



The Global Fund to Fight AIDS, Tuberculosis and Malaria Monitoring, Evaluation, Finance and Audit Committee Meeting

Geneva, 4 June 2003

Report of the External Audit Selection Panel of the MEFA Committee

4 June 2003

Background

The MEFA Committee at its meeting on 2 – 4 April 2003 appointed a panel comprised of three of its members to review proposals to be received in response to the Request for Proposals (RFP) for the provision of external audit services to the Global Fund and to select a candidate for recommendation to the Board. The panel members are Jerome Baconin, Paul Ehmer and Milly Katana.

Proposals Received

Proposals were received from three candidates in response to the RFP.

Findings of the Panel

The proposals were e-mailed to panel members for review and were discussed by the panel at its meeting on 4 June 2003, with input from the Secretariat. The findings of the panel were as follows:

- Each of the candidates was considered technically capable of fulfilling the role of external auditor to the Global Fund.
- Discussions between the candidates and the Secretariat gave confidence that any one of the candidates would do a good job.
- None of the candidates gave any cause for concern on grounds of reputation.
- It was concluded that Ernst & Young had cited more experience in the audit of internationally operating not-for-profit organizations than the other candidates and that this experience would be valuable to the needs of the Global Fund.
- It was also considered that Ernst & Young was likely to be well known in more countries than the other candidates that that this could be an important factor to those interested in the financial affairs of the Global Fund.
- The fee quoted by Ernst & Young for the audit of the 2002 and 2003 financial statements was in each case lower than the fees quoted by the other candidates.

Decisions

1. Based on its findings, the panel unanimously agreed to recommend to the Board that Ernst & Young be offered the appointment as external auditor to the Global Fund.
2. The Secretariat was asked to check verbal references on the selected candidate and to conclude arrangements for the appointment.