

Global Fund Board Report
Office of the Inspector General

Operational Progress Report

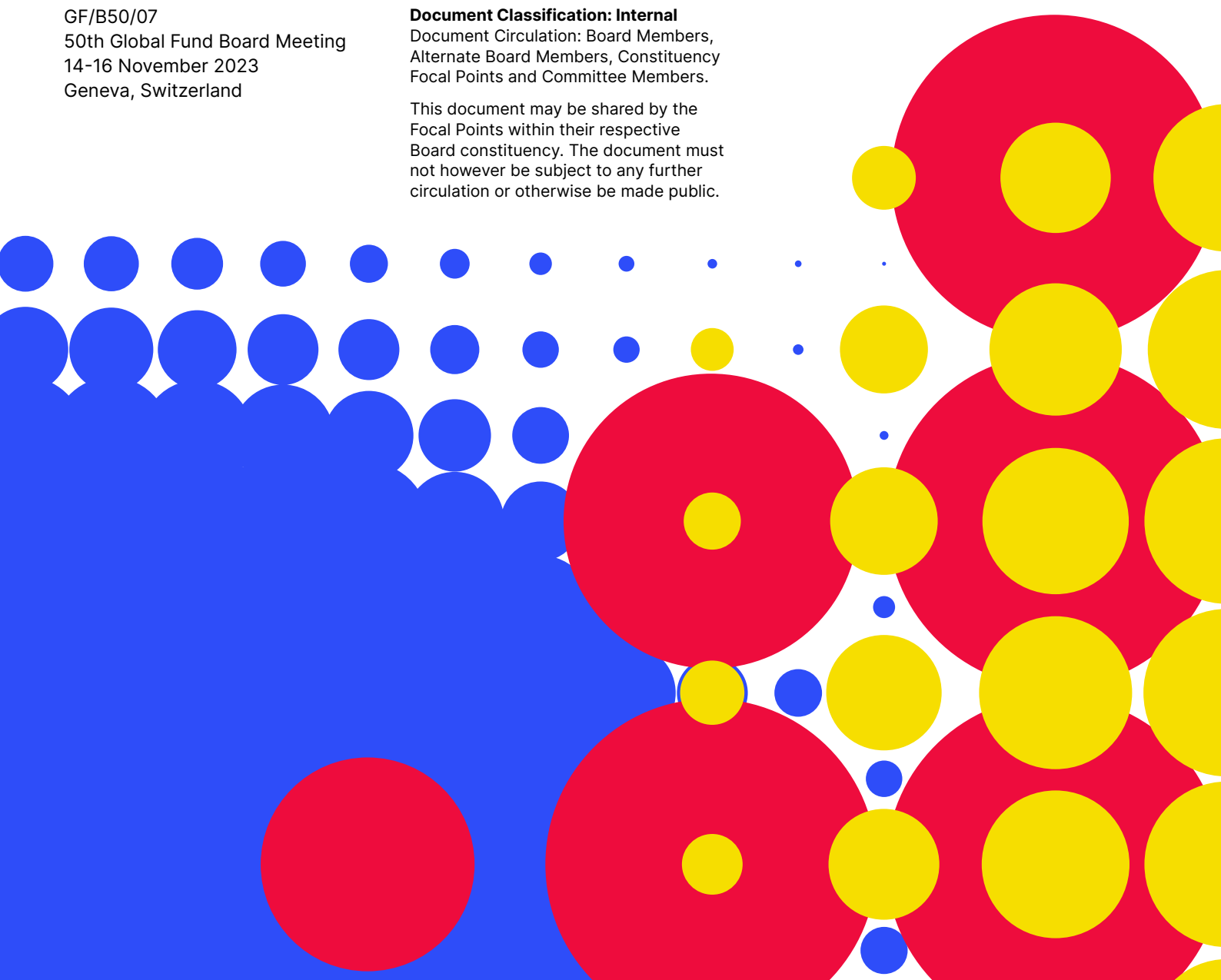
January to August 2023

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What is the Office of the Inspector General?

- We safeguard the Global Fund's assets, investments, reputation and sustainability
- We critically assess the organization's risk management, governance and internal controls
- We investigate alleged fraud, abuse, theft, corruption, sexual exploitation & abuse, and human rights violations within Global Fund programs
- We agree management actions to ensure the organization is taking the right measures and managing risks effectively in the fight against AIDS, tuberculosis and malaria
- We report to the Global Fund Board through the Audit and Finance Committee

59
Staff



30
Primary
nationalities



Global Fund languages spoken by OIG staff

English	100%	Russian	5%
French	46%	Arabic	7%
Spanish	19%	Portuguese	2%



Gender

37%
Female



63%
Male

Donor-Implementer

49%
Implementer
Countries



51%
Donor
Countries

OUR STAFF have extensive experience in a wide range of professions including public accounting and assurance, risk management, health, law and law enforcement. We have worked in development banks, United Nations agencies, government departments, management consulting and strategic advisory, NGOs and anti-corruption organizations, as well as national audit offices with mature Value for Money methodologies.

Our staff hold a variety of globally recognized professional certifications and qualifications, and include Certified Internal Auditors, Certified Fraud Examiners, Chartered Accountants, Risk and Project Management experts, holding degrees ranging from Masters in Public Health, to Business Administration and Law. Our staff undergo extensive training annually to maintain their professional certifications and qualifications, as well as to develop strategic organizational priorities such as Value for Money.

**SPEAK
OUT
NOW!**

Learn about fraud, abuse and human rights violations

Our e-learning site, www.ispeakoutnow.org, contains a wealth of case studies, animated videos and quizzes about the different kinds of wrongdoing that Global Fund grants are exposed to, as well as a practical toolkit to help grant implementers fight fraud and corruption.

Until the end of August 2023, the OIG published **14 audit and investigation reports**. In line with the Global Fund's commitment to transparency and accountability, reports are available on the [Global Fund website](#).

HOW TO CONTACT US

If you suspect wrongdoing connected with Global Fund grants, **please tell us**. Reporting to the Office of the Inspector General is **secure and safe**, and we will keep your identity **confidential**.

Email: hotline@theglobalfund.org

Online form: www.ispeakoutnow.org

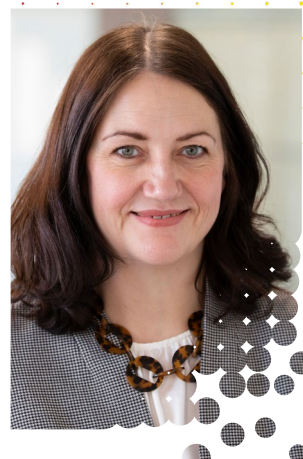
Our reporting channels are available in English, French, Spanish and Russian.

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1. Executive Summary



Tracy Staines
(she/her)
Inspector General

Thanks to concerted efforts and dedication from implementers, donors, partners and the Secretariat team, Global Fund programs continue to achieve impact. Having regained some of the results lost to the pandemic, our [Results Report](#) indicates that **59 million lives have been saved** to date.

These positive results and the ambitious 2023-28 Global Fund strategy sets higher expectations for the Partnership in a challenging global health landscape. The global outlook continues to be volatile, directly and indirectly affecting global health and the Global Fund's mission. The confluence and confrontation of 'poly-crises' such as climate change, economic uncertainty and increasing security challenges can deprioritize health from the crowded global agenda. As the Global Fund prepares to work on the next replenishment, it will need to evolve and align to this new reality.

Our work in 2023 has identified strong progress in HIV and tuberculosis (TB) programs, while malaria programs remain off track with increasing morbidity and mortality. Implementers and Secretariat staff continue to grapple with competing priorities. This is particularly relevant this year as they design new grants while simultaneously ensuring that active grants, including C19RM investments, remain on track. Increasing stresses on domestic finances for health have, at times, affected the availability of medicines and health products and could reduce long-term sustainability of programs. In the context of reduced global financing and higher ambition of the new strategy, better prioritization and value for money considerations are critical in the Global Fund's processes and grants. This includes operationalizing the framework adopted five years ago to ensure value for money across the large areas of grant expenditure.

As we move into 2024 and beyond, the organization will need to better articulate the risk trade-offs necessary for staying on track in our fight against HIV/AIDS, TB and malaria and build Resilient and Sustainable Systems for Health (RSSH). This will require active and deliberate risk taking, better use of innovation and a streamlining of processes at the Secretariat as well as country level. Improved

design and use of risk tools, for example, can help guide Country Teams and implementers to better define the trade-offs needed to remain focused on impact.

The OIG workplan is on track, and most performance indicators are expected to be achieved by the year-end. We have published 10 audits and four investigation reports, with the remainder of our plan underway. We have also closed 26 investigations and completed three advisories. We continue to receive a higher level of allegations (12% more than 2022, and 69% more than in 2021) requiring dynamic prioritization of cases and investigative resources. Our awareness campaigns are largely finalized, with 10 events already completed.

As Inspector General, I commissioned a mid-term review to ensure the OIG is aligned to the new Global Fund strategy and stakeholder expectations. This work informed our proposed 2024-2026 workplan, which incorporates feedback from the Board and Secretariat, as well as rigorous quantitative and qualitative analysis. To support the Global Fund as it confronts complex challenges, the OIG will further engage with in-country and other assurance providers, such as Supreme Audit Institutions and the newly formed Evaluation and Learning Office. We will also revise and enhance our approach to Agreed Management Actions to help support the Secretariat to carefully and actively mitigate and accept risks relevant to achieving our mutual goals, while also safeguarding the Global Fund's assets, investments, reputation and sustainability.

2. Themes Emerging from OIG work in 2023

Our work in 2023 has to date identified the following four themes that require the attention of the Global Fund Board, Audit and Finance Committee (AFC) and the Secretariat.

1. Sustained progress for HIV/TB despite persistent challenges, while malaria remains off track

Consistent with the Global Fund's [Results Report 2023](#), our 2023 engagements show that the partnership has made significant progress in the fight against the three diseases and recovered many of the gains that had been lost to COVID-19. HIV and TB results have generally improved, but some challenges in interventions targeting key and vulnerable populations remain. Case notification has generally improved in many high TB burden countries, but challenges remain in some countries audited in 2023. Malaria programs, however, continue to see increased morbidity and mortality in multiple countries audited in 2023.

Our audits in Namibia, Burundi, Ghana, Côte d'Ivoire and Uganda found that HIV programs are close to achieving UNAIDS global targets, and new HIV infections and deaths are reducing. This is due to multiple factors such as strong partner support across countries, investments in community systems and community health workers in Burundi and Côte d'Ivoire.

Despite this success, challenges remain in activities targeting key populations. In Namibia, while there was strong government commitment, there were relatively less prevention activities for key populations compared to the general population. While in Burundi, antiretroviral therapy (ART) coverage for children under 15 is low due to limited diagnosis of new-born children from HIV positive mothers.

Services to key populations are critical in ending the epidemics. However rising legal barriers, cultural practices and suboptimal implementation could delay efforts to reach these groups. For instance, legal barriers affecting services to certain populations contribute to delayed implementation of activities. Cultural practices continue to affect hospital attendance by pregnant women, affecting interventions for preventing mother-to-child transmission, contributing to disproportionately high HIV infections among children.



24.5 million

people on antiretroviral therapy for HIV



6.7 million

people treated for TB



220 million

mosquito nets distributed

The TB programs in Namibia, Uganda, Burundi and Côte d'Ivoire are progressing, but missing TB cases remain a challenge in some countries. TB incidence and related deaths are reducing in multiple countries audited in 2023 and most identified TB cases are successfully treated. For instance, Burundi and Namibia have treatment success rates of 95% and 88% respectively compared to WHO's target of 90%. However, TB notification rates remain low in most countries audited in 2023. Ghana's TB case notification rate has stagnated for the past 15 years at an average of 31%, meaning it is not on course to meet TB grant objectives.

Missing TB cases in Ghana can be explained by multiple factors including limited domestic funding and prioritization, as well as low utilization of available GeneXpert machines for timely diagnosis, mainly due to breakdown and limited cartridges. Globally, cartridge availability is likely to improve following the recent 20% reduction in price achieved by the Partnership. Problematic active case finding also adds to challenges for these missing cases. For instance, in Ghana our audit found that only 10% of health facilities are currently performing TB screening, missing opportunities to leverage existing facilities.

Malaria programs across multiple countries visited by the OIG are off track – with an increase in incidence and deaths – except in Ghana, where our audit found a more positive story. Malaria incidence was reduced by 40% between 2015 and 2020, meeting the WHO targets. Ghana also achieved a 17% decline in malaria-related deaths in the same period. Robust approaches for malaria prevention through vector control, preventive chemotherapies and vaccination were key contributors to the decline in incidence and death. Other countries display worrying trends in morbidity and mortality.

Namibia has shown significant progress as one of the five countries in the malaria pre-elimination phase with testing at 97% coverage and treatment at 100%. However, the country registered a five-fold increase in malaria incidence. Uganda's malaria cases and deaths surged by 37% and 28% respectively between 2021 and 2022 despite significant investment in the deployment of both bed nets and indoor residual spray. In Côte d'Ivoire, incidence has doubled since 2015 with a 20% increase in malaria-related deaths between 2021 and 2022. Likewise, malaria incidence in Burundi increased by 75% between 2021 and 2022.

Contextual factors – such as funding gaps, climate change, resistance to insecticides and increased malaria testing capacity through rapid diagnostic tests and community-level screening – may contribute to the rise in reported incidence of malaria. However, suboptimal design and implementation of funded activities also play a role. For instance, in Côte d'Ivoire key activities to increase use of bed nets are not effectively implemented, contributing to a decreased use rate from 63% in 2018 to 51% in 2021. These require further analysis by the Global Fund and partners, and present opportunities for better implementation of activities in Grant Cycle 7 (GC7).

The overall objectives of malaria grants across multiple countries are unlikely to be achieved, in the short term, due to rising morbidity and mortality.



OIG Head of Audit meets with community health workers in Ghana

2. Ongoing challenges in implementing longer term investments could constrain the Global Fund's effectiveness

The Global Fund's strategy recognizes the importance of building Resilient and Sustainable Systems for Health (RSSH) with significant resources invested in such interventions. These investments are crucial for achieving the Global Fund's mission. However, as indicated in our 2019 [RSSH audit report](#), the Global Fund's model – including Secretariat processes and typical in-country grant implementers – is primarily oriented to execute disease programs rather than health system strengthening activities.

Such activities are complex and take more time to plan and execute at country level. These activities tend to be multi-sectorial and require broader engagement with in-country institutions. However, Global Fund grants are typically implemented by National disease programs, entities that either do not implement cross-cutting RSSH activities or may not have the required capacity or competencies needed to implement them. RSSH activities typically take much longer to be completed, and specific results may not be available on an annual basis. As such, implementation of longer-term activities often requires better planning and phasing across grant cycles. These challenges can contribute to delays in implementation, gaps in coordination of RSSH activities and limited achievement of related objectives. RSSH activities have historically had lower implementation rates compared to core HIV, TB and malaria grants. For instance in Grant Cycle 6, absorption of RSSH intervention was 57% compared to 79% of non-RSSH activities as of June 2023, despite the disruption experienced in recent years.

The Global Fund Board extended the C19RM funding to focus on RSSH and pandemic preparedness. The funding is expected to be used until the end of 2025 for health system strengthening activities to support achievement of the Global Fund's mission. This significantly scales up the Global Fund's investment in RSSH beyond previous cycles. The above challenges in implementing RSSH activities may affect timely execution of the scaled up interventions under the C19RM. The Secretariat has identified 42 key portfolios, expected to significantly influence the use of C19RM funds, for portfolio optimization, and progress is tracked on a weekly basis. Our [COVID-19 Response Mechanism 2021](#) and forthcoming Grant Monitoring audit found that the Secretariat has a robust monitoring framework for C19RM. While measures are being taken at the Secretariat level, albeit with some delays, to ensure reallocation of the available funds, more actions are needed at the country level for effective and timely implementation of these more complex activities.

Our audits in Côte d'Ivoire, Uganda, Ghana, Namibia and Burundi identified weaknesses in in-country grant oversight that have delayed implementation of grants, including system strengthening activities in C19RM. These will be further exacerbated by the difficulties in implementing health system strengthening activities, which is the focus of C19RM.

While some actions have been taken at the Secretariat level, including dedicated technical teams for RSSH and measures to monitor related activities, there is still a need to adapt existing implementation arrangements at the country level to ensure better and timely execution of scaled RSSH activities. The Global Fund's ability to implement longer term activities – such as RSSH and other aspects critical for preparing for diverse health emergencies – is fundamental to the fight against AIDS, TB and malaria.

The Global Fund's approach to disease programs requires adapting to overcome the challenges inherent in implementing longer-term activities such as health system strengthening.

3. Supply chain risks remain high but sustained investments have led to positive results in some countries

Effective procurement and supply chain management at the country level remains critical and core to the Global Fund's mission. The Global Fund, together with its partners, has made continuous investments in supply chain. While material risks remain in several portfolios and the overall risk is expected to remain high over time, our audits in Ghana, Burundi and Uganda showed positive outcomes.

In Ghana, there have been major improvements in the supply chain since our 2019 audit. There is a good inventory management system and timely distribution of commodities through third party logistics providers, stemming from the Global Fund's sustained and long-term investment in the supply chain, particularly its Integrated Logistics Management Information System, as well as continuous support from partners and the Country Team. This contributed to good availability of medicines at the health facility level. In Burundi, we found the supply chain effective in ensuring continuous drug availability, limiting expiries, and accounting for inventory to enable traceability of medicines. Our audit in Uganda found improvements in supply chains since our last audit, owing to significant investment from the Global Fund, government, and other partners. Storage capacity has improved at the central level and a 10-year road map for Health Supply Chain transition from donors has been developed.

Despite the above successes, some challenges remain in addressing stock-outs in health facilities. For instance, the inability of governments to honor co-financing commitments in Ghana and Côte d'Ivoire has affected the availability of medicines. Budget deficiencies in Uganda have contributed to delayed implementation of its 10-year road map for Health Supply Chain transition from donors.

4. Risk trade-offs need to be better articulated and adapted to the changing global health landscape

As we move into 2024 and beyond, the global health landscape is changing rapidly. The organization therefore needs to adapt and evolve to respond to this new environment. A key part of this is the need to better articulate the risk trade-offs necessary for staying on track in our fight against HIV/AIDS, TB and malaria and building RSSH. In many aspects of our work, this will require a more active approach to risk taking, better and sustained use of innovation and a streamlining of processes at both the Secretariat and country levels.

Better design and use of risk tools, for example, can help guide Country Teams and implementers to more effectively articulate the trade-offs needed to remain focused on impact. Given the recent instability in many of our implementer countries, as well as catastrophic environmental events, this is especially needed when implementers face extreme risks. Some trade-offs, such as intervention choices and funding, will require broader engagement across the Partnership, including with the Board.

There is an opportunity to further enhance the Global Fund's oversight and proactive monitoring of key global risks and those activities that facilitate programmatic outcomes. The organization's risk management framework and processes were largely developed before the COVID-19 pandemic and reached embedded maturity level in 2019, as indicated in our [2019 annual report](#). The processes were refined during the pandemic through an effective crisis response structure and an agile decision-making framework, as outlined in our [Emergency Preparedness audit report](#), but need to be re-shaped to respond to our current context. On a working level, risk management processes and tools are routinely updated to support assessment and mitigation of risks. For instance, the Integrated Risk Management tool – used to assess, document and monitor risks – has been enhanced to improve accountability, transparency, and efficiency of risk management throughout the grant life cycle. However, simultaneous cross cutting risks – such as climate change, economic constraints and security risks that significantly impact the country's health sector and consequently the Global Fund's ability to achieve its mission – have become more pronounced post COVID-19. This, coupled with the ambitious 2023-28 strategy, requires increased risk trade-off discussions, and more aggressive agility at the implementer and Secretariat levels.

At the operational level, Country Teams are expected to determine, prioritize and implement key mitigation actions to address identified high risks. These key actions are expected to reduce risk levels and contribute to achieving grant objectives. However, there are inadequacies in the design, implementation, and monitoring of the key mitigation actions.

At the grant implementation level, Country Coordinating Mechanisms (CCMs) and Principal Recipients have oversight and risk management responsibilities. However, some CCMs and program management units (PMUs) are hindered by capacity gaps that impact effective grant implementation and controls. Weaknesses in PMUs or equivalents in Ghana, Uganda, Côte d'Ivoire, Namibia and Burundi led to either limited supervision of sub-recipients, delayed grant implementation or high financial risks. For instance, the PMU in Ghana had no evidence of financial monitoring of 45% of sampled sub-national implementers in 2021-22 under the Ministry of Health grant. Our audit in Uganda found that it took an average of 13 months to contract sub-recipients, contributing to delays in implementing grant activities. In addition, financial reports submitted by sub-recipients are not adequately reviewed by the Ministry of Health. Better assessment of implementer capacity will be needed in GC7 to identify weaknesses for timely resolution.



An OIG auditor inspects laboratory equipment at a health facility in Benin

3. Operational Update and Outlook for 2024

The OIG has made significant progress in executing its 2023 workplan with continued focus on mission-driven assurance and high priority investigation cases. Progress against our key performance indicators is shown in Annex 2.

Audit & Advisory

Operational Update

Figure 1

2023 Audit & Advisory workplan at a glance as of 31 August

Country audits



1 finalized
6 reporting
1 planning & fieldwork
4 started in September 2023

Internal audits



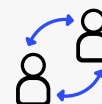
2 reporting
2 planning & fieldwork

Value for money audit



1 not yet started

Advisory engagements



1 finalized
1 planning & fieldwork

The audit and advisory workplan is underway and in line with our delivery cycles. We have published 10 audits in 2023 and completed three advisories. Twelve engagements are ongoing, with at least eight expected to be published by Q4 2023.

The last cycle of 2023 engagements started in September, as planned. This includes two country audits – in Angola and Malawi – and two thematic audits in Southeast Asia for HIV/TB and Western and Central Africa for malaria. An advisory review on the Global Fund's Additional Safeguards Policy was also started at the end of August.

Mission-driven assurance: the foundation of our work

In-country missions are critical for a full understanding and analysis of risk, implementation controls at the country-level, as well as for effective collaboration with stakeholders. As part of our work, we engage with implementers, communities, and relevant partners of Global Fund programs. We visit central and regional medical stores, health facilities and other service delivery areas to verify firsthand how Global Fund-supported programs are implemented. So far this year our teams have visited more than 97 health facilities during in-country missions (see full list in Figure 2).

Figure 2

Health facilities and medical warehouses visited during 2023 country audits

Benin

18 health facilities, hospitals and district pharmacies across 4 departments

Côte d'Ivoire

12 health facilities, 6 district pharmacies across 6 districts

Ghana

17 health facilities and hospitals (with 15 GeneXpert diagnostic laboratory sites) spread across 16 districts in 8 regions

Namibia

5 health facilities, 3 community training workshops, and 3 mobile clinics in 4 regions

Ethiopia

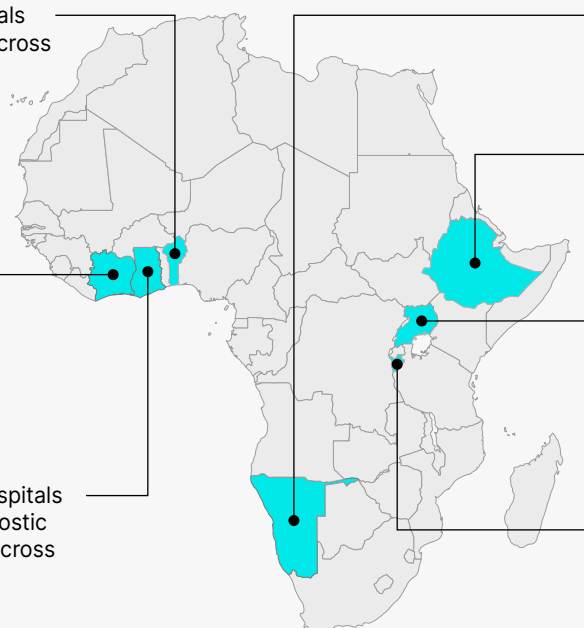
20 health facilities/hospitals and 11 key and priority populations and youth friendly drop-in centers in 3 regions

Uganda

21 health facilities and 9 regional referral and district hospitals across 17 districts in 3 regions

Burundi

25 health facilities, hospitals and district pharmacies across 3 provinces



In addition to our country audits, the OIG currently has four internal audits underway covering key organizational risks supporting the achievement of the Global Fund Strategy. The OIG continues to monitor and adapt its workplan to the evolving risk and security challenges at the country level. The audit of Strategic Initiatives was cancelled after the planning phase because the material risks will be addressed as part of another ongoing audit (Effectiveness of Global Fund model in delivering the new strategy).

Looking ahead

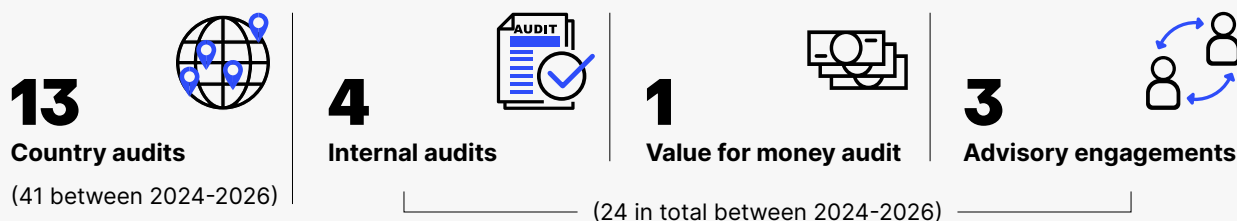
Planning for 2024-2026

The OIG follows a risk-based approach to formulate its workplan, with a primary focus on providing assurance for most significant portfolios, strategic topics and key processes. This approach involves quantitative and qualitative analysis to gain a comprehensive understanding of the risk landscape and to prioritize areas requiring heightened attention. The methodology encompasses the evaluation of both inherent and residual risk, with a heavy focus on materiality, likelihood and relevant mitigating factors. The OIG takes deliberate steps to ensure the inclusivity of this process by engaging with Board and Secretariat stakeholders.

The 2024-26 workplan draws heavily from the previous three-year workplan, and reflects recent changes in the risk landscape, organizational priorities and processes, security considerations and the work of other assurance providers, such as the External Auditor. Critically, the OIG and the Evaluation and Learning Office (ELO) have collaborated in developing respective workplans. Although both functions remain independent and concentrated on their core mandates, we are closely coordinating our strategic and operational activities to avoid duplication and to reduce overlaps. This ensures relevant risks are identified and addressed without an additional burden on the Secretariat and country-level implementers. Figure 3 provides a snapshot of our audit and advisory workplan for 2024.

Figure 3

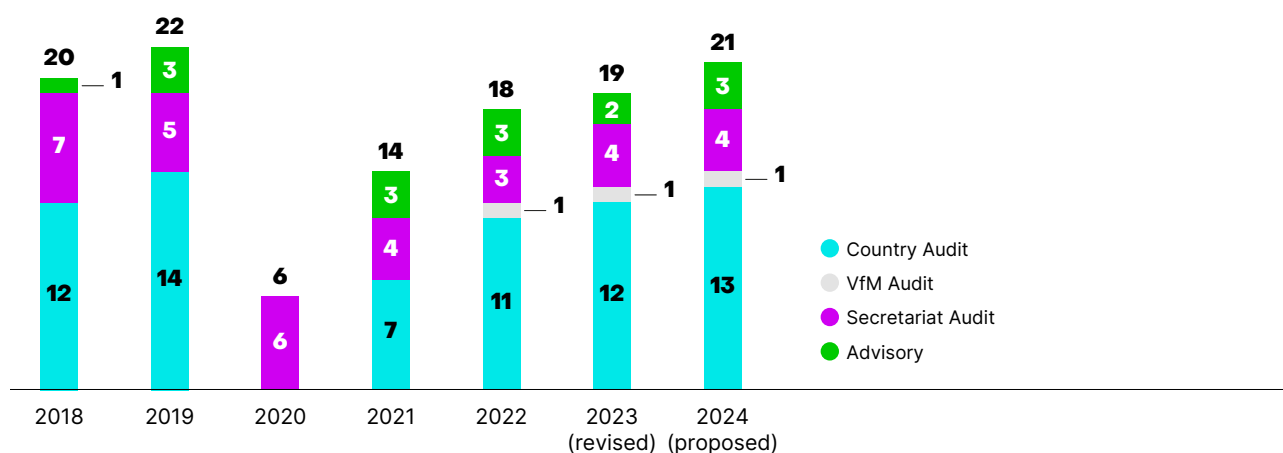
2024 Audit & Advisory workplan at a glance



The 2024 audit and advisory workplan continues to place a significant focus on country-level assurance, with 13 country audits, bringing our delivery back to pre-pandemic levels as shown in Figure 4.

Figure 4

Recovery to pre-pandemic activity levels: the evolution of audit and advisory engagements



Country audits

Aligned with our risk-based methodology, we anticipate conducting audits in all high-impact countries at least once within a three-year cycle, while most high-risk core countries will undergo audits every five years.

Figure 5

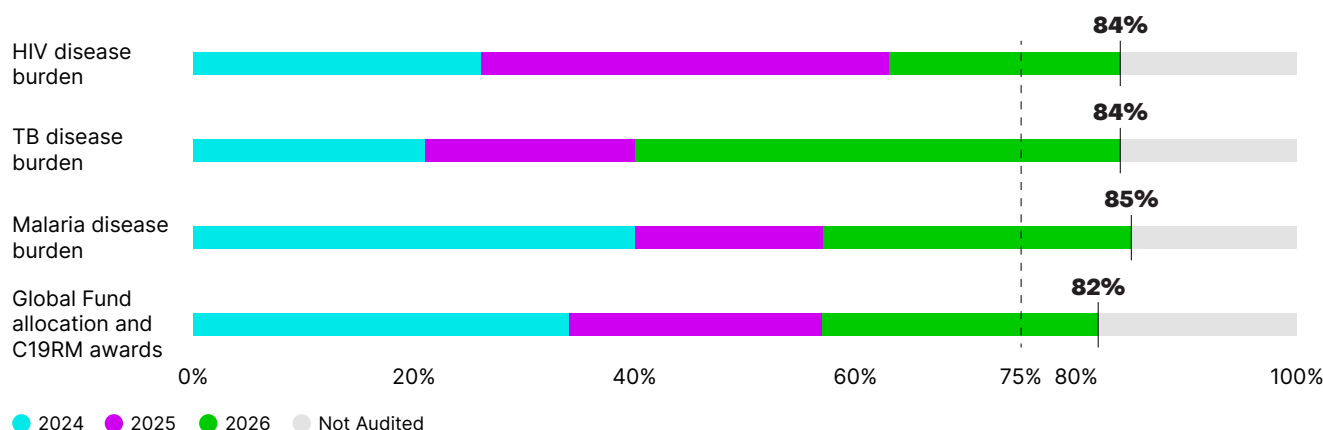
Audit and advisory engagements

	2024 country audit plan	2025 country audit plan	2026 country audit plan
High Impact	Nigeria Democratic Republic of Congo (DRC) Mozambique Zimbabwe Kenya Myanmar (or Indonesia) Pakistan Multicountry RAI	South Africa Tanzania Cameroon Zambia Burkina Faso Mali Indonesia (or Myanmar) Bangladesh	Uganda Ethiopia India Malawi Côte d'Ivoire Ghana Philippines
Core	Guinea Rwanda Guinea-Bissau Eswatini Multicountry MER	Liberia Togo Guatemala Eritrea Lesotho Nepal	Chad Niger Sierra Leone Madagascar Congo Papua New Guinea South Sudan

The proposed workplan aims to achieve substantial coverage of the grant portfolio in terms of Global Fund allocation and C19RM awards (82%), and disease burden (covering nearly 85% across each of the three diseases), exceeding our current KPI of 75%.

Figure 6

Coverage of the 2024-2026 Audit Workplan



Internal audits

In 2024, the OIG will audit the following areas:

- 1. Health Products Quality Assurance:** This review will assess the Global Fund's approach and measures to ensure medicines and health products procured and delivered to patients are quality assured.
- 2. Risk Management:** This audit will focus on organizational and corporate risk management, as well as risk appetite and the trade-off decisions to complement grant-facing risk management covered in our 2023 Grant Monitoring audit.
- 3. Human Resources Management Processes:** The scope of the audit will include the effectiveness of controls and processes for recruitment, managing human resource data and performance management.
- 4. Process of the Evaluation Function:** In line with the Board's decision ([GF/B46/DP06](#)) and the update communicated in the OIG's report ([GF/B48/08](#)), this review will assess the effectiveness of processes and measures to safeguard the independence of the Evaluation Function.

Value for Money reviews

Value for Money (VfM) reviews assess the extent to which the Global Fund's investments have generated the intended results, looking at economy, effectiveness, efficiency, equity, and sustainability. This includes interdependencies and trade-offs, including the balance between short- and long-term results. In 2024, we will focus on the Global Fund Secretariat's investments in Information Technology-related initiatives.

Advisory reviews

We expect to complete three additional advisories in 2024. A shortlist of advisory topics has been drafted, in response to requests, business requirements, and input from the Board and Committee members and Secretariat staff. This list will be refined and agreed in conjunction with the Executive Director. An advisory on the "Additional Safeguard Policy," outlined in our 2023 workplan, is anticipated to conclude in 2024.

Professional Services Unit

Operational update

The Professional Services Unit (PSU) plays a pivotal role in bolstering the execution of the OIG's Investigations and Audit and Advisory activities. In 2023, PSU has continued to improve the OIG's analytics and insights capabilities, evaluated the alignment of processes and systems, screened complaints for appropriate OIG response and provided operational support.

Case Intake process

In 2023, the OIG has continued to experience a notable increase in the volume of complaints received, with a total of 287, marking a 12% increase on the same period last year, and 69% increase on 2021. The increase in complaints, as well as the merging of our screening and assessment phases,

has contributed to delays to achieving our 30-day target for screening allegations, as of August 2023 (actual: 36 days). However, this process has led to a more targeted approach to investigations, ensuring best use of investigator resources.

Figure 7

Total complaints received (2020-2022 vs. 2023 YTD)

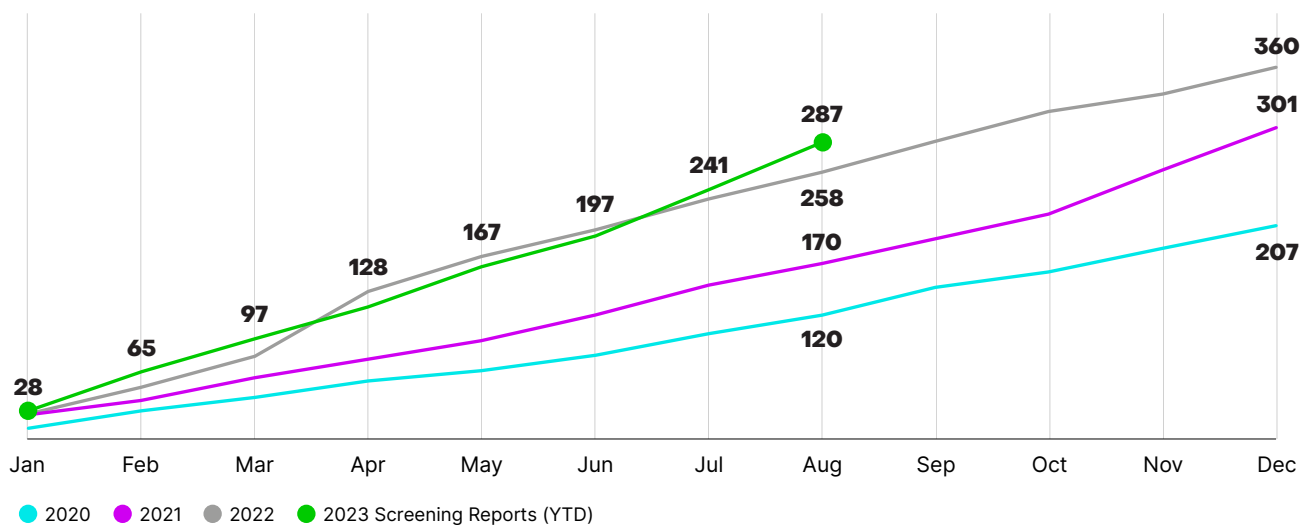
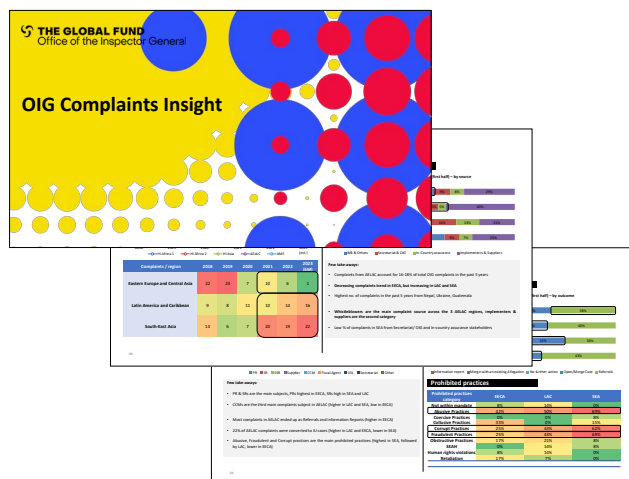


Figure 8

OIG Complaints Insight



The improvement in how the OIG has structured its complaints data has facilitated the systematic analysis of emerging trends and recurring patterns of complaints. This analytical approach – encompassing aspects such as the nature and origin of complaints, as well as the outcome of our assessment – enabled us to better target the OIG's outreach activities and inform the scope of engagements in specific regions and countries. The data is also shared periodically with Global Fund regional and functional teams to inform routine risk management and portfolio activities. An illustration of the 'OIG Complaints Insight' is presented in Figure 8.

Further investment in advanced analytics to inform and support OIG activity

In 2023, we have further expanded our pilot Text Analytics program to encompass a larger and more diverse collection of documents and countries. We are in the process of enhancing this model to extract key themes and insights using Generative Artificial Intelligence (AI), with plans to further strengthen these capabilities throughout 2023 and 2024 in consultation with the Information Technology Department of the Global Fund.

In parallel, we have been actively exploring 'speech-to-text' models, tailored to our context, for the purpose of transcribing the content of audio recordings into text. This allows teams to efficiently transcribe, translate, and summarize conversations, emphasizing the identification of key topics. The PSU team will continue to leverage these advanced analytical capabilities to monitor the OIG's three-year rolling plan, and provide preliminary risk and context information to support all country audits in 2023 and 2024.

Accelerated operational support and quality assurance

The PSU team continues to provide operational support to facilitate the delivery of the OIG workplan including recruitment of technical consultants, quality assurance activities, and active monitoring of Agreed Management Actions (AMAs). In the last quarter of 2023, the OIG will work closely with the Secretariat to review all overdue AMAs to ensure they remain a priority in our ever-changing landscape. The results of this review will be reported in March 2024.

Looking ahead

In 2024, the unit will continue its work to provide support to delivery teams, including quality assurance reviews, timely response to allegations, furthering the implementation of our advanced analytics, and to build additional partnerships with other oversight functions.

Implementing the advanced analytics roadmap

Building on recent pilots of text analytics and speech-to-text technology, the OIG will maintain its focus on fortifying its core data repository, including our data mart and data lake. Our aim is to ensure the secure storage and accessibility of both structured and unstructured data to inform the OIG's decisions, and to provide insights to

share with the Secretariat. PSU aims to automate the qualitative risk assessment that informs the OIG's three-year workplan, which in turn will enable continuous monitoring to allow the OIG to respond more promptly to evolving risks.

Optimizing processes and seek continuous improvement to core systems

System enhancements

The OIG has conducted a high-level evaluation of its existing case management systems for intelligence analysis, screening and assessing reports of wrongdoing and investigation. The results underscored the need for a more contemporary application to enhance case workflows, manage documents, bolster analytics capabilities, improve overall system performance, and enable offline functionality.

In 2024, we will collaborate with the Ethics Office and the Information Technology department to implement a new case management system. This will also facilitate controlled collaboration between Ethics and the OIG, particularly in the areas of entity management and cases related to sexual exploitation, abuse and harassment (SEAH).

Quality Assurance

In anticipation of the Institute of Internal Auditors new International Professional Practices Framework to be issued in late 2023, PSU will perform a comprehensive review of current OIG audit and quality assurance practices and, where necessary, revise current processes.

In line with the OIG's practice of undergoing independent External Quality Assessment every three years (the international standards is every five years) PSU will coordinate the external quality assessment of OIG activities in 2024. As in previous years, we will coordinate with the Global Fund's Audit and Finance Committee in selecting the external service provider for the External Quality Assessment in 2024.

Investigations

Operational update

The implementation of a new case intake process within the OIG has allowed the Investigations Unit to become more agile and targeted in its response to allegations of wrongdoing.

Figure 9

2023 Investigations workplan at a glance as at 31 August 2023

30

Investigation outcomes

14 oversight cases

16 OIG-led cases including 4 published reports



10

ISON anti-fraud activities

further 5 planned by year-end

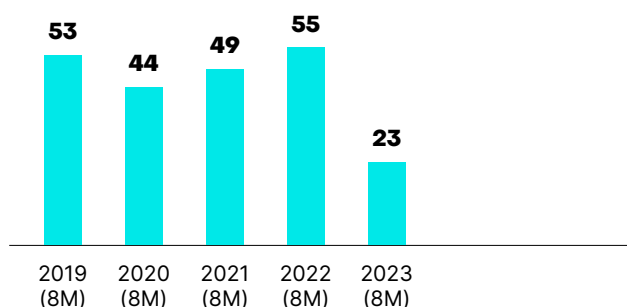


Cases opened

With a greater emphasis on thorough assessment at the complaint receipt stage, there has been a substantial reduction in the number of cases opened in 2023. As of August 2023, 23 new cases have been opened compared to 55 cases at the same time in 2022. The 42% decline is a direct result of the revamped case intake process, allowing our investigators to concentrate their efforts on the most material and impactful cases.

Figure 10

Cases opened in each year (first 8 months)



Using the same focus on risk and impact, the number of active cases is decreasing, with 76 active cases as of August 2023 (40 oversight cases and 36 OIG-led cases), in comparison to 86 at the beginning of the year. The reduced number of complaints converted to cases will also allow the Investigations Unit to explore more proactive approaches to integrity risk management.

Cases closed and published

As of August 2023, the Investigations Unit has closed a total of 30 cases, comprising 14 oversight cases and 16 OIG-led cases.

Case closure memos are typically prepared and disseminated to inform management of potential underlying risks that do not merit full investigations or published report. However, we have revised our case closure processes and related outputs to better distinguish between instances of substantiated but immaterial wrongdoing and unsubstantiated or unfounded cases.

We have published four investigation reports, against the year-end target of five reports. These cases contributed to refocusing the organization's response on SEAH risks at country level. Two more reports are anticipated to be finalized and published by the end of the year.

Through our case closures so far in 2023, the OIG has proposed the recovery of **US\$130,132** and key lessons learnt.

In Q4 of 2023, the Investigation Unit will make certain enhancements to its investigative and reporting process, including additional communication to be made with potential wrongdoers during the investigation and modifications to existing reporting stages.

Fraud awareness and outreach activities

The OIG has already conducted 10 awareness-raising activities, of which six were related to sexual exploitation and abuse and the remaining four on other types of Global Fund prohibited practices. We have developed a revised outreach approach leveraging the combined skills of our auditors and investigators. We aim to conduct at least five additional fraud awareness activities by the end of the year. These sessions will adapt messages to the country context, including trends on the number and nature of previous reports from the respective countries.

Looking ahead

Investigation workplan

Figure 11

2024 Investigation workplan

55

Investigation outcomes

(165 between 2024-2026)



15

ISON anti-fraud activities

(45 between 2024-2026)



Our 2024 workplan will continue to dynamically prioritize our caseload to ensure proportionate response to complaints, proactive disruption of prohibited practices and sharing of lessons learned with the Secretariat for timely remedial actions.

In 2024, our focus will be on embedding a more strategic focus on investigations that are more likely to identify systemic integrity risks, lessons learned, and where appropriate, recoveries:

- **New Cases:** 22 new OIG-led investigation cases and 18 oversight cases are projected for 2024, based on historic volumes, conversion rates, and the number of cases initiated in 2023.
- **Investigation Outcomes:** We anticipate completing 55 investigations in 2024, with an average case completion time of one year. At least five of the cases is expected to result in published investigation reports. The lessons learned from less material cases, or cases where a proportionate response has already been taken, will be communicated to the Secretariat to inform its management of risks. In conjunction with the new case intake process, the Investigation Unit will analyze of the quality of the case selection process, including trends in substantiation rates of investigations and percentage of cases resulting in significant lessons learned or recoveries.
- **Fraud Prevention:** By engaging with the front-line and second-line functions, the Investigation Unit will streamline fraud prevention activities. We will develop processes and tools to continuously share outcomes of assessments and investigations in a timely manner.
- **Proactive investigations:** the OIG is developing a methodology to proactively identify integrity risks indicative of potential prohibited practices as a supplement to the allegations received. This includes a benchmarking exercise with our peers. By 2024, the OIG will implement a robust methodology for case selection, as well as dedicated resources for risk analysis and proactive investigation case development. The Investigations Unit aims to open three proactive investigations in 2024.
- **Awareness Raising:** We will organize a total of 15 awareness-raising events targeting Secretariat staff, implementers, and in-country assurance providers. The [I Speak Out Now!](#) (ISON) platform will be leveraged beyond a reporting of wrongdoing tool to promote good grant and financial management practices. See *the following Stakeholder Engagement and Outreach section for broader awareness and insight sharing initiatives.*

Stakeholder Engagement and Outreach

In 2023, the OIG accelerated its stakeholder engagement and outreach activities, and this continues to be a priority in 2024.

Collaboration and capacity building with Supreme Audit Institutions (SAIs) and anti-corruption bureaus

To date in 2023, the OIG has engaged with SAIs for all country audits performed. More than 30 staff from seven SAIs in Africa have worked with OIG teams during our country audits. The OIG also attended the Annual INTOSAI conference – in Kingston, Jamaica – which was aimed at building and strengthening capacity in human resources for public financial management.

In late November 2023, the OIG – together with the Secretariat, GAVI and representatives of African SAIs – will host a conference to find ways to better bolster the role of SAIs in the development of sustainable public financial management.

The OIG has been actively collaborating with anti-corruption stakeholders and partners. The OIG participated in Transparency International's Global Health online event *"Ending impunity to corruption in health systems"* and provided training at anti-corruption events. Additional engagement and collaboration is expected in late 2023 in advance of International Anti-Corruption Day.

In 2024, this work will continue, specifically in engaging with SAIs in Asia and the Caribbean to leverage the INTOSAI community in raising awareness on the importance of building stronger and sustainable public financial management systems.

Partnering with oversight offices in the industry

In November 2023, representatives from the OIG will attend the 23rd Conference of International Investigators in London to share lessons learned and best practices with other oversight functions.

The OIG attended and presented at the 15th annual UN-RIAS and 52nd RIAS (Representatives of Internal Audit Services) conferences, which brought together more than 100 leaders from 50 organizations that serve the humanitarian and development sector globally. This year's event focused on artificial intelligence and the evolution of internal audit in an ever-changing risk landscape.

In 2024, the OIG will host the 16th annual UN-RIAS and 53rd RIAS event at the Global Health Campus in Geneva. This is an exciting opportunity to partner and collaborate with many peer organizations in our mission to drive impact through trusted assurance and advice.

Strategy Revision, Key Performance Indicators and Budget

The Inspector General commissioned a mid-term review in 2023 to ensure that the OIG is aligned with the needs of the Board in light of the new Global Fund Strategy. The OIG benchmarked its operations against peers at the World Bank, USAID, International Monetary Fund, UNICEF and other UN organizations. The conclusions of the review confirmed many of our existing plans, and helped to shape the operational plan for 2024. Enhancements for 2024 will include embedding the collaboration with other assurance providers (including the Evaluation and Learning Office) and enhancing the team's skill sets in new areas.

Key Performance Indicators

We have enhanced our KPIs to better reflect our 2024 workplan and working practices. The changes are highlighted in Annex 2. Operational metrics will be internally tracked and include, but are not limited to, adherence to internal timelines, non-compliant and proposed recovery amounts from investigations and staff diversity and turnover.

2024 Budget

The 2024 OIG budget and workplan has been approved by the AFC and integrated into the proposed 2024 OPEX budget. The workplan for 2024, focusing on mission-driven assurance and high impact investigations, will be executed in a context of increasing security threats in many implementer countries. However, and mindful of the fiscal constraints faced by many countries and organizations, we have sought efficiencies in our working practices, without adversely impacting the quality of our work. As a result, the overall operational budget for 2024 is **US\$15.9 million** (a **3.5% decrease** from 2023).

Annex 1: Staffing and Budget

Staffing

As of 31 August 2023, the OIG had 55 full-time equivalents out of a budgeted headcount of 65 (including temporary C19RM resources). Three vacancies relate to staff on medical or parental leave, and six others are in the process of being filled. The remaining vacancy has been paused for 2023 and will be reconsidered for 2024. The vacancies have not had a material impact on the OIG's capacity and ability to deliver its mandate as temporary professional resources have been hired to fill gaps and deliver on the OIG workplan.

Budget

At the end of August 2023, the OIG had a Year-To-Date (YTD) underspend of US\$266,000 **(2%)** based on budgeted exchange rates.

Figure 12

OIG operational budget in thousands of US\$ as of 31 August 2023 and 2024 budget

Unit	2023 Budget	YTD Budget	YTD Actuals	Budget vs. Actuals variance	2023 Forecast	2024 Budget
Workforce	11,479	7,720	7,042	(678)	10,367	11,537
Professional Fees	2,833	2,033	2,252	219	3,448	2,610
Travel	1,566	1,011	1,246	235	1,730	1,509
Meetings	28	19	43	24	41	29
Communications	281	111	39	(72)	208	70
Office Infrastructure	287	146	151	5	292	142
Depreciation	-		1	1	1	
Total	16,474	11,040	10,774	(266)	16,087	15,897

In addition to operational expenditure, the OIG spent 18% of the US\$2.5 million additional funding received due to C19RM. With the increase in allegations continuing (see Operational Update and Outlook for 2024, Figure 7), we anticipate to fully absorb our C19RM budget allocation deployed mainly in case intake and investigation processes by the end of 2025.

Budget and actual expenditure varied as following:

- Workforce had the largest variance with an underspend of US\$0.7 million year to date, due to staff vacancies. The underspend was reduced by a concessionary overspend in professional fees to fill the gaps.
- Travel costs are above the expected budget at this time of year, due to more investigation missions conducted earlier than initially estimated and higher travel fares as well as additional consultants travelling to support audit country missions due to increases in audit scope to address additional risks identified from our audit planning work.

Annex 2:

Progress on Key Performance Indicators as of 31 August 2023 and KPIs for 2024

A. Delivery on Core Assurance

Performance objective	Progress at 31 August 2023	2024 KPI
A1. RESPONSE TO COMPLAINTS On average, triage and provide screening outcomes for all complaints/allegations received within 30 days (average of 20 days for high priority complaints/allegations including SEA and human rights).	<p>In Progress</p> <p>On average, screening outcomes were completed in 36 days, slightly higher than the KPI, due to 12% more complaints received YTD.</p> <p>High priority, SEA and human rights screening outcomes were on average completed in 44 days due to need for more indepth assessment. [The assessment phase previously took 90 days].</p>	On average, triage and complete assessment of 80% of allegations/complaints received within 60 days.
A2. INVESTIGATIONS 1. Case Closure Memos: a. Issue at least 50 case closure memos in a calendar year. b. Average of 12 months to produce investigation case closure memos. 2. Investigations: a. Publish at least five investigation reports in a calendar year. b. Average of 14 months to produce investigation draft report for publication. 3. Awareness of Prohibited Practices: a. 80% of anti-fraud awareness activities completed as per workplan.	<p>In Progress</p> <p>1. Case Closure Memos: a. 26 memos were issued (52% of the KPI). b. An average of 13 months to produce investigation case closure memos.</p> <p>2. Investigations: a. Four out of five investigation reports published (80% of the KPI). b. An average 25 months (20 months on average for SEAH cases) to produce investigation draft report for publication, due to some long-standing investigations.</p> <p>3. Anti-fraud: a. 67% of anti-fraud awareness activities completed.</p>	<p>1. Cases Closed: a. Close 50 cases per year in a rolling cycle. b. Average of 12 months to produce investigation outcomes that are not published.</p> <p>2. Investigations: a. Publish at least five investigation reports per year in a rolling cycle. b. Average of 14 months to produce investigation draft report (Stage 6 completion) for publication.</p> <p>3. Awareness of Prohibited Practices: a. 80% of our awareness raising activities completed in the year.</p>
A3. AUDITS & ADVISORIES 1. Audits: a. Issue at least 15 audit reports in draft by year end (stage 4 of SEM), as a proportion of all engagements in the workplan. b. Issue at least 19 audit reports to the Audit and Finance Committee by March/end of Q1 of the next calendar year. 2. Advisories: Issue at least 2 advisory reports in draft by year end.	<p>In Progress</p> <p>1. Audits: a. Six audits from the 2023 workplan were issued in draft by the end of August 2023. b. One audit report from the 2023 audit workplan was issued to the AFC.</p> <p>2. Advisories: One advisory report was issued in draft by the end of August 2023.</p> <p>Based on prior years, we estimate we are on track to achieving this KPI in 2023.</p>	<p>1. Audits: a. Issue 15 audits per year in draft (SEM stage 4) with at least 4 per quarter. b. Publish at least 16 audits in a calendar year on a rolling basis. c. Issue 90% of audit reports in annual workplan to the Audit and Finance Committee by 31 March 2025. d. Publish all audit reports in the annual workplan by 30 June 2025.</p> <p>Advisories: Issue at least three advisory reports during the year.</p>

B. Risk & Impact

Performance objective	Progress at 31 August 2023	2024 KPI
B1. Audit coverage: Cover at least 75% of allocation and 75% each of HIV, TB and malaria disease burden over a rolling three-year cycle.	<p>In Progress</p> <p>At the end of December 2023, we will have covered for the 2021-2023 audit cycle:</p> <ul style="list-style-type: none"> • 77% / 68% / 69% of HIV, TB, and malaria • 65% of the previous allocation (2020–2022) <p>Shortfalls in planned coverage for country disease burden (TB, malaria) and allocation amounts are due to fewer country audits (seven) performed in 2021 in the context of the pandemic.</p>	B1. Audit coverage: Cover at least 75% of allocation and 75% each of HIV, TB and malaria disease burden over a rolling three-year cycle.
B2. Assurance activity on 100% of risks rated as high in the Organizational risk register over a rolling three-year cycle.	<p>In Progress</p> <p>100% coverage of risks rated as Very High and High in the organizational risk register based on the current 2023 audit workplan.</p>	B2. Assurance activity on 100% of risks rated as high in the Organizational risk register over a rolling three-year cycle.
B3. 60% of Agreed Management Actions are remediated by the Secretariat, by their due date, over a rolling two-year cycle/period of eight quarters.	<p>Not Met</p> <p>28% of Agreed Management Actions were implemented by the Secretariat by their due date between 1 April 2021 and 31 March 2023. <i>See OIG AMA Progress Report for more details.</i></p>	B3. 60% of Agreed Management Actions are remediated by the Secretariat, by their due date, over a rolling three-year cycle.
		B4. Recoveries identified or significant lessons learnt from 100% of OIG-led substantiated cases.
<p>B5. Stakeholder Engagement Satisfaction:</p> <p>1. 80% overall satisfaction score from engagement satisfaction surveys conducted.</p> <p>2. 80% overall satisfaction score from Board & Audit and Finance Committee satisfaction surveys.</p> <p>3. 80% overall satisfaction score from post event surveys conducted for anti-fraud awareness activities.</p>	<p>In Progress</p> <p>1. 73% satisfaction rate from audit engagement satisfaction surveys conducted to date.</p> <p>Not Yet Due</p> <p>2. The next survey will be carried out in December 2023.</p> <p>Not Applicable</p> <p>3. Post event surveys were not conducted for the anti-fraud awareness activities completed due to their nature. Surveys are planned for events upcoming in later part of 2023.</p>	<p>B5. Stakeholder Engagement Satisfaction:</p> <p>1. 80% overall satisfaction score from engagement satisfaction surveys conducted.</p> <p>2. 80% overall satisfaction score from Board & Audit and Finance Committee satisfaction surveys.</p> <p>3. 80% overall satisfaction score from post awareness raising event surveys.</p>

C. Operations and Quality

Performance objective	Progress at 31 August 2023	2024 KPI
C1. Costs managed within 10% of approved budget.	Met (as at 31 August 2023) The OIG actual expenditure was 2.4% under the year-to-date budget. This is primarily driven by staff vacancies. See <i>Annex 1 – Staff and Budget</i> for more details.	C1. Costs managed within 10% of approved budget.
C2. 100% of Agreed Management Actions (AMAs) tracked and validated within 30 days of Secretariat reporting as “Completed”.	Met (as at 31 August 2023) As of 31 August 2023, 100% of the Agreed Management Actions reported as implemented during the year by the Secretariat had been validated by the OIG within 30 days.	C2. 100% of Agreed Management Actions (AMAs) tracked and validated within 30 days of Secretariat reporting as “Completed”.
C3. Provide an annual assurance statement on governance, risk management and controls at Global Fund.	Not Yet Due 2023 annual opinion on Governance, Risk Management and Internal Controls will be issued to the AFC in March 2024.	C3. Provide an annual assurance statement on governance, risk management and controls at Global Fund.
C5. Performance of triennial external quality assurance review to confirm conformance with IIA and CII requirements.	Not Yet Due The external assurance took place in Q3, 2021. The next assessment is due in 2024.	C5. Performance of a triennial external quality assurance review to confirm conformance with IIA and CII requirements.

D. People & Culture

Performance objective	Progress at 31 August 2023	2024 KPI
D1. 100% of staff development plans have been approved by end of Q1.	Met 100% of staff have had their development plans approved in the Human Resources systems by Q1 2023.	D1. 100% of staff development plans have been approved by end of Q1.
D2. 100% of staff complete by year end, a minimum of 40 hours of formal training .	In Progress 62% of staff had completed a minimum of 40 hours of formal training expected to increase in Q4.	D2. 100% of staff complete by year end, a minimum of 40 hours of formal training .
D3. 80% overall score in employee satisfaction survey.	Not Yet Due Survey scheduled for Q4 2023.	D3. 80% overall score in employee satisfaction survey.

OIG Leadership Group



Tracy Staines, Inspector General

Tracy Staines brings over 24 years of multi-sectoral experience in audit and risk management, including ten years driving and leading change at the Global Fund. Prior to joining the Global Fund, Tracy led audit and investigations teams at one of Europe's largest banks and the UK Civil Service. She began her career with Deloitte, the largest professional services firm in the world, in London and Sydney. She is a Fellow of the Institute of Chartered Accountants in England and Wales, a Chartered Internal Auditor and a qualified member of the Chartered Institute for Securities and Investments.



Daniel Petrescu, Head of Audit and Advisory

Daniel started his audit career with Raiffeisen Bank where he spent almost five years as an Internal Auditor and an Internal Audit Manager. He then spent seven years with Soci t  G n rale Romania as Internal Audit Director and General Inspector for three years before joining the OIG. He joined the Global Fund in 2014 and holds the Association of Chartered Certified Accountants (ACCA) Diploma, as well as Certified Internal Auditor (CIA) and Certified Financial Services Auditor (CFSA) certifications.



Samir Fahoum, Head of Investigations

Prior to joining the OIG, Samir served as the Principal Integrity Officer for the Office of Institutional Integrity at the Inter-American Development Bank (IDB) in Washington D.C. He began his career as a Special Agent for the U.S. Air Force Office of Special Investigations. He later was a Senior Investigator for the World Bank Integrity Vice Presidency. In various capacities, he also advised the Islamic Development Bank, and the United Nations Relief and Works Agency for Palestine Refugees in the Near East in Amman, Jordan.



Collins Acheampong, Head of Professional Services

Collins has worked on multiple assurance and consulting engagements for financial institutions, governments, international organizations, and development partners including the Global Fund as a Local Fund Agent. He has firsthand understanding of Global Fund programs at the country level. He joined the Global Fund in 2015 from PricewaterhouseCoopers. He is a chartered and certified member of multiple professional bodies including the Association of Chartered Certified Accountants, Association of Certified Fraud Examiners, Institute of Internal Auditors, Institute of Risk Management and Project Management Institute.