THE GLOBAL FUND
Office of the Inspector General

Global Fund Board Report
Office of the Inspector General

2025 Annual Report

GF/B55/10
55th Global Fund Board Meeting
9-10 July 2026

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 Prohibited Practices, as defined in the *Policy to Combat Fraud and Corruption*, and violations of the human rights standards and instances of sexual exploitation and abuse, as defined in the applicable codes of conduct.
- 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.

52
Full-time staff

28
Primary nationalities

Global Fund languages spoken by OIG staff

English	100%	Russian	6%
French	48%	Arabic	6%
Spanish	19%	Portuguese	2%

Gender

44% Female

56% Male

Donor-Implementer

50% Donor

50% Implementer

Figures as at 31 December 2025

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.

The OIG has published **thirteen reports** as at 31 December 2025. In line with the Global Fund's commitment to transparency and accountability, reports are available on the Global Fund website.

I 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.

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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Inputs received

At its 30th meeting, the Audit and Finance Committee (AFC) commended the OIG's focus on strategic risk, differentiated assurance, and impact protection.

The AFC encouraged further refinement of KPIs to clearly distinguish strategic indicators for its oversight from internal operational metrics, and to strengthen granularity of investigation performance reporting.

The AFC also emphasized the importance of sustained engagement with partners and country-level assurance functions.

1. Foreword

Last year, when I noted that the outlook for global health financing pointed to markedly difficult times ahead for the Global Fund, I hoped to be proved wrong. Instead, the year underscored how fragile and uncertain the external environment has become. Against this backdrop, the Partnership's ability to mobilize US$12 billion - while short of an ambitious target - remains a significant achievement and a clear signal of continued donor confidence in the Global Fund's mission, despite intense geopolitical competition and growing global instability.

Tracy Staines (she/her)
Inspector General

The Global Fund has long demonstrated its ability to deliver under pressure. During the COVID 19 pandemic, it sustained lifesaving services amid unprecedented disruption. In 2025, it again faced a convergence of challenges: uncertainty in donor pledge conversion, shifts in partner support, and mounting geopolitical and economic pressures. These conditions placed exceptional demands on the organization and disrupted programs at scale.

The Partnership's response was deliberate and resolute. The Secretariat moved swiftly to strengthen liquidity management, realign assets and liabilities, and engage closely with donors and partners. Difficult decisions followed. For the first time, Board approved country allocations were reduced - an unprecedented step that reflected institutional maturity, agility, and a willingness to adapt as long-standing assumptions no longer held.

Taken as a whole, the year reaffirmed the resilience of the Global Fund model. Trusted partnerships, strong country ownership, and the ability to adapt under strain enabled continued delivery of results in exceptionally challenging conditions. At the same time, 2025 marked an inflection point. The organization is likely to operate in a more constrained environment - characterized by tighter donor funding, significant financial challenges in implementing countries, and reduced operating flexibility - while expectations for impact and efficiency continue to rise. Sustaining hard won gains will therefore require deliberate recalibration across the partnership.

Themes raised repeatedly in previous years now take on greater urgency: future success will depend on sharper prioritization, clearer differentiation, and closer alignment between ambition, resources, and delivery realities. These trade-offs are most evident at the point of implementation, where results depend on the capacity of in-country implementers and national systems. In a constrained resource environment, aligning the scale and sequencing of investments with realistic implementer capacity is essential. Embedding value for money considerations across grant design, delivery, and oversight - alongside more streamlined and differentiated grant management and assurance - will be critical to protecting impact. As countries assume greater responsibility for financing programs, transition risks will also require careful management to safeguard services for vulnerable populations.

Risk management is likewise entering a new phase. While the Global Fund has built a strong risk architecture over the past decade, today's risks are increasingly strategic - spanning funding volatility, transition pressures, domestic financing fragility, rising expectations, and delivery constraints beyond Secretariat control. Addressing these effectively will require clearer prioritization, more active risk steering, and explicit accountability for tradeoffs.

The Office of the Inspector General was not immune to the scale of the disruption. In response, 2025 marked an evolution in our assurance approach, with the introduction of rapid assurance reviews—providing focused, risk-based assurance at critical moments, often while key processes or frameworks were still being developed. We also sharpened our focus on prevention by more systematically integrating proactive investigative work alongside our reactive activities. Organizational adjustments within the OIG in 2026 will further align our work with this evolving context and strengthen collaboration across the assurance ecosystem.

Importantly, there is reason for confidence. Mobilizing substantial resources in a fragile global environment, alongside continued political support across many constituencies and sustained engagement from civil society and affected communities, demonstrates that commitment to the Global Fund's mission endures. These foundations matter not only for navigating current constraints, but for sustaining momentum over the longer term. As the landscape continues to evolve, agility, relevance, and impact will remain central - to both the organization and the OIG - as we continue to support informed decision making and help safeguard the Global Fund's ability to deliver lifesaving results for those who need them most.

2. Annual Opinion

The Office of the Inspector General (OIG) provides the Global Fund with independent and objective assurance over the design, effectiveness and quality of controls or processes in place to manage the main risks impacting programs and operations. In line with its charter, the OIG issues an annual opinion on the effectiveness of the governance, risk management and internal controls, based on its engagements, including audits, investigations and follow-up of agreed management actions.

In formulating its opinion, the OIG considered:

- the results of its activities (audits, investigations and advisories),
- the work performed by independent assurance providers of the Global Fund such as the External Auditor of the Global Fund,
- the work of second-line internal functions, such as the Ethics Office and Risk Management Department,
- key information from Board and Management Executive Committee meetings.

The risk-based engagements performed by the OIG in 2025, relevant conclusions from our activities in Q1 2026 and the above information, provide a basis to support the annual opinion. This analysis takes place within the context of the inherent limitation in the methodology as highlighted below.

Methodology

OIG audit engagements are risk-based, and do not cover every business process, organizational unit or country supported by the Global Fund.

Audits are selected based on a comprehensive risk assessment and a prioritized use of audit resources. In addition, each audit is supported by an engagement-level risk assessment, which is performed to ensure a focus on the most important residual risks. In 2025, OIG significantly adapted its workplan to provide rapid reviews in a changing context. Such reviews are focused on and provide limited, timely, risk-based assurance on a subject matter or process while it is being designed and implemented. As the context of such reviews includes extraordinary circumstances and limited reliable or available data, the level of assurance from Rapid Reviews is more limited than standard OIG audits.

For investigations, when identified and reported, all allegations and complaints of fraud and abuse are triaged through a case intake process and assessed for credibility, verifiability and materiality. Those that meet all three criteria and that are within the OIG mandate are generally investigated by the OIG, which focuses its activities on high-priority wrongdoing and misconduct.

All OIG activities are conducted in accordance with its charter and applicable international professional standards.

Opinion

Nothing on governance, risk management and controls that would significantly compromise the overall achievement of the Global Fund's strategic and operational objectives came to the OIG's attention during the period.

There has been no interference in determining the scope of activities, or the work performed by the OIG, or the communication of the results from its work during the period under review. The OIG has adequate resources to effectively discharge its mandate.

Without modifying its opinion, the OIG draws the attention of the Board, the Audit and Finance Committee and executive management to the inherent constraints in official development assistance and domestic financing for health which could affect the Partnership's ability to deliver the current strategy. This and other significant issues presented in the next section require consideration to ensure the organization can effectively and efficiently achieve its strategic objectives.

3. Strategic Themes from OIG Work

In its short history, the Global Fund partnership has achieved remarkable success. The *2025 results report* indicates that since 2002, 70 million lives have been saved, and the combined death rate of HIV/AIDS, TB and malaria has fallen by 63%. While its recent Replenishment fell short of the US$18 billion target, the US$12 billion mobilized remains a significant achievement and a clear signal of continued donor confidence in the Global Fund's mission amid growing global instability.

Despite this achievement, 2025 was one of the most challenging years in the Global Fund's history. Heightened uncertainty regarding donor pledge conversion, and shifts in partner support, led to unprecedented disruption for funded programs, and posed existential risks to the organization. The Global Fund responded with agility, resolutely strengthening liquidity management, realigning assets and liabilities, engaging closely with donors and partners, and taking decisive measures to safeguard programs. For the first time, the Secretariat took an unprecedented but necessary step by deallocating previously approved country allocations.

In response to these significant challenges, the OIG paused its country audits and redirected its work to provide a series of rapid assurance & advisory reviews, which are specifically designed for fast-changing settings. OIG's *Rapid Assurance Review: Reduction of GC7 Country Allocations* found that effective and timely processes had enabled large scale grant revisions to maintain program relevance, in a rapidly changing global health environment.

The Global Fund has demonstrated agility and resilience in navigating a fast-evolving global health landscape, mobilizing US$12 billion in resources amidst a fragile donor landscape.

Looking ahead, however, the organization will likely operate in an environment of constrained donor funding, limited domestic financing, and tighter operating resources at Secretariat level, even as expectations for impact, efficiency, and innovation keep rising.

As the global health ecosystem evolves and external financing becomes more constrained, the Global Fund partnership will need to work differently - recalibrating expectations, mobilizing additional domestic financing for health, and strengthening sustainability. In response, the Global Fund is adapting its approach for the next Grant Cycle (GC8) to drive impact based on country context, while reinforcing sustainable delivery models and effective transitions from external support.

Delivering these ambitions will require targeted and deliberate changes to the Global Fund's operating model, as set out in the strategic themes below.

3.1 The varying capacity of grant implementers will affect the effectiveness of the GC8 strategic shifts, and the timely and effective execution of grant activities.

Global Fund programs are delivered through health systems which vary in terms of resilience and maturity. The Secretariat routinely assesses implementer capacity and puts in place mitigation measures to optimize grant implementation. However, the limited pool of available implementers and the capacity of country systems are not always aligned with the expected scope, scale, and complexity of grant activities, which can affect timeliness and effectiveness.

The Secretariat has well-established mechanisms to identify and respond to such delays, through portfolio optimization and grant revisions. The OIG's 2024 audit of *The Global Fund's Approach to Reallocate Grant Funds* concluded that the process was well designed, and that grant revision timeliness has improved. In 2025, the grant revision process was further streamlined to better align grants to reduced country envelopes and changing priorities. The OIG's *Rapid Advisory Review of the Adapted Grant Revisions Process*[1] confirmed the sound design of the revised approach. The OIG's rapid assurance reviews on the midcycle Grant Revision process for Grant Cycle 7 (GC7) in *Tanzania* and *Zambia*, and the forthcoming reports for Kenya, Nigeria and Mozambique found processes to be largely compliant with Global Fund policies and guidance.

Our findings confirm that matured processes allow the Global Fund to both scale up activity in a context of increased funding (as per the *Audit of the COVID-19 Response Mechanism* (C19RM) and to adjust programs within short timeframes in a resource-constrained environments. While the Secretariat works with implementers to reduce delayed outputs through grant revisions, this often requires significant effort, and can affect intervention effectiveness. While the GC8 shifts will support countries in navigating these challenges, actual grant outcomes will remain highly dependent on the capacity of specific implementers.

Aligning Resilient and Sustainable Systems for Health (RSSH) activities to implementer capacity: The Global Fund invested US$6 billion in health and community systems in GC7, a 35% increase from GC6. Execution of these activities was frequently affected by delays, weak implementer capacity, and limited monitoring. Recognizing systemic in-country challenges, in 2024 the Secretariat operationalized an 'RSSH Implementation Acceleration Initiative.' This introduced executive oversight, structured monitoring and issue resolution processes for high priority countries based on investments and has contributed to improved delivery across laboratory systems, oxygen plants, digital systems and surveillance.

Nevertheless, despite strengthened focus and accountability, country capacity to execute RSSH activities remains limited, reflected in lower absorption rates (45% for GC7 as of 30 June 2025, compared to 72% for non RSSH activities).[2]

Unlike disease programs, RSSH activities often lack a designated country-level entity as implementation typically spans many sectors. Global Fund grants are typically implemented by national disease programs, entities that either do not implement RSSH activities, or do not have the required capacity or competence to do so. Effective RSSH delivery also depends on strong coordination between multiple in-country actors, which does not always function as intended, as found in OIG audits of Global Fund grants in *Malawi*, *Angola*, and *Nigeria*. Unless mitigated, these structural and coordination challenges will likely affect the level of service integration and RSSH activities despite the potential reduction in scale of such interventions due to funding constraints as C19RM ends.

Operating effectively in challenging and volatile contexts: The Global Fund supports programs in complex and fragile environments. Implementers, supported by the Secretariat, have consistently demonstrated agility, innovation and commitment to sustaining HIV, TB and malaria services under extreme constraints. In contexts affected by conflict, insecurity and systemic fragility, program continuity has been enabled through emergency reprogramming, strategic partnerships, and adaptive delivery approaches.

These efforts have contributed to maintaining a minimum delivery service level, where interruptions could have been catastrophic. At the same time, the Global Fund's experience in fragile and crisis affected settings confirms that implementation capacity and access constraints are structural limitations that cannot be fully mitigated through grant design alone.

Alignment between ambition, capacity and operational realities is more important than ever.

1 The OIG provided ad hoc advisory input during the development of the revised grant revision process. As this was informal guidance rather than a formal engagement, no published report was issued

2 Gf_B54_15_Financial Performance Report

The OIG's audit of *The Global Fund Approach to Managing Grants in High & Extreme Security Risk Settings* found that while most countries sampled demonstrate moderate to excellent programmatic performance, none of them are on track to achieve 2030 global targets. This reflects factors largely outside implementer control, such as insecurity, disrupted supply chains, and limited institutional capacity and reinforces the importance of realistic expectations and fit for context grant strategies for fragile settings.

Looking ahead, stronger alignment of grant design to operating realities, combined with more courageous and deliberate use of the Global Fund's flexibilities, will further enhance the effectiveness and resilience of investments in fragile contexts.

Translating allocations into implementation ready grants: Under GC8, the Secretariat will implement a series of strategic measures to enhance sustainability. Despite operating under compressed timelines – with nine months for funding request and grant making, compared to eleven months in GC7 - it intends to advance these while managing ongoing disruptions in the global health ecosystem.

Experience from prior grant cycles demonstrates that early implementation readiness, including timely sub recipient engagement, is a critical determinant of first year performance. Secretariat analysis and OIG work have shown that delays in sub recipient contracting have been a recurring challenge, particularly in complex portfolios, as found in OIG audits of Global Fund grants in *Nigeria* and *Mozambique*. In response, the Secretariat requested an *OIG advisory review of the sub recipient selection processes*. The advisory highlighted practical actions, including clearer minimum requirements, stronger role definition between Country Coordinating Mechanisms (CCMs) and Principal Recipients, and earlier decision making.

Enhancing country level project management capacity: Over time, the Global Fund has invested substantially in systems, tools and operating models to support country level delivery, with implementers, CCMs and Project Management Units (PMU) playing a central role in translating grants into results. OIG observations across several audits such as *Pakistan*, *Togo*, and *Kenya* indicate that PMU maturity varies significantly, particularly in environments with long-standing capacity constraints. These weaknesses can undermine effective program delivery and are sometimes identified too late for corrective action within the grant period.

Given the worsening external environment, GC8 grants will likely be implemented in even more challenging environments and under constrained timelines, making alignment between ambition, capacity and operating reality more important than ever. A shared understanding between the Board and the Secretariat of what success looks like in different contexts will help ensure that implementers remain focused on interventions that drive impact, rather than overstretching limited capacity. By reinforcing differentiated approaches, prioritizing essential system enablers, and sustaining attention on implementation readiness and country level capacity, the Global Fund will be well positioned to protect hard won gains and continue delivering impact, even in the most challenging environments.

3.2 Sustaining impact depends on a shift from incremental efficiency gains to radical differentiation and streamlined execution.

The Global Fund has a lean operating model: our *Audit of the Effectiveness of Global Fund Model in Delivering the New Strategy* highlighted that more than 90% of raised funds reach in-country implementers. Given the diversity of operating contexts across countries, applying uniform expectations and processes is not always realistic, and the Secretariat has therefore adopted differentiated approaches to grant management. Opportunities exist to sharpen streamlining and differentiation to maximize impact in a resource-constrained environment.

Recalibration and deliberate trade-off in core activities: The Global Fund's strategic priorities have broadened overtime in response to shifts in epidemiology, stakeholder expectations and the global health landscape. As indicated in the *Audit of the Effectiveness of Global Fund Model in Delivering the New Strategy*, the organization's focus has expanded from disease outcomes to include strengthening climate resilient and resilient health and community systems, pandemic preparedness, human rights, and community engagement.

However, the cumulative addition of new priorities, initiatives and in house capacities has not always been accompanied by explicit articulation of tradeoffs. In the context of constrained resources, this "strategic accumulation" warrants careful recalibration to protect critical areas aligned to available capacity and a changing landscape, rather than allowing expanding ambitions to translate into unsustainable pressure on Country Teams and implementers.

Adapting technical capacity to a resource-constrained environment: As the organization's mandate and funding expanded, Secretariat grant management - and associated human resource needs – has become increasingly technical. In response to a changed external environment, the Secretariat has since begun to amend its internal structures, and to reorganize teams, which has contributed to an estimated 20% reduction in operating budget. However this reduction has been largely offset by the continued strengthening of the Swiss franc against the US dollar, the currency in which most contributions are received.

In a resource constrained environment, opportunities exist to refocus technical capacity on essential functions, including by streamlining overlapping advisory roles and strengthening alignment between roles and activities. This may involve exploring complementary models for accessing external technical expertise, while carefully considering shifts in the global health architecture, cost implications, and the advantages of retaining in-house capacity, such as responsiveness and accountability.

Further optimize and differentiate processes: The Global Fund has developed complex processes to support standardization and overall effectiveness. In recent years, the Secretariat has begun incorporating greater differentiation into its processes, including funding application and grant making. In 2025, differentiated processes were applied to support grant revisions following the allocation reduction, and other initiatives are underway to automate repetitive processes and to free up capacity for more complex activities.

However, as has been emphasized in past OIG annual reports, opportunities exist to further streamline and differentiate processes for GC8 given the current context. These include consolidating the number of grants to reduce related administrative processes and better use of outcome-based contracting. To date, differentiation efforts have been blunted by risk aversion, divergent stakeholder expectations, and limited accountability. While the Board and its Committees have indicated their support for differentiation, specific actions have sometimes proven counterproductive. For instance, attempts to more radically differentiate the Technical Review Panel (TRP) process following OIG advisory review were not ultimately adopted, as the Strategy Committee Working group assessed the proposed options as unsuitable.

Maximizing impact will require sharper differentiation and deliberate restraint.

Value for money (VfM) frameworks are not yet embedded in grants and decision making: The OIG's value for money audit of *Global Fund investments in Health and Laboratory-related equipment* found that the organization has a comprehensive VfM framework, well-tailored to its mission. However, the framework has not been fully operationalized to inform critical decisions including the development of management-defined metrics for measuring value for money. In their absence, prioritization decisions risk being guided by precedent or practicality, rather than explicit value for money considerations.

At the implementation level, prohibited practices, undisclosed conflict of interests, weaknesses in procurement processes, and inefficiencies in implementation have adversely affected value for money.

In 2025, OIG investigations identified US$17.2 million in non-compliant expenditures. While the Secretariat has effective mechanisms to recover amounts identified in OIG investigations, the expected benefits from the related activities are not always realized. For instance, following concerns raised by the Country Team, our investigation report in *Tanzania* found fraudulent practices in the selection of sub-recipients by a Principal Recipient for a contract exceeding US$4m despite having low evaluation scores. Undeclared conflicts of interest contributed to, and facilitated, this biased outcome, misleading the Global Fund. Implementation of certain activities had to be paused, and certain essential community services had to be transferred to another implementer. Our audit of *Global Fund grants to the Republic of Malawi* found that delayed contracting by the principal recipient led to 15% increases in the cost of health system strengthening activities. Our *audit of Global Fund Grants to the Federal Republic of Nigeria* found implementers poor adherence to procurement procedures, and weak oversight of service providers, reduced competition for US$1.7 million in contracts, potentially undermining value for money.

3.3 Sustaining investments and health outcomes in countries with the greatest disease burden will increasingly depend on domestic financing and successful transitions from external support.

The Global Fund's strategy and STC policy place a strong emphasis on domestic resource mobilization and predictable transitions, particularly for higher income countries. They require countries to commit to, and gradually take over, the financing of Global Fund-supported interventions. Over the years, the Secretariat has strengthened its engagement with countries on domestic resource mobilization, creating a dedicated health financing team, operational guidelines to support country teams and implementing innovative financing mechanisms. It has also strengthened its monitoring of domestic financing for health commitments, which contributed to approximately US$ 17 billion total financial commitments for GC7.[3]

The Secretariat also takes the STC policy into account during key programmatic decisions. For instance, STC considerations were explicitly incorporated into GC7 allocation reductions to avoid creating unmanageable funding gaps, as indicated in our *Rapid Assurance Review: Reduction of GC7 Country Allocations*.

Despite these increased efforts to effectively operationalize the STC policy, material challenges for domestic resource mobilization and transition remain, most of which are beyond Global Fund direct control. Co-financing effectiveness is highly context dependent and cannot be treated as a uniform policy lever. At country level, co-financing remains uneven and fragile, particularly in weaker public financial management (PFM) environments. When governments do not meet their agreed health financing commitments, it contributes to stock-outs, delayed procurements, and stalled implementation, even where Global Fund resources are available, as found in our audits of *Global Fund grants to Federal Republic of Nigeria* and *Islamic Republic of Pakistan*. In many such cases, the Global Fund had to step in with top-ups to ensure continuing service delivery.

These cases contrast with countries such as Rwanda, where strong PFM systems and political commitment have enabled domestic financing to exceed co-financing requirements. In Indonesia and Vietnam, the integration of programs into National Health Strategies has helped to increase domestic financing, with health commodity procurement shifting progressively from Global Fund to government financing. In GC8, fiscal constraints and limited tracking and timely use of funds will likely affect domestic financing. The Secretariat's increasing engagement with Ministries of Finance should, however, help to improve country ownership and accountability for domestic financing.

Similarly, transition pathways have been communicated to countries, which should contribute to engagement on transition preparedness. The OIG's 2018 audit of *Global Fund Transition Management Processes* found that transition is primarily a country-owned process. While the Global Fund plays an important advocacy role in transitioning countries, key enablers of successful transition include political willingness, level of commitment, and national legal frameworks, all of which are country-led and beyond the Secretariat's control. As Global Fund investments gradually decrease and eventually end, in line with Board-approved eligibility policies, the organization's leverage also declines. Thus, successful transition requires focused engagement of all stakeholders, including governments, the Global Fund Secretariat, the Board, partners, donors and civil society organizations.

While the GC8 transition pathways are essential, they contain inherent risks that will need to be well managed. Proposed timelines may outpace system readiness, including safeguarding services for vulnerable populations to ensure accelerated transitions do not undermine sustainability. On the other hand, delayed transitions could undermine the process by implying an indirect reward for governments. This requires careful calibration of timelines and early transition risk assessment, including escalation to inform trade-off decisions. To manage these risks, the Secretariat has initiated discussions with the Strategy Committee on the Global Fund's role in countries post transition, if any.

3 GF_AFC30_07

3.4 The changing risk landscape requires a recalibration of the Global Fund's risk management model toward strategic prioritization, accountability and decision support.

Since the introduction of Enterprise Risk Management in 2014, the Global Fund's risk management architecture has strengthened, with clearer policies, tools and oversight. This has helped the Partnership to navigate shocks such as COVID-19 and shifts to the external funding environment. The next phase of risk is increasingly strategic and not necessarily within the control of the Secretariat - funding shortfalls, structural currency challenges, transition pressures, domestic financing fragility, increasing donor expectations, and delivery constraints.

In this environment, risk management needs to evolve from primarily monitoring and managing grant level risks, to prioritizing and actively steering the risks that most threaten the organization's mission, strategy and credibility - and to do so through explicit accountability, clear escalation pathways and ownership of decisions. This evolution offers an opportunity to further strengthen the operating model, leverage risk intelligence more effectively, embed risk appetite into decision-making, enforce accountability and ownership, and better align assurance and oversight with evolving risk profiles to safeguard Global Fund investments.

Adapt the risk management model to a changing landscape and organizational context: The Secretariat's approach to risk management has historically been largely operational and compliance-focused, relying on extensive monitoring by the Risk Department over functional teams, an approach which reflects previous limitations in front-line risk management capacity. The organization has since matured: roles and responsibilities are now well defined, operational teams confidently apply risk concepts in daily work, and second-line oversight is provided by different technical teams alongside the Risk Department. This creates an opportunity to move away from operational risk monitoring, and to redirect resources toward strengthening the management of strategic risks.

The OIG's advisory review of *Global Fund Risk Management processes for country-facing risks* identified several challenges: underutilization of the Integrated Risk Management (IRM) system, activities that focus more on compliance than on supporting decision-making, and the limited value of some monitoring mechanisms. These factors highlight the need to streamline internal oversight and monitoring for more efficient decision-making.

In this context, the Executive Director has requested an OIG advisory review of the effectiveness of the Grants Approval Committee, which is expected to inform opportunities to streamline governance arrangements and strengthen timely, risk-informed decision-making during grant making.

Enhance use of risk appetite and risk reporting for decision-making: Risk appetite reflects the level of risk an organization is willing to accept in pursuit of its objectives, balancing both potential gains and potential losses. The Global Fund's Risk Appetite Framework represents an important step forward but embedding it into decision-making has proven challenging.

The OIG's advisory report on *Global Fund Risk Management processes for country-facing risks* identified key barriers affecting the operationalization of the framework, including limited guidance on trade-offs, absence of clearly defined scales or thresholds for risk ratings, lack of portfolio-level indicators, and insufficient stakeholder understanding. As a result, Country Teams are often left to make ad hoc judgments to absorb or manage risks, rather than benefiting from clear escalation mechanisms to support timely, informed, and consistent decision-making. Without explicit expectation for staff on risk appetite and trade-off, behaviors will inevitably remain overly prudent, with inherent inefficiencies.

Managing Today's Risks Is No Longer Enough—The Global Fund Must Actively Steer Its Most Strategic Threats.

Streamlining assurance to keep pace with evolving risk profiles: The Partnership takes its stewardship responsibilities seriously, in line with its high-risk operating environment. To manage heightened country's level risks, the Secretariat has introduced important mitigation measures and assurance activities. Over time, however, the Secretariat's assurance approach has become increasingly operational and compliance heavy, with implicit trade-offs that do not aways support timely or strategic decision making.

The GC8 strategic shifts, including transition, integration, output-based contracting, and increased use of public financial management (PFM) arrangements, present an opportunity to fundamentally recalibrate the Global Fund's assurance approach. While these changes offer significant gains in sustainability and efficiency, they also introduce new risk profiles that existing assurance arrangements may not be fully equipped to address. Building on recent Secretariat–OIG mapping of assurance coverage, a deliberate redesign aligned with these shifts will be essential to safeguard donor confidence and protect programmatic impact.

Steps in this direction are already underway: the Secretariat has initiated reforms to strengthen risk management, including reorganizing the Risk Department, merging it with the Ethics team to streamline senior management oversight and to improve efficiency. Under the refreshed model, front-line teams will assume full accountability for portfolio-level risk management, while the Risk Department will provide oversight through exception reporting. In parallel, revised Risk Appetite Statements for Global Fund Strategic Risks are being developed. Input has been sought from the committees in May and approval by the Board is planned in October 2026.

Strengthening Risk Management to Enable Risk-Informed Decision Making

Operating in an environment marked by heightened volatility, funding uncertainty, and complex delivery risks, the Global Fund faces a central challenge: how to take deliberate, informed risk in pursuit of impact—without weakening governance, accountability, or integrity.

Sponsored by the Executive Director, OIG performed advisory review of *Global Fund's Risk Management processes for country-facing risks* in 2024-25.

Impact and catalytic effect of the advisory

The advisory gave Executive Management and the Board a clear, evidence-based understanding of why risk management, while mature, was not consistently enabling risk-informed trade-offs. By shifting the focus from process compliance to risk governance, accountability, and decision usefulness, it reframed how risk management should function to support strategy and prioritization—particularly in constrained, high-risk environments.

The conclusions from the advisory informed a joint Secretariat–OIG mapping of risk and assurance functions and a key input into the subsequent evolution of the Global Fund's risk management model from a compliance based to strategic focused. This trajectory demonstrates the strategic value of agile, independent OIG advisory work in catalyzing institutional reform, helping the organization move beyond incremental improvements toward a more resilient, decision-ready risk management framework.

4. Inside the OIG

4.1 2025 in review and looking ahead

Early 2025 was marked by significant disruption across global health systems, with funding pressures and operational challenges affecting key Global Fund partners. In this context, the OIG temporarily paused country audits to allow the Secretariat and implementers to focus on stabilizing operations and protecting life saving services.

By July 2025, the OIG presented a substantially adapted workplan to the AFC, setting out revised priorities and more agile assurance approaches aligned to critical decision making needs. Implementation of this workplan has progressed steadily over the remainder of the year.

Figure 1
Highlights of OIG activities for 1 January – 31 December 2025

13 Published reports

27 Investigation cases closed

416 Complaints received

4 ISpeakOutNow events held

32 new AMAs, **54** closed AMAs[4]

Audit and Advisory

In 2025, the Audit Unit completed a significant part of its revised 2025 workplan despite the challenging operating context which resulted in pauses to country audits at the beginning of the year. Overall, eleven engagements have been completed and are in various reporting stages of the *Stakeholder Engagement Model*. This includes four audits, three rapid assurance reviews and four advisories.

Three remaining rapid country assurance reviews were delayed due to ongoing grant reprioritization activities as well as security threats and are expected to be published in Q2/Q3 2026. See Figure 2 for more details on the workplan 2025 status as at June 2026.

4 The 54 AMAs refer to the period 01 January - 31 December 2025. Annex 5 shows year-on-year data from end March 2025 to March 2026.

Figure 2

2025 Audit and Advisory Workplan Status as at June 2026

Rapid Assurance Review	Deallocation Approach	Published
Rapid Assurance Review	Tanzania – In Country Reprogramming	Published
Rapid Assurance Review	Zambia – In Country Reprogramming	Published
Rapid Assurance Review	Mozambique – In Country Reprogramming	Completed and in reporting phase
Rapid Assurance Review	Kenya – In Country Reprogramming	Completed and in reporting phase
Rapid Assurance Review	Nigeria – In Country Reprogramming	Completed and in reporting phase
Audit	Information Technology General Controls	Published
Audit	Indirect Procurement	Completed and in reporting phase
Audit	Review of the Evaluation and Learning Function	Published
Audit	Global Fund Approach to Managing Grants in High & Extreme Security Risk Settings	Published
Rapid Advisory	Adapted Grant Revisions Process	Completed
Advisory	Risk Management Processes for Country-facing risks	Published
Advisory	Enabling Operations Advisory	Completed
Advisory	Global Fund practices and processes for the selection and management of sub-recipients	Published

See Annex 5.3 for a summary of 2025 published reports

OIG introduces rapid assurance reviews in 2025

In 2025, the OIG introduced **rapid assurance and advice reviews** as a deliberate response to an increasingly dynamic, high pressure operating environment. As the Global Fund faced compressed decision timelines, evolving delivery models, and heightened crisis, traditional audit cycles alone were not always sufficient to provide timely assurance.

These engagements were intentionally scoped to address situations where decisions had to be taken quickly, information was incomplete, or formal processes did not yet exist but were required imminently, such as during emergencies, major reforms, or accelerated programmatic shifts, for example the Rapid Assurance Review: Reduction of GC7 Country Allocations which was completed with 8 weeks compared to a typical audit of 29 weeks.

This evolved OIG's assurance model, thereby **enhancing agility, relevance, and impact** while maintaining the rigor and independence expected by the Board and stakeholders.

A focused, quick turnaround review providing...	1	Provides reasonable **assurance** in a **fast-moving setting**
...limited, timely, risk-based assurance over functional areas or processes...	2	Facilitates **early identification** and **resolution** of **governance, risk, and control issues**
...while these are being designed and implemented	3	Supports the development of an **appropriate, fit-for-purpose process**

Investigations

In 2025, the Investigations Unit prioritized the timely completion of ongoing investigations while intensifying proactive measures to identify and disrupt prohibited practices before they take hold. These efforts align with the OIG's long term ambition to strengthen detection, reduce reliance on whistleblower reporting, and prevent systemic or material fraudulent practices.

Cases opened

The OIG opened 25 new cases as of 31 December 2025, one less than in 2024. Two of these cases were opened following OIG's Pilot Proactive Integrity Review *(see below)*.

Investigations in progress

The OIG has continued its progress to reduce the investigation case load and focuses on the most material and impactful investigations. At the end of 2025, the OIG has 38 active investigation cases (compared to 40 at the end of 2024):

- 17 of these are reactive, OIG-led cases, considered to be more material or complex: 14 are in the evidence-gathering stage, and three in reporting.
- 18 are reactive oversight cases, led by oversight functions of implementers with demonstrable capacity, and closely monitored by the OIG.
- 3 proactive investigations, all in evidence gathering stage.

Cases closed and published

The OIG closed 27 cases in 2025. 14 of these cases (52%) were substantiated or partially substantiated with findings of Prohibited Practices. Of the total cases closed, six cases resulted in finalized investigation reports. Four of these cases have been published in three reports (two cases were merged into one report), and two other reports are expected to be published in due course. *See Annex 5.3 for a summary of published reports in 2025.*

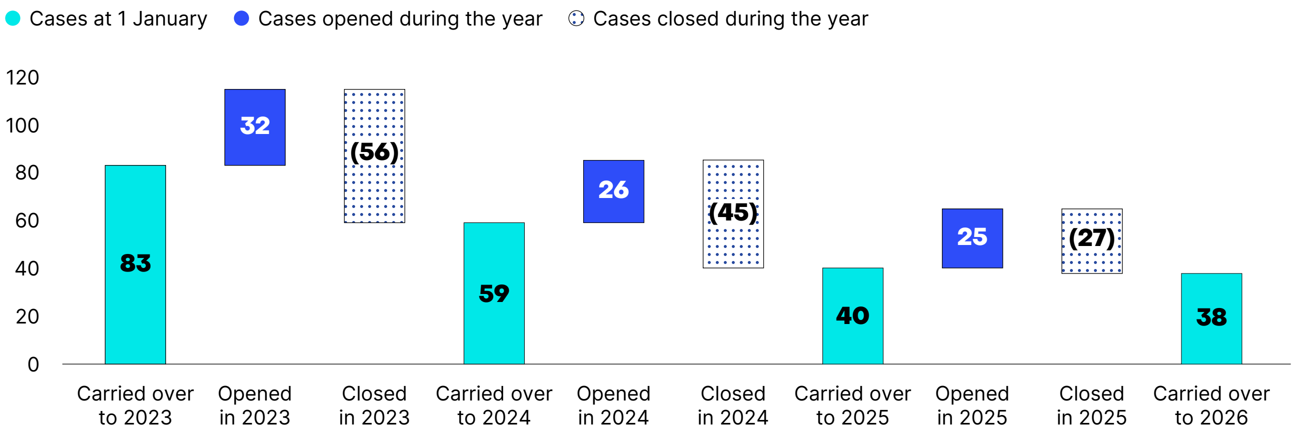
An additional eight cases were substantiated through our implementer-led investigations, with lessons learned shared with the Secretariat via Management Briefing Notes. *See Annex 5.4 for more details.*

As can be seen in Figure 3, the downward trend in carry-over cases from 2023 to 2025 demonstrates an improvement in OIG's case management. This is attributed to a more robust intake process *(see below Section 3.3 Case Intake and Screening)*, a focus on reducing aged cases, and the effective utilization of implementer-led investigations.

Proactive Integrity Reviews and Fraud Prevention

The OIG undertook substantive fraud prevention activities, including 14 ad hoc consultations to support Secretariat teams and implementing partners on in-country integrity risks, arising from active investigations and Country Team requests. The OIG also completed a pilot Proactive Integrity Review to support country teams in identifying integrity risks. The review, based on an analysis of portfolio-wide risks, assessed procurement across the grant life cycle and proposed recommendations to strengthen procurement and grant oversight. It also identified integrity risks that led to two proactive investigations.

Figure 3
Investigation case evolution

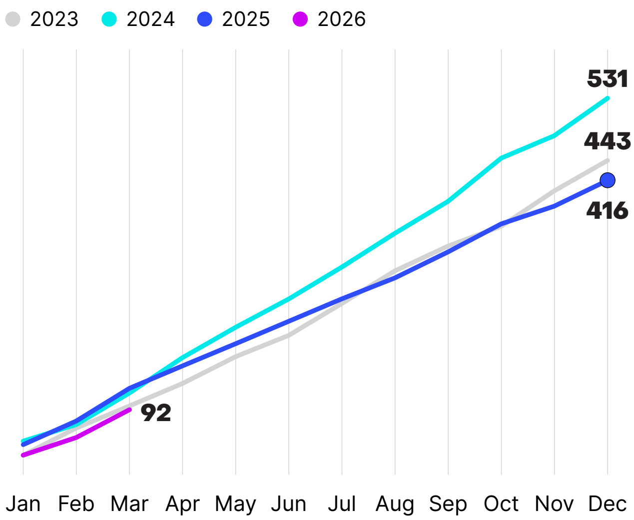


Professional Services

Case Intake and Screening

Complaints received in 2025 have stabilized after a growing trend in recent years. At the end of 2025, the OIG received 416 new complaints, a 22% decrease compared to 2024 and 6% less compared to 2023. Although the year began in line with last year's trend, we observed a modest inflection from March, likely driven by funding disruptions impacting the Global Health sector. A similar decrease in complaints was observed during the early stages of the COVID-19 pandemic.

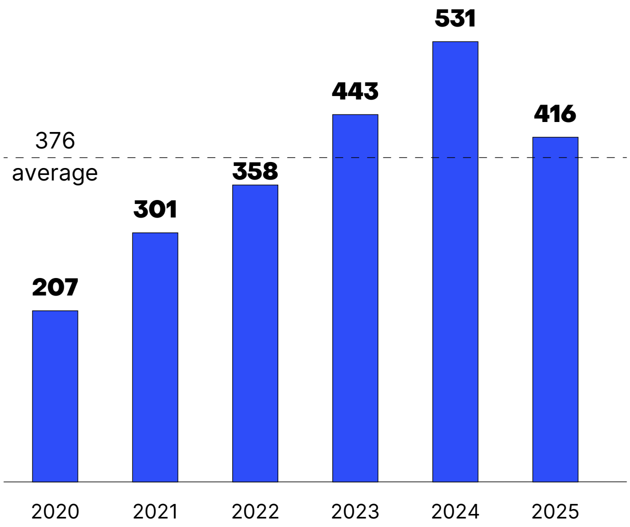
Figure 4
Complaints evolution 2023-2026 (monthly)



There were notably fewer complaints from four countries that historically contribute a significant share of complaints recorded, and there were fewer complaints reported by whistleblowers and the GF Secretariat - this is likely linked to reduced country engagement. Complaints reported by implementers and in-country assurance partners remain stable.

In 2025 the OIG implemented a new Case Management System - Fully Integrated, Digitalized and Intelligence-Driven.

Figure 5
Complaints evolution from 2020-2025



Leveraging technology to strengthen operational effectiveness

Throughout the year, we made tangible progress on our technology roadmap by delivering practical solutions with immediate operational impact. We completed the implementation of a new case management system for investigations to better align with IT architecture at Global Fund and improve system integration. We also deployed targeted AI use cases to support our engagements, including transcription services to accelerate interview processing, and AI powered tools to summarize reports and assist with complaint assessment. These initiatives reduced manual effort, improved visibility, and enabled greater self service access to key information. To ensure sustainable adoption, we also invested in hands on AI training for OIG staff to ensure responsible AI use. Together, these efforts delivered measurable efficiency gains while reinforcing a more data driven and technology enabled way of working.

Quality and Operations

Following the External Quality Assessment, the OIG prioritized implementation of the areas of improvement, with early milestones achieved and remaining actions progressing as planned. *See Section 4.3 for more details.*

Monitoring, verification and reporting of AMAs was consistent throughout the year with 32 new AMAs opened and 54 AMAs verified and closed. The unit also prioritized risk acceptance discussions with the Secretariat in the context of constrained resources and competing organization priorities. *See details in Annex 5.5.*

2026 Looking Ahead

The 2026 workplan delivers risk based assurance in a rapidly evolving environment, balancing country level assurance with targeted internal reviews and strategic support to drive impact, organizational resilience, and safeguard Global Fund investments.

Country-Facing Assurance

Country selection will remain flexible and adjusted based on the risk landscape, organizational priorities, and country level operating conditions. In 2026, the OIG plans to conduct eight to ten risk based grant audits, focusing on the most significant emerging risks, including funding disruptions.

In addition, the OIG will pursue a mix of reactive and proactive investigations that includes an estimated 18 high impact allegation led cases. The OIG will also deepen collaboration with implementing partner oversight offices to extend investigative reach and encourage partner led investigations where appropriate.

In parallel, the OIG plans to further develop its fraud prevention program supporting the Secretariat and Implementers in fraud risk management. This includes a commitment to support country teams with three Proactive Investigation Reviews (PIRs), increased support for ad hoc integrity focused consultations, the development of anti-fraud training material and six anti-fraud training sessions under the ISON program, focusing on country level capacity building and targeted fraud detection training for key implementers.

Secretariat-Facing Reviews: responsive to key organizational priorities

In 2026, the OIG will conduct four internal reviews focused on key Secretariat processes. A review of Health Products Quality Assurance (carried over from 2024), will assess the safeguards in place to ensure the quality of medicines and health products are delivered to patients. OIG will also examine lessons to be learned following the Secretariat's 2025 reorganization and workforce planning efforts. In addition, a review of the Global Funds Approach to support transition under GC8 and GC9 will be undertaken. A fourth review will be determined in due course, based on the evolving risk landscape and organizational priorities.

The OIG also plans to complete at least three advisory engagements in 2026, including Human Resource Operating Model and Grants Approval Committee Operating Model, requested by the Management Executive Committee. A final review will be determined based on topics informed by organizational development and input from the Board, Committees, and Secretariat, and agreed with the Executive Director.

Finally, the OIG is undertaking a review of the continued relevance of Agreed Management Actions and will consider alternative mechanisms to strengthen implementation and monitoring.

Update on Key Performance Indicators (KPIs)

At the October 2025 AFC meeting, OIG committed to further refine its KPI framework to ensure alignment with the organization's strategic direction and changes in the operating environment. The current context of increased volatility and uncertainty necessitates a more agile approach to assurance and performance measurement. OIG's KPIs for 2026 has been adapted to the changing risk landscape, volatile operating environment and heightened expectations of agile accountability and impact from oversight functions.

We have identified a set of strategic KPIs that will be reported to the Audit and Finance Committee and the Board, alongside internal metrics for operational management. These KPIs represent a natural evolution of the previous KPI framework, reflecting both the changing risk landscape and the OIG's shift toward a more risk responsive, outcome focused way of working, rather than an emphasis on outputs alone. As shown in Figure 6, the strategic KPIs cover four critical areas:

i. **Risk Driven Response** to ensure OIG focuses on the most material risks;

ii. **Impact and outcome** measures to monitor positive organizational improvements arising from OIG's work;

iii. **Quality** to ensure delivery is in line with professional standards; and

iv. **Enablers** of delivery capacity, to support sustained effectiveness.

Where a specific target is not applicable or available due to the qualitative nature of the KPI, progress will be assessed as part of OIG's external quality assessment or through feedback from Secretariat and governance bodies or update provided to the AFC/Board through specific examples. Previous KPIs related to number of audit reports have been postponed due to increasing volatility in the operating environment and need for agility.

Figure 6

OIG 2026 Key Performance Indicators

● Existing KPIs ● Existing KPI with minor refinement ● New KPIs

1. Risk-Driven Response

- (Existing KPI with minor refinement) OIG engagements cover at least 30% of high risk rated areas in the ORR or **emerging risks** at each annual reporting cycle (100% coverage of high risks in 3 years cycle.
- (New KPI) **OIG engagements cover at least 30% of corporate strategic priorities/strategic sub objectives annually (100% over 3 years).**
- (Existing KPI) OIG engagements cover at least 30% of allocation at each annual reporting cycle (70% of total allocation over 3 years).
- (Existing KPI) On average, triage and complete assessment of complaints received within 60 days.
- (Existing KPI) Close 50% of investigation cases opened at the end of the previous year.
- (Existing KPI) Average of 14 months to complete investigation cases for non-published cases.
- (Existing KPI) Average of 20 months to produce an investigation draft report for publication.
- (Existing KPI) Six awareness-raising activities be completed in a calendar year.
- (Existing KPI) Complete three proactive investigations reviews per year.
- (Existing KPI) Issue reports for 80% of current year's audit plan by end of the year.
- (Existing KPI) 100% of Audit reports from the previous year's workplan completed by 30 June of the ensuing year.
- (Existing KPI) Three Advisory reports issued in draft per year.

2. Impact/Outcome

- (Existing KPI) Recoveries identified or significant lessons learnt from100% of OIG-led substantiated cases.
- (New KPI) **Organizational, policy, or process changes influenced by OIG work.**
- (Existing KPI) 80% overall score from **prevention** audit and advisory engagements satisfaction surveys.
- (Existing KPI) 80% overall satisfaction score from Board & Audit and Finance Committee satisfaction surveys.
- (Existing KPI) Cases substantiation: 70% substantiation rate for OIG's investigation cases.
- (Existing KPI) 100% of AMAs validated within 30 days.

3. Quality

- (New KPI) **All applicable engagements are rated as satisfactory from internal quality reviews.**
- (Existing KPI) Completion of annual internal quality self-assessments to confirm ongoing conformance with IIA and CII requirements as per OIG QAIP.
- (Existing KPI) Performance of triennial external quality assurance review to confirm conformance with IIA and CII requirements.
- (Existing KPI) Provide an annual assurance statement on governance, risk management and controls at Global Fund.
- (Existing KPI) 100% of actions from the 2025 triennial External Quality Assessment to be completed on-time.

4. Enablers

- (New KPI) **Operational efficiency gains from AI and technologies deployed in OIG's activities.**
- (New KPI) **Proportion of country engagements where OIG collaborated with Internal Auditors/SAIs/Anti-corruption bodies.**
- (Existing KPI) 100% of staff complete training activities/CPD requirements.
- (Existing KPI) Costs managed within 10% of approved budget.

4.2 Outreach and Stakeholder Engagement

In 2025, the Office of the Inspector General (OIG) continued to strengthen integrity, accountability, and fraud prevention across the partnership through targeted outreach, strategic collaboration, and capacity building. The OIG deepened its external engagement and global influence through active participation in high level international integrity forums, hosting and cochairing a major oversight convening with donor and multilateral partners.

Strategic partnerships were consolidated and expanded through renewed and new memoranda of understanding. Engagement with Supreme Audit Institutions and national accountability bodies further reinforced country level public financial management and sustained oversight capacity. Figure 7 illustrates our various outreach and stakeholder engagements throughout the year:

Figure 7
Summary of 2025 Outreach and Stakeholder Engagement Activities

Collaboration and external engagements

April 2025

Partnership for Anty-Corruption Global Forum in Washington DC

Objective: strengthening dialogue with global anti corruption stakeholders and reinforcing the OIG’s presence in international integrity networks

June 2025

OIG hosted and co chaired the Internal Audit and Integrity Group meeting with the State Secretariat for Economic Affairs of Switzerland (SECO)

Objective: discuss whistleblowing strategies, investigations in conflict settings, third party investigations, and anti fraud policies, fostering cross sectoral dialogue and shared learning

October 2025

UN/RIAS Annual meeting

Objective: share best practices and lessons learned in the internal audit, investigation and oversight domains.

Strategic Partnership

- Collaboration agreement renewals with GAVI and UNDP
- New partnerships were established with the Liberian Anti corruption Commission and the Asian Development Bank.

Capacity Building

May 2025

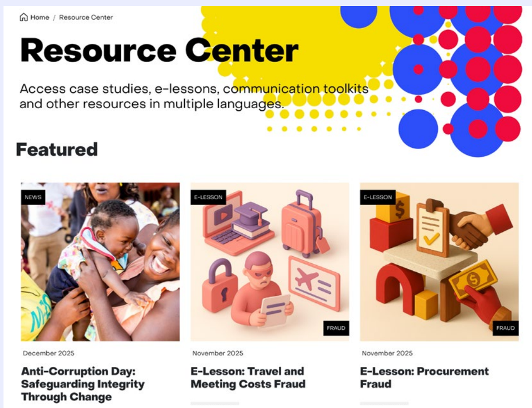
Deliver Digital Forensic training in partnership with WHO and Gavi

November 2025

Deliver additional training focused on the use of AI in investigations

Fraud Awareness, and outreach

- 4 targeted anti-fraud awareness sessions delivered during the year to implementers, partners,CSO, CCMs. 360+ people trained
- Launch of 6 *e-lessons in our ISpeakOutNow website* about the main fraud risks linked to our programs.



4.3 Quality Assurance and Stakeholder Feedback

The OIG carries out an annual self-assessment (IQA) in line with international standards. This is supplemented by a triennial external quality assessment (EQA), surpassing the international standard which only requires this assessment to be performed every five years. The latest EQA was completed in May 2025 by an independent firm appointed in consultation with the Audit and Finance Committee. The OIG received the highest rating - generally conforms'- with the applicable investigations guidelines and new standards published by the Institute of Internal Auditors. The assessment reports (for the Investigations and Audit) are publicly available on Global Fund's website.

Since the assessment, the OIG has addressed most of the areas identified for continuous improvement including document management for the Investigations Unit and differentiated the audit products that require faster communication of results. The outstanding action in adapting the OIG's strategy in line with changing operating context will be completed following the reorganization in Q2 2026. OIG's annual quality self-assessment, performed in February 2026, found that the Audit and Investigations Units continue to generally conform with applicable international and professional standards or guidelines. The internal self-assessment identified some minor areas for improvement including timeliness for completing the audit and investigation engagements mainly driven by the significant disruptions faced by the organization in 2025 and reprioritization of business activities across the Secretariat.

Stakeholder Feedback

Stakeholder feedback remains a valuable input into OIG's performance. It provides key insights into areas working well and those that the OIG can improve on.

Board and Committee feedback

The Global Fund's Board and Audit and Finance Committee members are asked once a year to evaluate the quality, scope, and impact of the OIG's work. For 2025, 19 survey responses were received with an overall satisfaction rating of 97% exceeding last year's rate of 90%. Full results are in Figure 8.

Figure 8
2025 Board and AFC performance survey responses

OIG adds value to and strengthens the Global Fund.	100%
OIG's work is of high quality and provides appropriate assurance.	95%
OIG's work demonstrates a sound understanding of the Global Fund.	95%
OIG maintains effective cooperation with the Secretariat while preserving independence.	90%
OIG demonstrates honesty and professional courage.	95%
Audits and investigations focus on the key risks and priorities.	95%
OIG provides effective support to the AFC.	100%
OIG effectively communicates its findings at AFC meetings.	95%
OIG's engagement with the AFC fosters trust & confidence.	95%
OIG is responsive to the expectations and priorities of the AFC.	80%
OIG communications with the AFC provide appropriate information and insight.	90%

Audit and Advisory engagement feedback

Following each audit, the auditees respond to a survey to assess the overall performance of the audit or advisory. Stakeholder satisfaction from both audit and advisories increased in 2025. The audit activities were scored 3.46 (2024: 3.36) while the advisory services was rated 3.81 (2024: 3.72) on a scale of 1 to 4. (full results in Figure 9 below).

Figure 9
Audit and Advisory engagement feedback ratings

Audit

Avg. Effectiveness of the audit/review in covering key areas	3.44
Avg. Audit/Review organization and scheduling	3.53
Avg. Audit/Review Field Work	3.49
Avg. Final Audit/Review Report	3.40
Avg. Overall, the audit added value to the organization	3.42
Avg. Average rating	**3.46**

Advisory

Avg. Effectiveness of the advisory team	3.90
Avg. Advisory Planning and Scoping	3.67
Avg. Advisory Field work	3.75
Avg. Final Advisory Report	3.89
Avg. Overall, the advisory added value to the organization and achieved its objectives	3.67
Avg. I would recommend colleagues to work with the OIG Advisory Team	4.00
Avg. Average rating	**3.81**

Annexes

5.1 Staffing and Budget

Staffing

As of 31 December 2025, the OIG has 52 full-time staff, out of budgeted headcount of 63 (including temporary C19RM resources). External recruitment for vacant positions was placed on hold until the reorganization of the OIG in Q2 2026. Where necessary, the OIG continues to engage temporary professional resources to fill any staff gaps to deliver its workplan.

Budget

At the end of December 2025, the OIG had an underspend of US$4 million (-25%) based on budgeted exchange rates, due to postponement of country audits following the reevaluation of the OIG workplan in Q1 2025. The projected underspend was communicated to the AFC in December 2025 and the actual expenditure for 2025 is only 3% under the revised forecast for 2025.

Figure 10

OIG operational budget and actuals in thousands of US$ as of 31 December 2025 and 2026 budget

Unit	2025 Budget	2025 Actuals	YTD Budget variance	vs. Actuals	2026 Budget
Workforce	11,847	10,774	-1,073	-9%	**10,399**
Professional Fees	2,016	471	-1,545	-77%	**1,379**
Travel	1,451	291	-1,160	-80%	**950**
Meetings	28	8	-20	-71%	**25**
Communications	120	74	-46	-38%	**89**
Office Infrastructure	211	149	-62	-29%	**192**
Depreciation	97	18	-79	-81%	**140**
Total	**15,770**	**11,785**	**-3,985**	**-25%**	**13,174**

In addition to operational expenditure, OIG spent 82% of the US$2.5 million funding received under C19RM.

5.2 Key Performance Indicators

2025 Progress on Key Performance Indicators - Given the prolonged disruptions and significant uncertainties throughout 2025, the OIG paused country audits early in the year and recalibrated its workplan to address the most critical and urgent assurance priorities. In such rapidly evolving context, several KPIs originally designed for a 'business-as-usual' environment were no longer realistic or relevant. The situation was very fluid and did not support adjustments to the previously agreed KPI. However, the OIG remained agile and delivered assurance activities aligned with the organization's changing risk profile, in accordance with professional standards.

A. Core Assurance

2025 Performance objective		Results at 31 December 2025
A.1 Response to complaints		
On average, triage and complete assessment of complaints received within **60 days**.	Met	Completed the screening and assessment of complaints in **50 days** (on average)- faster than the existing KPI.
A.2 Investigations		
A2.1 Close **50%** of investigation cases opened at the end of the previous year.	Met	Closed **58%** of investigation cases (23 of 40) open at 2024 year end. In addition, the unit closed 6 out of the 27 new cases opened in 2025.
A2.2 Average of **14 months** to complete investigation cases for non-published cases under A2.1	Partially Met	It took on average **14.8 months** to close nonpublished investigation cases in 2025; an improvement compared to previous years of 15.7 months and 22.1 months.
A2.3 Cases substantiation: **70%** substantiation rate for OIGs investigation cases under A2.1.	Not Met	**52%** of the cases closed during the reporting period (including published cases) were substantiated. KPI was affected by closure of long outstanding cases which predate the enhancements in our case intake and assessment processes.
A2.4 Issue at least 5 investigation reports to the AFC and Board on average on a 3-year calendar	Partially Met	In 2025, we issued 5 investigation reports to the AFC and Board, the outcome of six cases; two of these reports are currently pending publication. 12 investigation reports (from 13 cases) were issued to the AFC & Board from 2023 to date, an average of 4 reports/year.
A2.5 Average of **20 months** to produce an investigation draft report for publication under A2.4	Not Met	It took on average **33 months** to produce an investigation report. Outlier cases negatively impacted the average, largely due to case complexity, including a need to expand the scope of initial reviews and extended engagement with the Secretariat in the final stages before publication. The year-on-year reduction in case backlogs will result in reduced averages over time. The OIG is also working with the Secretariat on new solutions to reduce persistent, inherent challenges and related delays in the reporting phase.

2025 Performance objective		Results at 31 December 2025
A2.6 **10 awareness-raising activities** be completed in a calendar year	Not Met	**4 awareness-raising events** took place in 2025. The awareness activities were affected by reduced OIG's activities at the country level to enable implementers and country teams to address the global health uncertainties and program disruptions in 2025.

A3 Audit and Advisories

A3.1 (i) Issue 4 out of 5 audits in draft (SEM Stage 4) by 31 December 2025. (ii) Issue 5 out of 6 rapid assurance reviews in draft (SEM - Stage 4) by 31 December 2025. *NB: The KPI has been updated to align with OIG's revised assurance plan, which was communicated to the AFC in July 2025. The revised KPI preserves the original intent of the KPI.*	Partially Met	(I) Four audits have been issued in draft at the end of 2025 meeting the revised target for the year. (ii) One rapid assurance review has been completed and published. The five remaining country level rapid reviews were delayed due to security constraints and competing priorities at the country to respond to disruptions in the health sector. As of June 2026, these reviews have been completed. Two country reviews were published in 2026 and draft reports for the remaining three countries are expected to be issued by Q3 2026. *See Section 3.1 for more details*.
A3.2 Publish at least **16** audits in a calendar year on a rolling three-year basis.	Workplan Adjusted	OIG has published 41 audit reports since 2023 (average of 13 reports/ year). This was affected by relatively low number of audits published in 2025 (nine reports compared to 17 in 2024) due to revision of OIG's workplan to enable implementers and country teams to respond to in-country program disruptions in 2025.
A3.3 Issue **90%** of audit reports in the 2025 annual workplan to the Audit and Finance Committee by 31 March 2026.	Not Met	45% of the revised workplan (3 audit reports, 1 rapid assurance review) was issued to the AFC. The remaining reports were affected by in-country security constraints and competing priorities as implementers and country teams had to navigate unprecedented disruptions. As of June 2026, two reports have been issued to the AFC and the remaining reports have reached advanced stages and will be issued to the AFC in Q3 2026.
A3.4 **100%** of Audit reports from the previous year's workplan completed by 30 June of the ensuing year.	Not Yet Due	60% of Audit Reports are expected to be issued by the 30 June 2026 and the remaining reports from the 2025 workplan by the Q3 2026.
A3.5 **Three** Advisory reports issued in draft per year.	Met	Four advisory reports issued in draft in 2025.

B. Risk and Impact

2025 Performance objective		Results at 31 December 2025
B1 Audit coverage: Cover at least **75% of allocation and 75% each of HIV, TB and malaria disease burden** over 3 calendar years, including the current year of assessment.	Workplan Adjusted	The OIG adapted its audit workplan for 2025 in response to unprecedented disruptions at country level. Over the past two years (2023-2024) OIG's country audits covered: • 42% / 33% / 55% of HIV, TB, and malaria. • 50% of the current allocation (2023–2025) and C19RM funds. In 2025, OIG provided rapid assurance review of the deallocation process on five countries which account for 27%, 9%, 31% of HIV,TB, and malaria burden respectively; and 22% of 2023-25 allocation.
B2 Assurance activity on **100%** of risks rated as high and very high in the Organizational Risk Register (ORR) over 3 calendar years including the current year of assessment.	Partially Met	The OIG has covered in recent years all the High & Very High Risks from the ORR, except for the Transition risk. The transition risk will be reviewed in 2026, thus allowing at least one year of implementation – the Sustainability, Transition and Cofinancing Policy was approved in November 2024.
B3 **60%** of Agreed Management Actions are remediated by the Secretariat, by their due date, over a rolling 3-year cycle.	Not Met	Only 20% of AMAs were closed on time during the last 3 years (January 2023 to December 2025). *See Annex 5.5 for more details.* In 2026, the OIG will review the feasibility and effectiveness of the Agreed Management Actions (AMA) process and related KPIs, with the aim of strengthening implementation and enhancing impact measurement. This review will be conducted in close collaboration with the AFC and the Board and may also explore alternative mechanisms to ensure accountability and drive meaningful results.
B4 Recoveries identified or significant lessons learned from **100%** of OIG-led substantiated cases.	Met	100% of substantiated OIG-led cases identified non-compliant expenditure eligible for recovery, or had lessons learnt through agreed management actions.
B5 **80%** Satisfaction scores achieve on • Audit and advisory engagement • Annual Board & AFC survey • Anti-fraud activity post-event surveys	Met	• The OIG scored a 91% satisfaction rate for audit & advisory engagements surveys in 2025. • 97% is the overall score of the Board and AFC satisfaction surveys • 98% overall satisfaction score for events to date where satisfaction surveys were rolled out.

C. Operations and Quality

2025 Performance objective		Results at 31 December 2025
C1 **Maintain operational expenditures within ±10%** of the approved budget	Workplan Adjusted	This KPI tracks responsible use of the OIG's budget. As of 31 December 2025, OIG actual expenditure was 25% under the year-to-date budget, mainly due to the postponement of country audits planned in 2025. The OIG's forecasted expenditure based on the revised workplan was within the +/-10% threshold *(See Annex 5.1 for more details)*.
C2 **100%** of AMAs validated within 30 days	Met	The OIG validated all AMAs within the KPI timelines.
C3 Provide an annual assurance statement on governance, risk management and controls at Global Fund.	Met	The 2025 annual opinion on Governance, Risk Management and Internal Controls is included in Section 2 of this document.
C4 Complete annual **internal quality self-assessment**	Met	The annual internal quality self-assessments to confirm ongoing conformance with IIA and CII requirements as per OIG QAIP has been completed. *Please see Section 4.3 for the detail*.
C5 Complete **triennial external quality assessment**	Met	The External Quality Assurance Review was carried out in 2024 and completed in 2025. Both the *audit* and *investigations* function fully conform with the relevant industry standards. Full reports can be viewed *here*

D. People

2025 Performance objective		Results at 31 December 2025
D1 **100%** Staff development plans approved by end Q1	Met	**100%** of staff had their development plans approved in the Human Resources system by Q1 2025.
D2 **100%** Staff to complete 40 hours of formal training	Met	At the end of December, **100%** of OIG staff reported the minimum training hours expected year to date.
D3 **80%** Satisfaction scores on employee engagement survey	Partially Met	The overall score of the staff satisfaction survey was **77%**. The OIG narrowly missed the target. This significant uncertainty the Global Fund has undergone in 2025 with a negative impact on overall employee satisfaction affected this KPI. The OIG Leadership team will work with staff during 2026 to understand key areas for improvement.

5.3 Summary of 2025 Published Reports

Audit of Global Fund Grants to the Republic of Mozambique
GF-OIG-25-001

The Global Fund's support in Mozambique has led to notable progress in combating HIV, TB, and malaria, with reductions in new infections and improved treatment outcomes. However, challenges persist in supply chain and laboratory systems efficiency, data quality improvement mechanisms, and coordination of community-based HIV interventions. Malaria incidence is rising, due to gaps in vector control and climate-related disruptions. Despite systemic issues, investments have enhanced health infrastructure and national program integration.

Audit of Global Fund Grants to the Republic of Kenya
GF-OIG-25-002

Kenya has made strong progress in reducing HIV, TB, and malaria burdens, surpassing UNAIDS 95-95-95 targets and achieving notable declines in disease incidence and mortality. However, gaps remain in the design of community-based interventions, especially for key and vulnerable populations, with rising HIV infections in some counties. Although TB incidence rate has reduced and DS-TB treatment coverage increased, multiple challenges exist for preventing and detecting tuberculosis. Procurement and supply chain delays, weak contract management, and underutilized health system investments have also hindered service delivery.

Investigation report - Global Fund Grants in Ghana
Failure of Principal Recipients to report allegations of SEAH
GF-OIG-25-003

Not rated

Two Principal Recipients failed to comply with Global Fund requirements outlined in the Code of Conduct and the Grant Regulations by not reporting allegations and their investigation of various incidents of sexual exploitation, abuse and/or sexual harassment (SEAH). Although the respective implementers investigated the allegations, their response did not ensure adequate protection in line with a victim-centered approach. The failure to report also resulted in the Global Fund being unable to monitor and ensure that adequate support and protection for victims/survivors was offered by the implementers.

Investigation report - Global Fund Grants in Tanzania
Fraudulent practices in the selection of Sub-recipients by a Principal Recipient
GF-OIG-25-004

Not rated

A Principal Recipient misled the Global Fund by misrepresenting the outcome of its sub-recipient selection process. The misrepresentation was intended to benefit the sub-recipient and one of its bidding partners, both of whom the Principal Recipient had conflicts of interest with. The Principal Recipient also failed to declare these conflicts of interest to the Global Fund.

Audit of Global Fund Grants to the Republic of Togo
GF-OIG-25-005

Togo has made progress in reducing HIV and TB burdens, but malaria incidence and mortality have increased, partly due to slow implementation and weak oversight of prevention interventions like the LLIN mass campaign. Late antenatal care and low treatment completion rates hinder prevention of mother-to-child transmission of HIV and malaria. Data quality issues at health facilities persist, despite RSSH investments.

Audit of Global Fund Grants to the Federal Republic of Nigeria
GF-OIG-25-006

Nigeria has made progress in reducing HIV, TB and malaria mortality, but malaria cases continue to rise partly due to suboptimal intervention coverage and limited private sector engagement. HIV prevention among key populations faces significant implementation and funding challenges. Implementation delays for health system strengthening interventions have undermined progress with significant and persistent data quality issues. While there have been improvements in supply chain systems and financial safeguards, limited oversight, integration, and internal controls continue to undermine progress and sustainability

Audit of Global Fund Grants to the Islamic Republic of Pakistan
GF-OIG-24-008

Despite progress in TB notifications and malaria response, weak governance and limited national strategic direction have undermined impact, resulting in rising HIV infections and AIDS-related deaths, and suboptimal quality of care in TB. Fragmented supply systems and local procurement delays reduce commodity visibility and disrupt grant implementation through increased risks of stock-outs, expiries, and diversion. Financial controls are generally strong, but recruitment and procurement non-compliances persist.

Audit of Global Fund Human Resources Key Processes
GF-OIG-25-009

The audit revealed weak oversight of outsourced processing, leading to undocumented tax equalization payments and inadequate controls to prevent duplicate benefits payments. Non-compliance with data retention policies has resulted in human resource data being improperly stored, risking data loss and potential legal and reputational issues. While background check processes showed no major issues, improvements are needed to enhance recruitment effectiveness.

Thematic Audit of Global Fund Country Team model and supporting functions
GF-OIG-25-010

The audit concluded that the Global Fund's Country Team Model is generally effective in improving collaboration and grant management, but only partially effective overall. While it has enabled strong relationships and adaptability, gaps remain in consistently leveraging technical expertise, defining roles, and linking performance management to strategic outcomes. Resource constraints and uneven allocation across portfolios have increased workload pressures and sustainability risks.

Investigation report - Global Fund Grants in Malawi
GF-OIG-25-011

Not rated

A Global Fund Principal Recipient (PR) engaged in fraudulent practices during 2020–2021 IRS campaigns, involving fake invoices from a vehicle supplier and fraudulent payments by PR finance staff, resulting in non-compliant transactions. Poor record-keeping prevented the OIG from determining the compliance of additional vehicle hire expenditures. The PR failed to consistently communicate the Global Fund Code of Conduct to suppliers, as required. Oversight mechanisms were ineffective, allowing these practices to occur. Following internal and OIG investigations, the PR terminated implicated staff, ceased business with involved suppliers, and strengthened internal controls through system enhancements, centralization, and digitalization of core functions.

Rapid Assurance review: Reduction of GC7 Country allocations
GF-OIG-25-013

In 2025, the Global Fund Secretariat implemented a rapid process to reduce Grant Cycle 7 (GC7) country allocations due to funding uncertainties, resulting in an average 11% reduction in budgets within 6.5 weeks. The process was equitable and well-structured, with accurate data and robust internal reviews. Governance bodies received timely updates, and while no material issues were identified, the review highlighted areas for improvement, including data transparency, qualitative adjustment guidance, and future funding flexibility.

Advisory of Global Fund Risk Management processes for country-facing risks
GF-OIG-25-014

Not rated

The advisory highlights the Global Fund's progress in strengthening its Enterprise Risk Management (ERM) framework and identifies opportunities to enhance its effectiveness. While the framework is comprehensive and maturing, its application across country portfolios lacks consistency, and some processes are overly compliance-driven. To improve strategic decision-making, the report recommends revising the risk appetite framework to better guide trade-offs, tailoring risk reporting to align with strategic priorities, and enhancing coordination among assurance providers. It also proposes three oversight models to streamline risk management roles and responsibilities, aiming to foster a more agile, responsive, and impactful approach to managing country-facing risks

Audit of the Global Fund's Secretariat Information Technology General Controls
GF-OIG-25-016

The audit confirms that the Global Fund Secretariat has established a strong and mature Information Technology control environment. Information Technology General Controls are well designed and effectively implemented across key domains, including network security, IT operations, change management, and access management. These provide assurance over the confidentiality, integrity, and availability of critical systems and data. The audit also identifies targeted opportunities to further strengthen the control environment, particularly by enhancing consistency in data classification practices and improving coordination around consultant account deactivation.

Key: OIG Ratings

- Effective: no issues or few minor issues noted
- Partially effective: moderate issues noted
- Needs significant improvement: one or some significant issues noted
- Ineffective: multiple significant and/or (a) material issue(s) noted

5.4 Summary of Substantiated Cases Closed

Not all investigations result in a published report.

When allegations are unsubstantiated—whether in OIG-led or oversight cases—they are documented through internal case closure memoranda, and in some instances, an MBN is issued where material integrity risks or lessons learned warrant attention.

For substantiated allegations, a published report may not be necessary when the wrongdoing had minimal impact on the program, offered no significant lessons learned, or when proportionate corrective action had already been taken by the implementer or Secretariat. In such cases, the OIG issues an MBN summarizing key findings, recommendations, and lessons learned.

As of December 2025, **eight substantiated cases** were closed through MBNs, confirming instances of fraudulent practices, abuse, and noncompliant amounts; however, these findings were either immaterial or had been appropriately addressed prior to closure.

Wrongdoing type	What happened?	Action
SEAH (1 case)	A senior official engaged by a sub-recipient to mobilize Adolescent Girls and Young Women (AGYW) sexually exploited program beneficiaries by soliciting sexual favors in exchange for preferential access to vocational training and other benefits.	The official was terminated by the sub-recipient. The Global Fund Ethics Office is currently revising Codes of Conduct for implementers and supporting online training and materials.
Misappropriation of funds (4 cases in 3 countries)	Three substantiated cases identifying **non-compliant amounts of US$242,057** in 3 countries confirmed: • That officials from Principal Recipient (PR) and sub-recipient (SR) were involved in fraudulent practices, corrupt, and collusive practices, while the PR's distribution agent committed embezzlement and unidentified individuals engaged in theft. • Staff of the PR engaged in fraudulent practices and misappropriation by falsifying various documents. • Sub-recipient staff and contractors engaged in fraudulent practices, including failing to disclose conflicts of interest in relation to Global Fund-funded training activities. • A sub-recipient engaged in embezzlement of surplus bed nets and falsified payment records.	Employees involved in confirmed wrongdoing were dismissed, and funds were or are in the process of being recovered.
Collusion in procurement and product fraudulent practices (3 cases in 2 countries)	Three substantiated cases in three countries confirmed: • Collusive practice between vendors and, in parallel, a fraudulent practice by SR staff in which they falsified procurement evaluation records. The award for the related US$3 million contract was cancelled by the implementer upon receipt of the allegation, resulting in no harm to the program. • Fraudulent practices by vendors who knowingly submitted a forged performance guarantee of US$27,500 and misrepresented their engineering staff to secure the tender. • Contracts were deliberately directed to favored vendors affected by undisclosed conflict of interest.	In all cases, relevant vendors, staff of sub-recipients have been sanctioned by the implementer or dismissed, strengthening procurement and supply chain practices, improving documentation, segregation of duties, and establishing a centralized complaints mechanism.

5.5 Agreed Management Action Progress Update as at 31 March 2026

Progress in addressing AMAs

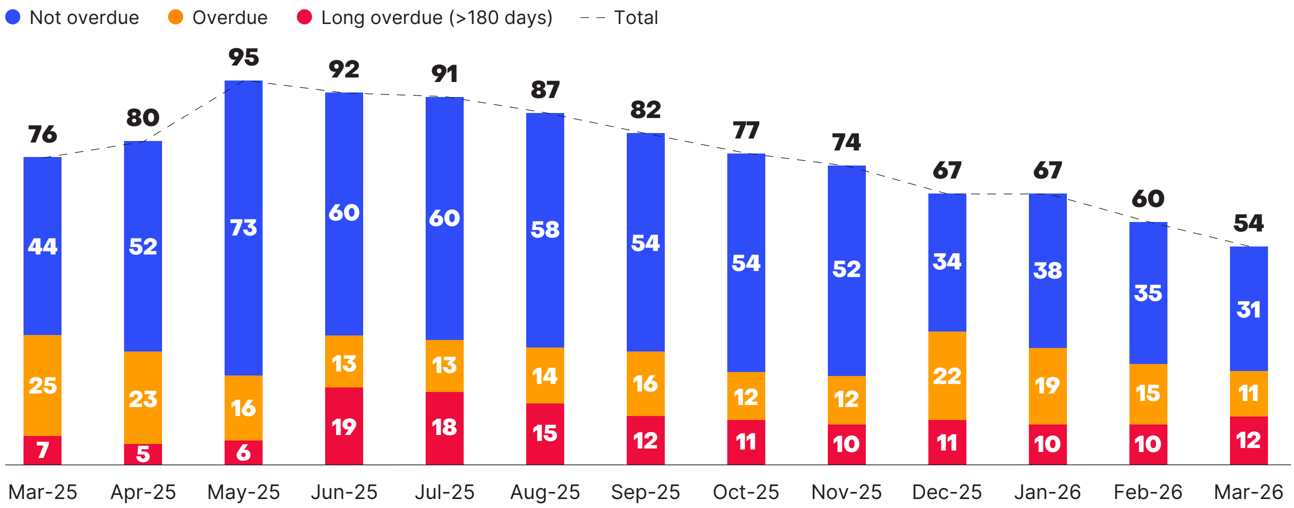
As of 31 March 2026, there are 54 open AMAs, with 59 implemented and closed since end of March 2025. This includes six AMAs written off as the remaining residual risks were accepted by management. 37 new AMAs arose from OIG audits and investigations between end of March 2025 and March 2026.

The number of open AMAs has gradually declined over the past six months as shown below due to increased management attention:

Over half of the country facing AMAs focused on strengthening supply chains to ensure timely distribution of quality assured medicines, an area of significant Global Fund investment.

At the Secretariat level, closed AMAs supported enhancements across key corporate and country-level processes for data management. For instance, three cross-cutting AMAs strengthened institutional systems by improving how in-country programmatic and supply chain data are managed and used for grant and program performance monitoring and decision-making.

Figure 11
AMA evolution from March 2025 - March 2026



View the updated status of AMAs by following this *link*

Overdue and Long Overdue AMAs

Number of overdue and long overdue AMAs has reduced by 28% between March 2025-26 due to increased attention despite the inherent challenges in closing cross cutting and specific country AMAs on time due to program reprioritization. Further, more than half of the 23 overdue and long-overdue AMAs have completion progress exceeding 50%, reflecting increased Secretariat's prioritization. As such, no long-overdue AMAs require prioritization for the AFC's attention at this reporting period.

Given the current context of limited funding, the OIG continues to work with the Secretariat in identifying the actions that should be prioritized. Six AMAs have been partially written off as part of the Secretariat's risk trade-off decisions *(see details below)*.

AMAs Write Off

The Secretariat with endorsement from Head of Risk Department has accepted the inherent risk to be addressed by six AMAs from the audit of Global Fund grants in *Sudan*, *Burundi* and *Namibia*. The partial write-offs were primarily due to difficulties in implementing the required actions within a fragile security environment, funding constraints and reprioritization partner programs.

Figure 12
OIG estimated completion rate of open AMAs as of 31 March 2026

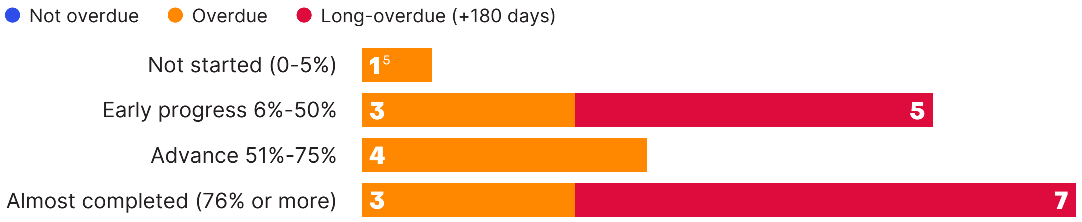
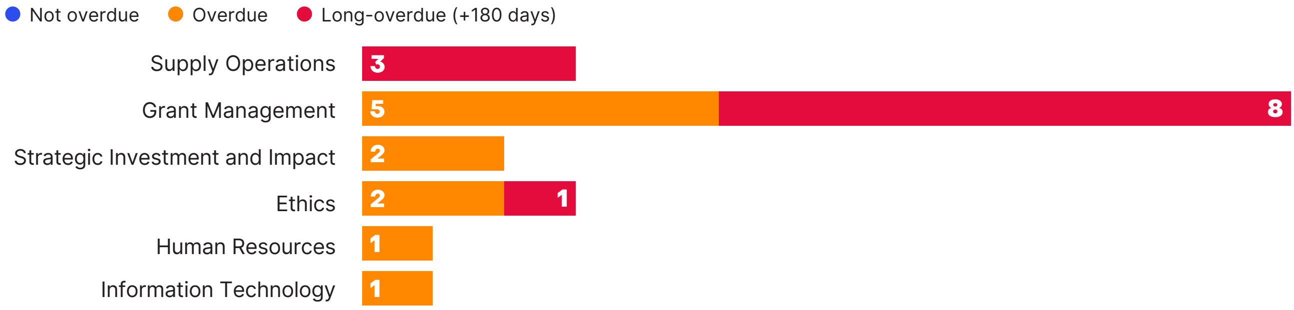


Figure 13
Overdue and long overdue AMAs by department as of 31 March 2026



5 Due to the shift in the partner landscape and a recent change in government, the agreed actions to address the risk under this AMA are currently under renegotiation. Revised actions will be agreed and implemented to ensure the risk is adequately addressed, with partial risk acceptance considered where necessary.