

Enhancing accountability in the supply chain with internal audits and targeted actions in Dodoma Region Tanzania



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Why worry about medicines?

Medicines

- save lives and improve health
- promote trust and participation in health services
- substantive improvements in the supply and use of medicines are possible
- **are costly!**

Different meanings of medicines

Medicines = public health tool



Business commodity



Supply chain and shortages

- Essential medicines are intended to be available at all times in adequate amounts and of good quality
- Availability of medicines is a major indicator of perceived quality of healthcare services for most people in Tanzania
- Stock outs are frequently reported in health facilities of Tanzania
- Medicine shortages are due to a number of systemic weaknesses in the supply chain

Supply chain and record keeping

Poor documentation and record keeping is often due to

- high clinical workload and
- scope and demand of administrative tasks
- insufficient skills of clinical staff
- purposely unethical behavior
- inadequate and irregular supervision





Supply chain and accountability

Medicines are a lucrative commodity

- Numerous loopholes in the supply chain exist for questionable activities bypassing regulations
- Unfortunately, leakage of medicines at various junctures of the supply chain is not uncommon
- Accountability of actors and concerned communities is critical, as is effective supportive supervision and auditing



What is accountability?

2 features of accountability:

- 1) The essence of accountability is **answerability**
 - Being accountable means having the **obligation to answer** questions regarding decisions and/or actions
 - Two types of questions can be asked: information provision and justification, **what was done/spent and why?**



What is accountability?

2) Sanctions constitute the other feature of accountability

- **Requirements and penalties** embodied in laws and regulations
- **Professional codes of conduct**
- **Incentives** such as market mechanisms, where accountability is enforced through the ability of service users to switch from low quality facilities to high ones
- **Public exposure or negative publicity.** Professional codes of conduct are used as the standard

What can be done to enhance accountability?

- Increase transparency
- Civil society participation
- Whistleblower protection
- Establish “Conflict of interest” rules
- Effective and supportive supervision
- Internal and external audits
- Improve documentation
- Provide awards and recognition for good performance
- Sanctions for poor and unethical performance
- Rigorous prosecution in case of fraud
-



What are we talking about?

Corruption?

Mismanagement?

Gentleman's agreement?

Inefficiency?

Honest mistake?



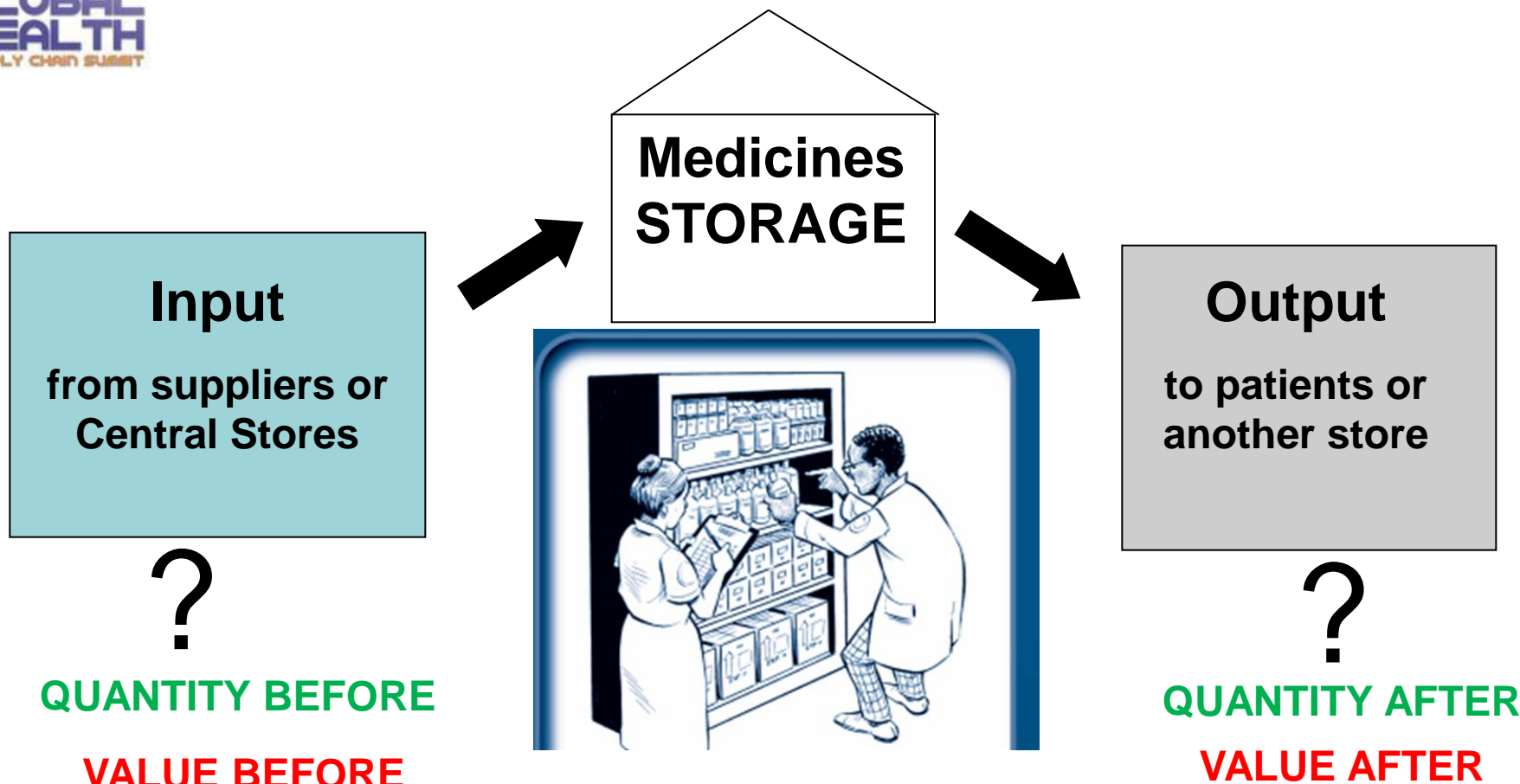
BREAK THE CORRUPTION CHAIN



Corruption in the health sector

- Corruption in the health sector can mean the difference between life and death
 - Poor people are worst affected
 - World Bank surveys show that in some countries, up to 80% of non-salary health funds never reach local facilities
- Much of the **corruption** found in the health sector is a reflection of general problems of **governance** and public sector **accountability**

Medicines and capital at health facility





Pilot study in Dodoma in 2012

Methodology:

- **Medicines audit:** review of tracer medicines, timeliness and correct filling of ordering forms, record keeping

combined with

- **Financial audit:** review of financial statements and regulations, receipts books, pro-poor exemption permits, statement of accounts



Study findings in Dodoma region

General findings:

- Intransparent transactions
- Weak financial and stock management
- Poor record keeping and documentation on medicines and cash flow
- Accountability not encouraged and monitored
- Leakage of MSD medicines into private shops

Study findings – financial findings

- Financial income matched with bank statements and receipts in only 50% of facilities
- Income from the sale of medicines exceeded money deposited in the bank
- Missing receipt books for collection of user fees and CHF made reconciliation of fund collection and bank statements impossible
- Criteria for exemption permits for medicines were neither clear nor standardized

Study findings- financial findings

NMB

Branch/Tawi: Mwani KALIPWA

Account Number / Nambari ya Akaunti: 211500

NATIONAL MICROFINANCE BANK PLC
CASH DEPOSIT SLIP
FOMU YA KUWEKA FEDHA

Date/Tarehe: 11-JUN-2014

Account Name / Jina la Akaunti: JACKSON

REJESTA YA STAKABADHI KWA

TAREHE	ALYEWASILISHA	CHEO	TOKA	HADI	KIASI	ALYEWAKO
	IRADHIMU MASAGA	CO	14879	14897	143500=	
			14849	14950	7000=	
			203940	203900	61,000=	
					211500=	

CASH/ FEDHA TASLIM (Tshs.)

Denomination / Mnyambulisho	Number of Notes/ Idadi ya noti	Amount/Kiasi
10,000x	12	120,000
5,000x		
2,000x		
1,000x		
500x		
Coins/Sarafu		
TOTAL/JUMLA		120,000

Write Teller Signature and Stamp
Saini na Mhuri wa Mtunza Fedha: JACKSON

Vote No./ Code No./ Company
ma/Namba Wakilishi/Kampuni: JACKSON

Signature: /Saini: [Signature]



Study findings- supply chain findings

- Availability of tracer medicines was on average 80%
- Items most commonly out of stock were: Malaria Rapid Diagnostic Tests (m-RDT), Artemether Lumefantrine (ALu) and Amoxicillin syrup and tablets
- 60% of health facilities filled their order forms correctly
- Incorrect forecasting and quantification was main error detected

Intervention

Implementation of standardized internal audits

- Standardized audit tools for whole region
- Medicines and financial audits conducted in all districts
- Sanctions and disciplinary measures were enforced
- Active support by Regional Medical Officer



Consequence of audit results

In case of



Good performance → recognition letters



Discrepancies in medicines and/or funds noted → sanctions were imposed and enforced



Impact of audits and sanctions

- Millions of TSh were paid back into facility bank accounts by health workers in case of losses
- Reporting rates of health facilities to the District Medical Officer (DMO) increased significantly
- Funds collected at health facilities (user-fees) increased after the audits



Impact of audits and sanctions

- A standardized package of auditing tools was developed
- This was one of the catalysts which led the MoHCDGEC to publish its medicine audit tool kit
- The tools are pro-actively supported by the Regional Medical Officer
- Implemented and replicated in all districts and other regions (Shinyanga and Morogoro) following the encouraging results



Conclusions

- Medicines are both a life saving public good and a lucrative business commodity
- Accountability in the SC is needed to avoid unethical and fraudulent behavior
- Dodoma Region implemented internal financial and medicines audits coupled with recognition and sanctions
- Increased accountability led to less loss, better record keeping, reporting and better transparency
- Follow-up actions (recognition and sanctions) of audits are crucial for better performance



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