



Investing in our future

The Global Fund

To Fight AIDS, Tuberculosis and Malaria

Twentieth Board Meeting
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GF/B20/6
Attachment 4

THE CORPORATE RISK REGISTER FOR THE GLOBAL FUND TO FIGHT AIDS, TUBERCULOSIS AND MALARIA

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Risk # 1	Meeting Demand for Funds in a Resource-Constrained Environment
Risk Description:	<p>The risk is that the supply of resources may not be able to meet the demand for funds.</p> <p>The current global economic crisis means that financial resources for development aid are not increasing (and even being reduced in some cases) while at the same time, the demand from countries to fight the three diseases and strengthen the underlying health systems is growing.</p> <p>The approved proposals in Round 8 reached a value of USD 3 billion, much more than any previous funding round. Funding proposals in 2009 (Round 9 and NSAs) are expected to be large as well.</p>
Potential consequences	<ul style="list-style-type: none"> – Previously the Global Fund has managed to fund all TRP-recommended proposals. This may no longer be possible and therefore the Secretariat has to adapt its policies and manage the expectations of applicants – There will be increased donor scrutiny on inefficiencies in new and existing grants – The Global Fund will need to show that its grants are being cost effective and showing value for money
Relates to which assurance statements:	The Global Fund is managing its portfolio efficiently.
Main controls in place now	<ol style="list-style-type: none"> 1. All Round 8 grants and grant renewals (Phase 2, RCC) are being reduced by 10% on average through efficiency savings (ie: no reduction in proposal targets). 2. Comprehensive Funding Policy determines how the allocation of available funding is prioritized. 3. Voluntary Pooled Procurement (VPP) has been implemented to better manage the prices paid for pharmaceutical and diagnostic products
Who is responsible for each	<ol style="list-style-type: none"> 1. Country team for grant negotiations 2. The Global Fund Board 3. VPP team, Strategy, Policy and Evaluation cluster

Current risk assessment: Impact/ significance and probability	<p>Medium to High</p> <p>In the short term, the expectation is that the Board Working Group will come up with a workable solution to the funding of new proposals in 2009, thereby reducing the impact and probability of this risk having a severe impact on the Global Fund.</p> <p>In the longer term, it may be more difficult to find solutions to the growing demand - the approach to the 2011-2013 replenishment will be critical in terms of resource mobilization.</p> <p>On efficiencies and value for money - we are continuing efforts to find efficiencies in grants through program reviews. Furthermore the proposed grant architecture which consolidates grants will provide another opportunity to eliminate inefficiencies from overlapping grants. As Global Fund financing as targeted towards programs, the value-for-money assessments are done at program level and not grant level.</p>
Measures currently being undertaken to address residual risk	<ol style="list-style-type: none"> 1. Relevant Global Fund policies are being reviewed to see to what extent they need to be adapted (both in the short and long term) to manage the expected gap in funding 2. Increased effort on Resource Mobilization 3. A study of unit costs for key services (delivery or ARVs, bednets and DOTS treatment) is been undertaken.
Lead responsibility centre	<ol style="list-style-type: none"> 1. Working Group on managing the tension between supply and demand, made up of 12 Board constituencies and supported by a Secretariat WG. 2. Board working group (as above) and Resource Mobilization Unit, ERP cluster 3. Aid effectiveness team in PIE Unit, SPE cluster
Target dates	<ol style="list-style-type: none"> 1. November Board meeting 2. November Board meeting 3. Q2 2010
Review by EMT	September 2009
Next scheduled review	March 2010

Risk # 2	Financial Fraud within Grants
Risk Description:	Fraud could involve partners and be caused by weaknesses of CCM, PR, SR, their contractors or suppliers. This issue is closely related to the risk of procurement failure.
Potential consequences	Fraud (i) reduces grant impact and (ii) damages the reputation of the Global Fund.
Relates to which assurance statements:	The Global Fund is well equipped to prevent and detect fraud and mismanagement of its grant funds
Main controls in place to mitigate this now	<ol style="list-style-type: none"> 1. Values and integrity initiative 2. Assessment of PR's financial and reporting systems 3. Review of Progress Updates and Disbursement Requests (PU/DRs) documented on Disbursement Decision-Making Form (DDMF) 4. Country Programs country risk model 5. Additional Safeguards Policy (ASP) 6. Internal Audits 7. External Audits
Who is responsible for each	<ol style="list-style-type: none"> 1. Corporate Services (eg: Human Resources for Staff Conduct, Legal for Supplier Code of Conduct) 2. LFAs (re) assess PR's financial systems at the time of signing a new grant; Country team assesses level of risk and formulates Conditions Precedent or Management Actions 3. LFAs test sample of period's transactions and report to Secretariat; Country Programs assess and document any issues on DDMF with follow up management actions as required 4. Country Programs identify high risk countries and consider what additional measures are necessary to mitigate the specific risk identified 5. Country Programs recommends implementation of ASP policy to ED for specific countries and the ED reports to the Board 6. OIG, based on his annual plan. 7. External Auditor of PR and PR is responsible for ensuring that SRs are audited. LFA will report on findings of audit report(s) to Secretariat. Country team will assess and follow up management actions as required
Current risk assessment: Impact/significance and probability	<p>Medium to high</p> <p>The risk of fraud is moderate to high as evidenced by cases detected in the recent past. If not managed quickly and effectively, the damage to the Global Fund's reputation can be high. However the Global Fund model assumes periodic oversight of PRs and indirect oversight (through the PR) or SRs and SSRs. Many of the controls in place are detective rather than preventive - we are relying on detective controls to identify frauds that have already happened. We accept this level of residual risk while ensuring that existing controls are operating effectively and strengthening them if weaknesses are detected during periodic reviews of the Global Fund's operations (eg: OIG audits, reviews by donors etc).</p>

Current measures to address residual risk	<ol style="list-style-type: none"> 1. The follow up of PR audit reports and the extent to which SR audits have been performed is not systematic and should be strengthened. The policy in this area is being revised and strengthened, including enhanced collaboration between the Country Programs and Finance clusters to review and act on audit report findings. 2. The Values and Integrity Initiative has recently been prepared and is being rolled out across the Secretariat but has not yet been extended to implementing partners (eg: Codes of Conduct for staff, suppliers and recipients).
Lead responsibility	<ol style="list-style-type: none"> 1. Directors of Country Programs and Finance 2. Director of Country Programs
Target dates	<ol style="list-style-type: none"> 1. 31 December 2009 2. Q2 2010
Review by EMT	September 2009
Next scheduled review	March 2010

Risk # 3	Poor Quality Pharmaceutical Products
Risk Description:	<ul style="list-style-type: none"> - The pharmaceutical products procured by PRs are not in compliance with the Quality Assurance policy (QA Policy) - Delays in delivering the Quality Control (QC) testing results and potential for delays in delivering products to countries - Reputational risk for the Global Fund in case of poor products procured with Global Fund resources
Potential consequences	<ul style="list-style-type: none"> - Products procured are of poor quality, and patients are at risk - if substandard products are procured, increase risks of developing resistance - If major delays in the QC process, risks of stock outs in countries
Relates to which assurance statements:	The procurement process is compliant with the Global Fund QA Policy for Pharmaceutical Products.
Main controls in place to mitigate this now	<ol style="list-style-type: none"> 1. OPN on implementing the QA Policy is available to facilitate its implementation at the Secretariat level 2. Corrective measures have been put in place as a response to non compliance and PRs have been informed accordingly. 3. Standard Operating Procedures are in place to manage the various processes, including the Expert Review Panel mechanism 4. Price and Quality Reporting (PQR) system has been enhanced to improve procurement-related data reporting for key health products. PQR is a key tool to monitor compliance with QA Policy
Who is responsible for each	<ol style="list-style-type: none"> 1. Regional Teams (Country Programs) use and ensure implementation of the QA Policy according to the OPN 2. Regional Teams, in collaboration with QA team implement corrective measures as appropriate 3. QA team (SPE cluster) is responsible for developing, updating and following Standard Operating Procedures (SOPs) 4. Auditing by LFAs of compliance with procurement data reporting requirements in the PQR
Current risk assessment: Impact/significance and probability	<p>Medium</p> <ol style="list-style-type: none"> 1. Procurement of substandard quality pharmaceutical products by PRs, if QA Policy not properly enforced. 2. Delays in procurement and risks of treatment interruption (1) if QC testing for designated products is delayed or (2) if products failed QC tests and another lot of the same products or another product need to be selected.
Current measures to address residual risk	<ol style="list-style-type: none"> 1. Communication efforts with PRs, LFAs and other key stakeholders prior and after the entry into force of the revised QA Policy on 1 July are made. 2. Updates on the implementation of the QA Policy including any implementation challenges that may arise is provided to the PIC (Portfolio and Implementation Committee) and the MDC (Market Dynamics Committee)

Lead responsibility	<ol style="list-style-type: none"> 1. QA team (SPE cluster) is responsible for the implementation of the QA Policy, including managing QA information, and providing expert advice to PRs and Regional Teams, as requested. 2. Regional Teams (Country Programs cluster) are responsible for ensuring that the revised QA Policy is enforced by PRs procuring pharmaceutical products.
Target dates	Ongoing
Review by EMT	September 2009
Next scheduled review	March 2010

Risk # 4	Results and Data Verification.
Risk Description:	Programmatic data and results are used both for performance-based funding decisions, at disbursements and Phase 2, and for external reporting to the Board, stakeholders and the general public. Issues of data quality can occur at two levels: (i) at the country level, with inaccurate and unreliable data being reported to the Global Fund; and (ii) at the Secretariat, with a loss of data integrity linked to incorrect data entered in the central Grant Management System (GMS).
Potential consequences	Poor data-quality can result in (i) erroneous performance-based funding decisions; and (2) a reputational risk if globally reported results are incorrect (e.g., number of people on ART, number of ITNs distributed, number of people under DOTS, etc).
Relates to which assurance statements:	Program information is comprehensive, timely, and of sufficient quality.
Main controls in place to mitigate this now	<p><u>At County-level:</u></p> <ol style="list-style-type: none"> 1. For periodic disbursements (every three, six or 12 months depending on the grant), the Local Fund Agent (LFA) verifies the authenticity and accuracy of all reports from the Principal Recipient and sub-recipient(s). 2. Fund Portfolio Managers are in constant relation with country-level stakeholders including Principal Recipients, sub-recipients, CCM actors, donors, and other partners and are able to discuss results and triangulate information 3. At least once a year, On-site Data Verifications (OSDVs) are conducted where the LFA visits a sample of service delivery sites to verify that services are delivered to populations in need and that data is accurately reported from the sites through to the PR's office. 4. Countries conduct assessment of M&E systems and develop M&E systems strengthening plans as part of grant application. 5. Data quality audits are conducted by external service providers with expertise in public health on a small sample of grants each year (between 12 and 20 grants). The data quality audit methodology has been developed with major partners including the WHO, Stop TB Partnership, Roll Back Malaria Partnership, and UNAIDS, amongst others. <p><u>Within the Secretariat:</u></p> <ol style="list-style-type: none"> 6. On a monthly basis, the Strategic Information team assesses duplications and overlaps of results for the same services on selected indicators. During that process, data-entry errors may be identified in the central Grant Management System (GMS). 7. Every six months, before global results are published, meetings are organized with major partners (i.e., PEPFAR, WHO, UNAIDS) to compare and harmonize ARV results. 8. At the time of Phase 2, the Monitoring and Evaluation (M&E) Unit verifies the data accuracy of program results entered in the Grant Performance Reports (GPRs). 9. Progress Updates and Grant Performance Reports (GPRS) are also published on the Web for partners and stakeholder to review and

	scrutinize.
Who is responsible for each	<ol style="list-style-type: none"> 1. Local Fund Agents verify the accuracy of PR progress updates and conduct On-site Data Verifications (OSDVs). 2. Fund Portfolio Managers have the overall responsibility of overseeing grant activities at country-level. 3. The Monitoring and Evaluation (M&E) Unit (SPE cluster) commissions External Service Providers specialized in public health to conduct Data Quality Audits (DQAs). 4. The Strategic Information team (SPE cluster) assesses duplications and overlaps for selected indicators and compares with other major partners. 5. The Monitoring and Evaluation (M&E) Unit verifies at Phase 2 the data accuracy of program results entered in the Grant Performance Reports (GPRs).
Current risk assessment: Impact/significance and probability	<p>High</p> <p>Some significant residual risks still remain:</p> <ol style="list-style-type: none"> 1. On-site LFA data-verifications (OSDVs) not being systematically implemented each year for all grants; 2. Follow-up of necessary remedial actions when data quality issues are uncovered at the country-level has been suboptimal; 3. Insufficient controls in-place to avoid incorrect data being entered in the central Grant Management System (GMS); 4. Controls on duplication and overlaps are only undertaken for selected indicators (and not for all indicators across the portfolio); 5. Problems of interpretation of reported data from countries when compiling data for global results' releases (i.e., number of people on ART and number of people under DOTS). <p>Poor data quality poses a significant and high risk to the organization as the performance-based funding decisions rely on high quality and reliable data.</p>

Measures currently being undertaken to address residual risk	<ol style="list-style-type: none"> 1. Measures are being undertaken to systematically implement data verifications initiatives. Twenty (20) DOAs and eighty percent (80%) of grants will have OSDVs annually to ensure quality data for important programmatic results for grants and entire portfolio. 2. The “Data Quality Management Initiative” has been launched by SPE to address data quality issues and recommend new strategy and guidelines for implementing corrective actions at the country level. Furthermore, the “Data Quality Review Project” will address data flow from the point of entry onwards; 3. New cross cluster initiative (Corporate Services, SPE and Country Programs) is underway on preparing proposal for a solution to address incorrect data entry and inconsistent use of IT applications; 4. Monitoring and Evaluation Systems Strengthening (MESS) Strategy and Action plan being developed to guide Global Fund investments and support to country for M&E systems strengthening 5. Reported data from countries are cross checked with the partner organizations (i.e. PEPFAR and ART). However, this is not enough. Following new initiatives will be undertaken to address residual risk of wrong interpretation: <ol style="list-style-type: none"> a. Implementing systematic way of codifying data at the source; b. Enhanced financial data reporting;
Lead responsibility	Strategy, Performance and Evaluation Cluster in conjunction with Corporate Services Cluster and Country Programs Cluster;
Target dates	<ol style="list-style-type: none"> 1. The Data Quality Management Initiative will result in an ongoing data verification process; 2. The Data Quality Strategy and guidelines will be completed by the end of Q1 2010.
Review by EMT	September 2009
Next scheduled review	March 2010

Risk # 5	Independence and Objectivity of Program Oversight
Risk description	The combination of CCMs, LFAs, FPMs, and in-country partners is not sufficient to provide strong independent and objective oversight of Global Fund programs
Potential consequences	<ul style="list-style-type: none"> - Questionable programmatic choices go unchallenged by traditional in-country 'watchdogs' (e.g. civil society) - Program-related issues do not get identified or acted upon, e.g. because the CCM lacks independence and capacity - Recurrent weaknesses are not effectively addressed because LFAs and FPMs have become too familiar with the program and have lost their objectivity
Relates to which assurance statements	The organization is well equipped to deal with fraud, mismanagement, and other crises
Main controls in place to mitigate this now	<ol style="list-style-type: none"> 1. Key information is scrutinized at by a variety of actors - e.g. LFA and CCM, then Fund Portfolio manager (FPM), Country Team (Procurement, Finance, M&E), then Team Leader and Unit Director 2. CCMs' independence assured through compliance with a number of requirements on composition and processes 3. Regular LFA retendering 4. LFA training, oversight, and evaluation 5. A number of controls are in place to identify residual risks - OIG reviews, data-quality audits, on-site data verifications, etc. 6. The Global Fund Secretariat relies heavily on partners (and in particular on local civil-society organizations acting as watchdogs) to understand country-level dynamics, issues, and risks 7. Independent external evaluations of programs, eg: 5-Year Evaluation, WHO program evaluations.
Who is responsible for each	<ol style="list-style-type: none"> 1. Collective responsibility, within the Country Team Approach 2. CCM Team, Country Programs cluster 3. LFA Team, Country Programs cluster 4. LFA Team for training and oversight, members of Country Team for LFA evaluation 5. OIG, LFAs, and specially selected auditors for Data Quality Audits (DQAs) 6. Partners 7. External partners

Current risk assessment: impact/significance and probability	<p>Medium</p> <p>The controls in place are strong, but some residual risk remains:</p> <ul style="list-style-type: none"> - The Secretariat's Country Team works from the LFA's initial verification and hence is dependent on the quality of the LFA work. - CCMs may comply with requirements yet not function objectively when they are controlled by a strong stakeholder (e.g. MOH in some countries, when the MOH is also the Principal Recipient) and/or do not function democratically - Local organizations, in particular small civil-society organizations, are less likely to be vocal critics of the way in which grants get managed at country-level when they, themselves, are grant recipients.
Measures currently being undertaken to address residual risk	<p>The Global Fund will continue working to improve its controls, as described above. In particular, the Secretariat is now assessing LFAs' performance on a continuing basis, and will be proposing improvement or measures or a full retendering of LFA services in a country when required.</p> <p>Through its new funding of CCMs, the Global Fund hopes to reinforce their capacities, independence, and democratic functioning.</p> <p>Finally, the recent hiring of Civil Society Officers in Country Programs is aimed to improve the way in which the Secretariat interacts with, and supports, the watchdog role of civil society at country-level.</p>
Lead responsibility centre	Country Programs
Target date	Ongoing
Review by EMT	September 2009
Next scheduled review	March 2010

Risk # 6	Misperceptions of the Global Fund by External Bodies
Risk description:	Risk that key influencers or decision makers either are misinformed and/or have a negative perception of the Global Fund and its work as a result of ineffective or insufficient communication efforts e.g. through conflicting/inconsistent messaging, slow response to any event that impacts GF reputationally, lack of proactive approach to shape debate and positively frame issues, weak branding (low awareness)etc
Potential consequences	Could have adverse impact both on ability to raise funds and successfully implement grants as donor and implementer buy-in and engagement are reduced
Relates to which assurance statement	The Global Fund is committed to reporting on the use of the funds and the results achieved
Main controls in place to mitigate this now	<ol style="list-style-type: none"> 1. Dedicated communications team monitoring media reports, proactively shaping image of the Global Fund and responding to any negative reporting. 2. Internationally recognized firm on retainer for advice and support in the event of a crisis
Who is responsible for each	Communications Unit under guidance of the Office of the Executive Director and with support and input from all clusters
Current risk assessment: Impact, significance and probability	High The Global Fund is generally acknowledged as an innovative funder that strives to provide value-for-money through its performance-based funding model even if there are certain actors who have a negative perception of the model (perceived earmarking of funding, contributing to fragmentation in health sector, etc). There are in addition risks related to reputational impact of any real or perceived problems in the Fund's operations
Measures currently being undertaken to address residual risk	<ol style="list-style-type: none"> 1. Crisis Management Manual being developed with the help of the above-mentioned internationally recognized firm 2. Communications training (crisis and otherwise) is foreseen for key Secretariat staff such as Fund Portfolio Managers 3. Following recommendations of a communications task force, work is well advanced on a corporate communications strategy with clear objectives, target audiences and strategically tailored messages: <ul style="list-style-type: none"> • main messaging on results, achievements to date and continued demand/need; • underline the strengths of the GF business model; • stress focus on value for money/ aid effectiveness; • narrative on working with and through other development partners at global and country level; • clearly position the Global Fund in the health aid architecture.
Lead Responsibility	Communications Unit, ERP cluster
Target Dates	31 December 2009
Review by EMT	September 2009
Next scheduled review	March 2010

Risk # 7	Risk of Engagement with Inappropriate Partners
Risk description:	Certain Partners (including donors and suppliers) may prove to be involved in behaviour that is deemed incompatible with the Global Fund's mission and principles or in other ways offend public sensitivities.
Potential consequences	If a scandal is significant there is a major reputational risk to the Global Fund, particularly if the scandal is directly linked or perceived to be linked to the Global Fund. Existing donors may choose to withdraw their support if they do not want to be associated with such a Partner.
Relates to which assurance statement	Contributions to the Global Fund come from legitimate sources and reputable donors that fully subscribe to the founding principles of the partnership
Main controls in place to mitigate this now	<ol style="list-style-type: none"> 1. Global Fund's Principle of full transparency 2. The Global Fund has a strong sense of public sensitivities and these are taken into account before entering into agreements 3. Independent external reviews of private sector partners to ensure the Global Fund only works with vetted, reputable partner organizations with known past performance and an interest in maintaining their brand reputation 4. In-House risk assessment* (peer reviewed, clearance at Unit and Cluster Director level, final approval by Procurement Review Committee or EMT in uncertain cases) 5. Legal Unit provides guidance on agreements with strict rules regarding conflict of interest, use of GF logo and branding, access to 3rd party information, etc 6. Regular performance monitoring of partner activities 7. Crisis preparedness manual (see separate risk item - No. 6 - on external misperceptions) <p><i>*see Business Partnership Assessment Toolbox for details of private sector donor assessment.</i></p>
Who is responsible for each	Resource Mobilization Unit (RMU), ERP cluster and Corporate Procurement Unit (CPU), Corporate Services cluster for bullet points 2, 3, 4, and 6, Legal Unit (Corporate Services cluster) on bullet point 5 and Communications Unit (ERP cluster) on bullet point 7.
Current risk assessment: Impact, significance and probability	High (although probability is low, impact is high) Should any private entity associated with the Global Fund become involved in a large public scandal this could reflect poorly on the Global Fund, in eyes of the general public and among donors, directly hampering resource mobilization efforts from both public and private donors. In the event of inappropriate behaviour, rapid crisis management will be crucial including information regarding due diligence measures, Global Fund principles, rules and procedures and <u>if warranted</u> immediately ending agreements with disreputable partners (standard clause in agreements) including returning previous contributions or debarment in particularly serious cases.
Measures currently being undertaken to address residual risk	A Suppliers' Code of Conduct is currently being finalized by the Secretariat

Lead Responsibility	A cross-Secretariat group is working on the Code of Conduct with the OIG
Target Dates	31 December 2009
Review by EMT	September 2009
Next scheduled review	March 2010

Risk # 8	Staff Security
Risk description	Security of employees on duty travel and the risk pertaining to lack of privileges and immunities, (currently only in 2 countries, Switzerland & USA).
Potential consequences	<p>Staff may not have a “go to” location in the event of an unforeseen security risk.</p> <p>After the end of the Administrative Services Agreement with WHO, the Global Fund employees lost the privileges and immunities in the countries that receive Global Fund funding. Therefore, if appropriate security measures are not in place, country visits become more difficult in terms of full security for the employees.</p> <p>Misapplication of the Headquarters Agreement may have reputational or political consequences.</p>
Relates to which assurance statements	The Global Fund is well equipped to protect its staff in the eventuality of a security situation by providing emergency and evacuation services to all staff in all the countries that we operate in.
Main controls in place to mitigate this now	<ol style="list-style-type: none"> 1. International SOS (ISOS) contract currently in place. This allows for information, advice and assistance in country before travel takes place, i.e. staff card, website, briefings, evacuation procedures, training. It also provides security support during travel. 2. Additional preventative measures for medium and higher risk situations (information and systems in place for traveller with written and verbal briefings from security officer and ISOS) are available. 3. Remote oversight from security officer with advice amendment, best security practices, travel tracking, relocation procedures. 4. While Legal Unit is working with member states to expand the geographical coverage of privileges and immunities, success of this exercise is largely in the hands of the countries.
Who is responsible for each	<ol style="list-style-type: none"> 1. Travel Security Officer, Corporate Services cluster 2. Travel Security Officer 3. Travel Security Officer, ISOS 4. Within the Secretariat the Legal Counsel engages with countries to obtain the granting of privileges and immunities.

Current risk assessment: impact/significance and probability	<p>Medium</p> <p>Some residual risks to staff security will always remain, especially in high risk countries. Local warden system in these countries would further mitigate and minimize the Global Fund employees' exposure. These measures include:</p> <ol style="list-style-type: none"> 1. Full "Meet and Greet" Service on arrival at and return to the airport, 2. Dedicated driver and vehicles with close protection to include. : <ol style="list-style-type: none"> a. National driver; b. Appropriate vehicle including communications and tracking equipment; c. Site security; d. Journey management; e. Accommodation security; f. Transport security; g. Security during social activities, 3. Assistance in case of medical and security evacuation.
Measures currently being undertaken to address residual risks:	<ol style="list-style-type: none"> 1. Negotiations with various United Nations organizations are underway with a goal of improving the Global Fund employee security in high risk countries. 2. The Global Fund Field Security Officer can undertake physical risk assessment of high risk countries prior to and during significant Global Fund organized or attended events.
Lead responsibility centre	Corporate Services Cluster/ Human Resources and Administration Unit and Legal Services Unit
Target date	<ol style="list-style-type: none"> 1. Ongoing; 2. Immediate;
Review by EMT	September 2009
Next scheduled review	March 2010

Risk # 9	Integrity and Security of Data Repository Systems
Risk description	<p>Programmatic data of major Global Fund systems are stored in the data repository systems. Issues with data integrity and security can occur in the following three areas and on the Secretariat level:</p> <ol style="list-style-type: none"> 1. Confidentiality of data - data is disclosed to unauthorized individuals, organizations or processes; 2. Integrity of data - data is changed from its source and has been accidentally or maliciously modified, altered or destroyed; 3. Availability of data - data access is not available timely and reliably for authorized data users;
Potential consequences	<p>Loss of data confidentiality can result in:</p> <ol style="list-style-type: none"> 1. Reputational risk if data are disclosed to unauthorized individuals, organizations or processes; <p>Loss of data integrity can result in:</p> <ol style="list-style-type: none"> 1. Erroneous performance-based funding decisions; 2. Reputational risk if globally reported results are incorrect; <p>Unavailability of data can result in:</p> <ol style="list-style-type: none"> 1. Disrupted data aggregation; 2. Disrupted data analysis; 3. Reputational risk if correct data sets are not published on time;
Relates to which assurance statements	The Global Fund provides measures that protect and defend information and information systems by ensuring their availability, integrity, authentication, confidentiality, and non-repudiation. These measures include providing for restoration of information systems by incorporating protection, detection, and reaction capabilities.
Main controls in place to mitigate this now	<p><u>Within the Secretariat:</u></p> <ol style="list-style-type: none"> 1. The write access to data sets stored in the data repository systems is provided only to authorized users; 2. The Global Fund information systems are hosted on the highly available infrastructure; 3. External and internal firewalls are implemented to prevent intrusion and subsequently data being compromised; 4. Business application support model have been established to provide assistance to business users; 5. SQL server embedded security is being used;

Who is responsible for each	<ol style="list-style-type: none"> 1. IT Unit (Corporate Services cluster) is responsible for maintaining data confidentiality within the Global Fund business applications; 2. IT Unit is responsible for providing high level of availability for the Global Fund business applications; 3. IT Unit is responsible for providing data integrity framework; 4. The Global Fund business users are responsible for maintaining integrity of data under their level of authority (all information security responsibilities should be clearly defined and assigned to the data owners within the business)
Current risk assessment: impact/significance and probability	<p>Low to medium</p> <p>Some residual risks to compromised data integrity and security still remain:</p> <ol style="list-style-type: none"> 1. Data owners with clear information security responsibilities are not assigned; 2. Unclear time-to-recover objective set by the business; <p>The probability of data being unavailable remains very low due to a highly available infrastructure with the medium probability of data integrity being compromised by unauthorized person(s). The impact of such an action may cause damage to the reputation of the Global Fund.</p>
Measures currently being undertaken to address residual risks:	<ol style="list-style-type: none"> 1. Data classification is now in place, the assignment of data owners with clear responsibilities is underway; 2. Identification of time-to-recover objective is currently underway for all Global Fund business applications; 3. Data security of important business applications will be audited as a part of the biannual IT Infrastructure security and performance external audit project. 4. Results of the audit will provide guidance for strengthening current controls. <p>The IT Contingency and IT infrastructure security and performance audit projects will minimize even more the probability of data integrity being compromised by unauthorized person(s).</p>
Lead responsibility centre	Corporate Services Cluster/IT Unit
Target date	30 June 2010
Review by EMT	September 2009
Next scheduled review	March 2010

This document is part of an internal deliberative process of the Fund and as such cannot be made public. Please refer to the Global Fund's documents policy for further guidance.