NTCP)	PR to have regular meetings with the programs and encourage transparency amongst grant practices. The PR and key program representatives to go for team building activities to try and create more cohesion.	Already Ongoing
Financial Management	Financial Controls for per diem payments. After the payment of allowances from the mobile money account, there is no thorough review of the payments made against the initial payment requisition, to ensure that payments were made to legitimate people, i.e. participants. As such, a risk of fraud and mismanagement of funds exists, as the paying officer could manipulate the list (especially with regards to payments that initially failed to go through).	The PR will strengthen their tracking and review of mobile money account. Reconciliation will be done and reviewed by the Finance Manager on a monthly basis. This tracking will be end-to-end and a mechanism to ensure the final recipients have received their money will be put in place.	Already Ongoing
Financial Management	Weak asset management controls. Several assets were procured using GF grant funds, however the controls in place to safe guard the assets have weakness and are prone to mismanagement.	Measures will be put in place to ensure that the grants have robust security measures in place so that the assets are properly handled and must last the full 3 years (at the minimum) in order to achieve grant objectives.	30 November 2017
Financial Management	Cash risk areas prone to fraud and abuse for all programs/SRs. A significant proportion of CANGOs budget relates to training, fuel expenses, transport allowances, stipend payments. All items are prone to fraud and abuse.	Monthly review and verification of all transactions. Periodic internal audit function to verify activities, review system compliance and controls.	TBD during grant-making
Financial Management	Submission of Externally Audited Financial Statement is delayed. The completion of and signing of audited financial statements by PR governing structures is delayed.	PRs will seek to close their books ahead of schedule to allow the auditors to resume the external audit on time.	31 March 2018

Public Health and M&E	Programmatic Review of high value interventions such as the Active Case Finder Program. The ACF program is very expensive and, so far, the results do not justify the heavy expenses. Further funding needs to be justified.	Review of implementation status, management of assets, compliance to ACFs SOP, and referral system to health facilities and cost effectiveness of the program will be evaluated.	TBD during grant-making
Public Health and M&E	Significant staff shortages within the MOH M&E unit. There are significant staff shortages within the MOH M&E unit which if left unintended will negatively affect reporting of health indicators. The biggest issue related to the M&E capacity is the 50% resource gaps of key M&E resources at both the national and regional levels. From the HMIS unit there are also significant staff shortages. The national HMIS is largely dependent on seconded staff as well as staff it has pulled up from regional level to national level. This has created a big gap on the M&E side, whose resources are now covering double functions (HMIS and M&E).	Recruitment of necessary M&E staff	TBD during grant-making
Public Health and M&E	Lack of routine and national verification of community interventions. Since the primary focus of all SRs intervention is at community level and there are no national reviews that encompass community interventions, a programmatic assessment which should focus on the quality of community-based services/systems is recommended.	Program Quality assessment of community based interventions: 1. In- School Program 2. Out of School Program 3. Tertiary Institutions 4. PLHIV Support Groups 5. Key Populations	TBD during grant-making
Supply Chain Management	Poor Laboratory commodities management. No regular stock status reports for laboratory supplies. Need for the PR to prepare and utilize stock status reports for key laboratory supplies. In addition, there should be optimal planning coupled with continuous monitoring of stock levels is recommended to avoid emergency ordering.	1. NHLS urgently puts in place a system to document the movements of stock between the Clinical Laboratory Services (CLS) and the CMS warehouse. Copies of the stock movement reports will be properly filed but easily accessible. Measures will be put in place to ensure that the stocks levels at either of the two warehouses at any point in time are readily available and that CMS has a list of the CLS stock in their custody at any point in time. 2. The SOP on management of stock at Matsapha warehouse will be revised to reflect the desired best practice and the relevant authorities in NHLS monitor compliance with all SOPs. 3. CLS identifies a section of its current storage space where corrosives, flammables and other hazardous materials can be stored away from other stock to minimize the risk of accidents and damage.	31 December 2017
Supply Chain Management	Lack of timely procurement: delayed tendering process. Most orders from Swaziland are too small for manufacturers to run a plant for, therefore, they usually put the orders from Swaziland on hold to run with more substantial orders. This causes delays in the delivery of drugs procured through the tendering process. The PR's procurement process is also not very efficient and leads to delays in supplies. There is also poor communication which results in the delayed awarding of tenders and processing of requisitions.	1. The PR will submit procurement progress report based on agreed procurement planning matrix. 2. The PR will continuously review the procurement process for a sample of significant orders. This review should test the controls around the procurement process and identify where the lags in the processes are and the persons responsible in the process. By identifying the gaps between the program, GMU and procurement unit, the PR will be able to specify exactly which areas, in the procurement process need to be strengthened.	31 December 2018
Supply Chain Management	Systematic analysis of stock and utilization/ consumption of TB drugs is weak, with insufficient information. Previous review of the TB report does not provide a comprehensive analysis of stock and consumption patterns.	The TB program will prepare updated stock, pipeline and utilization analysis and forecast for items to be procured and submit for review to the PR.	TBD during grant-making
Supply Chain Management	Assurance of CSO PR (CANGO) Procurement process compliance has not been established. Measures should be taken to ensure compliance to procurement procedures laid out. If there is non-compliance there is a risk mismanagement of funds.	Regular review, monitoring and refresher training for procurement staff to ensure they comply with laid down procurement procedures. Independent review of compliance of procurement procedures for both PRs	TBD during grant-making