

(1) Risk Identification					(2) Risk Assessm't		(3) Risk Management				
#	Risk Type	Risk Description	Strategic Obj	Risk Owner	Inherent Risk	Onset of Risk	Existing Controls in place to manage risk	Residual Risk	Direction of Travel	Further Risk Management Actions needed	Risk Owner review comments Oct 2014
1	Funding & Sustainability	Inability to meet forecast income target due to lack of budgetary credit or failure to gain parliamentary approval.	5	Christoph Benn (Dir, ER)	High	2014	Pledge sheets with schedule; Instruments of commitment; Calls to each major donor in conjunction with GF Treasury; Donor to Donor Governments Team to Finance communication to manage movements.	Medium	→	Re-run Treasury calls according to schedule agreed with donors; Send out payment request with 2 months notice rather than one month; Move up OGAC (Office of the US Global AIDS Coordinator) reporting to the earliest point of availability.	No change in overall risk situation since last update. The target for this year is still unlikely to be met, however, cash forecasting already been adjusted to manage the potential shortfall.
2		Risk of assets/liabilities mismatches (e.g., over-commitments, shortened grant duration).	1 3	Daniel Camus (CFO); Mark Edington (Head, GMD); Osamu Kunii (Head, SIID)	Medium	3 months	(1) Amended and restated Comprehensive Funding Policy ('CFP'), in line with New Funding Model, enables planning on a 3-year time horizon (Mid-Term Plan, with quarterly forecast updates), with the opportunity to foresee mismatches and put in place mitigating measures. (2) First edition of the 3 year Mid-Term plan completed and regularly updated, based on the experience of NFM roll out. This allows early recognition of points requiring policy or management decisions (e.g. the secretariat was able to timely detect the trend of 'shortened grant duration' and is closely monitoring and reporting potential financial impact). (3) Policies and approaches under development to protect the value of assets (updated investment framework, foreign exchange policy)	Medium	→	Complete the development of asset management policies called for in the CFP (approach to in-country foreign exchange risk to be deployed in 2015).	Regular monitoring and review by Sr management and governing bodies of Asset/Liability position, together with the appropriate scenario analysis, ensures that we monitor this risk on an ongoing basis. Adherence to CFP is critical. Also ability to flexibly optimize funds reduces the risk, so creation of operational policies and rules to enable fund transfers will be key.
3		Inability to demonstrate actual increases in domestic resource contributions through the introduction of the NFM, advocacy and work with regional and in-country partners on innovative domestic financing mechanisms.	5	Christoph Benn (Dir, ER)	High	2014	Establishment of Cross-Division working group and strategy to ensure clarity of roles/resp, mechanisms for setting baselines/targets and aggregating data/results.	Medium	→	NFM process ongoing, further actions to be put in place once process tested and country examples available. Continued strategy for granting of Privileges and Immunities needed, as lack of P&Is can constrain fundraising activities and new sources of financing.	Residual risk from High to Medium. Promising additional domestic commitments from implementers as shown by: 1. Willingness to Pay commitments expressed in CN - prelim information based on NFM Windows 1-3; 2. recent positive political developments - UNGA side event on domestic finance, AU/UNECA, etc.
4	Strategic Investments & Programmes	Poor quality of programs/services funded by Global Fund, including poor adherence to international standards for diagnosis, treatment and prevention, adherence to regimens, rational use of health products and targeting programmes to those populations most in need and at risk.	1 3	Osamu Kunii (Head, SIID)	High	2014 and ongoing	Country Team (M&E) support during country dialogue identifies weaknesses and ensures strengthening activities are being funded through partners / concept note submission. Close follow-up by Country Team during grant implementation, using Rapid Service Quality Assessment ('RSQA') tool and partner assessments. Enhancing partnerships, including in technical assistance (through bilateral and multilateral agreements).	High	→	Agreement with partners on joint quality of care approach and regular implementation across all portfolios. Review of service providers and approach for ensuring regular quality of care assessment. Definition of minimum quality standards to be implemented in all GF supported programs. Work-streams to address these issues include Combined Assurance and Program Quality Hub.	This is a major component addressed through the combined assurance framework. The quality of service tool (currently RSQA) will be updated (Dec 2014) and a joint approach to health facility assessment will be implemented with partners. Pilot approach is planned in high impact countries in Q1 2015. Coverage of the health facilities with quality of services assessments and follow-up will be increased to a more representative sampling.
5		Weak country data systems leading to risk that the quality of the data is not reliable or timely enough to monitor program performance or demonstrate impact.	1 3	Osamu Kunii (Head, SIID)	High	On-going: Country Dialogue, Concept Note development and grant implementation	The epidemiological review ('epi stage') is being implemented with partners. Data mapping, data quality and M&E systems assessments are being instituted, and followed up with strategic investment in data systems, and joint progress monitoring with partners. Close follow-up of M&E system strengthening actions plan by Country Teams (M&E specialists). Impact Profiles generated and annually updated, with assessment of progress towards impact and identification of key data gaps and need for investments. Investments into Health Management Information Systems in particular in 'DHIS2' with partners in order to generate more reliable routine data.	Medium	→	Revised data quality assessment methodology together with partners and increased coverage of yearly sampling. Review methodology for regular implementation of data quality assessments and identify appropriate service providers according to context. Work-streams to address these issues include Combined Assurance and Program Quality Hub.	Look to KPI for further information in tracking data.
6		Treatment disruption due to inadequate supply management.	3	Mark Edington (Head GMD)	High		There is national forecasting and quantification or national coordination committee in place in each High Impact and PSM high-risk countries that meet regularly to review available information and update forecasting. Health Products Management Specialists embedded in each Country Team actively monitor outcomes. They, or the LFA may, attend forecasting committee meetings. For High Impact countries, review and approval by the Secretariat of the forecast and quantification of health products is moving toward a systematic annual approval process. High Impact countries are required, and others strongly encouraged, to have in place an active national PSM coordination mechanism. Country Teams may increase involvement of the LFA in oversight of stock management where treatment disruption risks are high. Country Teams mitigate lack of capacity of inventory/stock management by ensuring that Standard Operating Procedures and tools are in place and staff receive adequate training through technical assistance services and LFA oversight (spot checks on stock records, stock counts, stock level verification).	High	→	Allocate sufficient LFA resources in 2015 budget where PSM related risks are high. As part of the differentiation process in managing grants, there will be a review of levels of effort and resourcing across the grant portfolio. The Sourcing Department is operationalizing the Rapid Supply Mechanism ('RSM'), which is a new capability that enables the Global Fund to respond quickly and proactively to imminent shortages, stock-outs, or treatment disruptions faced by countries. RSM will be fully operational in 2015 Q1. Joint efforts from donors and technical agencies in aligning better effort and investments to support and develop national supply chain systems through a supply chain Inter Agency Group (USAID, GF, GAVI, UNICEF, UNFPA, Gates Foundation, World Bank, Norway, DFID). The Group is dedicated to optimize support in-country supply chains system strengthening in some priority countries, such as Nigeria and DRC. Some additional countries will be identified soon.	

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7	Strategic Investments & Programmes (cont)	Inadequate Principal Recipient oversight of grant programs.	3 SE1	Mark Edington (Head GMD)	High		Implementation mapping gives PRs and Country Teams greater insight into program structure, controls and oversight than was the case in the past. A number of portfolios have undergone a rationalization process as a result to simplify implementation structure and improve controls. Under the NFM, Principal Recipients must be chosen prior to TRP and Grant Approval Committee approval and meet minimum standards, and implementation structures will be better understood at the Secretariat level. Oversight capacity issues should be identified earlier and addressed prior to grant signing.	High	→		
8		Human rights-related barriers to accessing health services impede ability of health services supported by the Global Fund to reach people who need them. Failure to apply the community, rights and gender principles consistently across grant portfolios creates disparities and technical weaknesses in our approach to different countries. This could negatively affect impact and coverage, and cause harm to those we aim to help if Global Fund funds programs that infringe human rights.	4	Osamu Kunii (Head, SIID)	High	Ongoing	CRG guidance and grant making tools in place. Rapid response to HR issues as they arise. Close collaboration with technical partners and human rights experts through the CRG TA Strategic Initiative and the Human Rights Reference Group. Minimum human rights standards in grant agreement. OIG hotline. HR complaints process and training OIG in investigating HR complaints and issues in development to be completed before the Board meeting in November 2014.	High	→	Commit to and resource ongoing Secretariat capacity-building and training, and ensure adequate resources to support SIID, country teams to engage in due diligence, enable CRG technical review of all concept notes, and support OIG to handle complaints. Explore additional partnerships with OHCHR, UNHCR, MSF. Develop CRG operational guidance for Secretariat staff. Outreach and engagement of civil society, UN partners, and communities in using the mechanisms and systems put in place.	Ongoing process. 12-24 months needed to track patterns and results
9		Failure or partial failure to deliver on ongoing streamlining initiatives, particularly regarding: 1) Simpler and differentiated grant-making processes. 2) Simpler and differentiated grant-management processes and tools. 3) Better assurance and oversight.	SE2	Mark Edington (Head GMD)	Medium	6-12 months	Progress continues, but with delays related to incomplete requirement documentation by cross-divisional working groups to allow differentiation and, for simplification and automation, a slower-than-planned onboarding of the new IT provider TCS. The July 15 release of the "grant making" piece on Salesforce will be less ambitious than originally planned, but things will be ready for the major grant-making waves after the summer.	Medium	→	Implementation of Risk and Assurance Framework (2015 priority).	
10		Mission Risk. There are a handful of countries in which disease burden is so high and Global Fund investment so significant that a failure to address the diseases at country level would lead to a failure to address them at global level. Program implementation in these countries is often complicated by issues such as political instability, security problems, weak implementation capacity, regulatory burdens and legal context in relation to civil society organizations and key populations.	1 3	Mark Edington (Head GMD)	High	3-12 months	Response to risks in these countries necessarily requires tailoring to the context and flexibility to respond quickly, particularly in the most challenging operating environments. Country Teams for these and other High Impact countries are relatively highly resourced. The Global Fund carefully monitors the political, legal and security situations and continuously evaluates existing risk management actions and develops additional controls. This process takes into account information and recommendations from PRs, government and partners. Engagement with key populations is a central part of the NFM roll out and supported by the Global Fund in close collaboration with partners. CCM and PR assessments and minimum standards, as well as simplification and rationalization of implementation arrangements, are helping Country Teams to identify and more effectively manage risks. In some of the more complex portfolios there is increased focus of implementation and oversight at sub-national levels. Under the NFM there is improved alignment with and greater reliance on partners for strategic program development, data collection and monitoring and evaluation.	High	→	Ongoing monitoring is necessary. There is a need to balance policies, processes and controls with the flexibility necessary to respond quickly and operate effectively where disease burden is particularly high and in the most challenging environments. There has been significant progress in this regard. Continued strategy for granting of Privileges and Immunities needed, as lack of P&Is may inhibit activities and prevent resources being used to their full efficiency (eg resources diverted to payment of taxes).	
11	Governance & Operations	Failure to adequately respond to identified weaknesses in governance mechanisms related to risk management and governance oversight, risks weak decision making and failure to provide clear strategic direction by the Board.	SE2 E	Nafsiah Mboi (Board Chair)	Medium	6-12 months	A governance review by the OIG was presented to the board in June 2014, with options.	Medium	→	An ad hoc working group of board members has developed options to improve governance. The working group will provide recommendations to the Board retreat in November 2014, to be followed by decisions by the subsequent board (immediately after the retreat).	
12		a) Failure to obtain consensus on the review plan for the 2015 Strategic Review and unable to launch the Strategic Review due to a lack of endorsement by the SIIC and Board b) Unable to receive data and generate evidence on time to be used for the Strategic Review in 2015 (which leads to inability to implement and complete the 2015 Strategic Review) c) failure to identify good consultants with robust proposal leading to poor quality and ineffective strategic review.	All SO	Osamu Kunii (Head, SIID)	High	on-going	- Consultations and early engagement with Board, SIIC and stakeholders; - Establishment of a Secretariat Working Group on Evaluation led by the Chief of Staff; - Establishment of a TERG Task Team and Temp position for on-going and timely project management; - Engagement of various Global Fund teams and continuous mapping of data sources to answer the key evaluation questions, identification of the owners of data sources and analysis, and on-going communication and monitoring of progress; - Reaching out to evaluation communities and potential evaluators with RFP.	Medium	→	a) - Continued consultations with SIIC and Board leaderships and constituencies; b) - Identify previously conducted and upcoming program reviews to be upgraded to "Program Review Plus" and hire consultants to help program reviews to assess impact in a quality manner; c) - Hire quality consultants for SR 2015.	

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13	Governance & Operations (cont)	Misleading or disproportionately negative media coverage of misuse of funds or other inappropriate activities leads to reputational damage.	5	Seth Faison (Head, Comms)	High	Immediate	Series of sensitive OIG reports have been identified. Plan to mitigate risk includes forward-looking analysis, developing strong messaging, Talking Points and Q & A for Board and all relevant stakeholders and proactive action with media as needed.	Medium	→	Consultation with relevant Board members and partners as needed. Fast-moving communications and media coverage require coordinated planning and agile engagement.	
14		(1) Fraud risk, (2) bribery risk and (3) commercial risk (wrong incentives) on medicines/goods spend due to little control of procurement supply chain and outsourcing of procurement to Principal Recipients.	1 3	Chris Game (CPO)	Medium	2 months	Several short term risk mitigation actions already implemented such as monitoring of major fiduciary risks and tighter control on procurement orders. Launch and first phase of implementation of the Procurement for Impact (P4I) project intended to leverage global spend, to centralize and streamline procurement processes and to reduce risk through procurement pooling on direct and indirect categories.	Medium	→	Pooled Procurement Mechanism penetration has doubled this year, track-and-trace is up and running on ARV's and Procurement Service Agents have been re-purposed as Logistics agents. P4i will continue through 2014 (expected to reach \$1.6M by end 2014), with further rationalization of the supply chain, pooling of procurement needs, manufacturers' alignment on volume and specifications and building of internal skills to closely follow procurements needs and requests. Continued strategy for granting of Privileges and Immunities needed, as lack of P&Is risk timely and efficient delivery of life saving commodities (customs and taxes).	Overall: opportunity to strengthen collaboration with PSM. Sourcing team handles large share of the procurement, but is not set up to deal with operational issues that arise on a daily basis from a diverse portfolio of countries. The GF is evaluating the opportunity to develop and launch an e-marketplace, which would increase transparency over procurement operations at various levels, as well as create positive commercial incentives to optimize the procurement portfolio and therefore the spend. Launch will be phased so this would be a medium term solution.
15		Quality issues on GF-procured health products: the GF engages more and more with vendors directly, but is currently not equipped to perform Supplier Quality Assurance activities to the right level. This leads to potential ethical and product quality risks (and subsequent reputational damage).	1 3	Chris Game (CPO)	Medium	2 months	Currently using a policy based approach to manage risk, but insufficient.	Medium	→	Need more resources in-house to industrialise policy and monitor conformance through a range of Supplier Quality Assurance and Product Quality Assurance activities.	
16		Interruption of activities due to loss of data and dis-functioning operational and back-up systems in IT.	3 SE2	Daniel Camus (CFO)	High	1 week	CIO commenced work in Q4 2013. Further IT positions filled. Additional data hosted in secured remote servers. DR capability has been confirmed for Salesforce and Oracle. Secondary back-up system implemented for data hosted on site. Separation of the development and support functions continues and maturity in the support organisation is increasing. Alignment of organisation, budgets and control structures is in place and continues into 2015. Disaster Recovery strategy and plan finalised.	Medium	→	Strengthen internal staffing and external support to improve relevant maintenance and operations procedures and systems (new BPMs in Q1/Q2-2014, Project Portfolio Management tooling, ServiceNow for ITIL compliance).	
17		The organization is unable to significantly improve the way it defines, implements and maintains its core processes including integrating business processes, enabled by IT with increased management focus on IT.	SE2	Mark Edington (Head GMD); Daniel Camus (CFO); Osamu Kunii (Head, SIID)	High	Ongoing	(1) Continued design and implementation of the New Funding Model; (2) Finance Step-up Project progressed well; (3) Compliance with the COSO Framework starting to be assessed; (4) Revamp of Grant Management processes started including automation through Salesforce	Medium	→	Implementation, after piloting, of the outcomes of the Combined Assurance project.	
18	People	Management fails to deliver new Global Fund culture including embedding values and improved managerial accountability, as well as driving high performance. The behavioural change described above is needed to enable the successful delivery of the mission. Failure to deliver new culture leads to organizational inefficiencies, increased staff burnout and low morale.	SE2	Mark Dybul (ED);	High	12 months	HR Strategy 2013-2016 focuses on 5 core themes: strengthened leadership, one culture, managing talent, enabling the business and getting HR basics right. Upgraded intranet and Internal Communications Manager focused on improved staff communications to align values and priorities, strengthen trust and enable staff.	High	→	KPI 16 - Manager and Leadership survey will be run Q4 2014, with results available in Jan 2015. Ethics and Integrity Framework (subject to approval by Board) implementation to start in 2015.	
19		Risk of increasing and unsustainable workload generated by implementation of the NFM leads to staff burnout.	3 SE2	Mark Dybul (ED); Mark Edington (Head GMD); Beth O'Donnell (Head HR)	High	3-6 months	A staff health survey was completed last year highlighting risk of burnout for certain staff demographics. There is increased emphasis on flexible working arrangements and new confidential counseling service.	High	→	Surge staff starting to come on board in M&E and PSM. Streamlining and differentiation of approaches and processes across grant portfolios is a key priority for 2015 (linked to risk #9).	
20		The safety and security of staff while on work-related travel.	SE2	Daniel Camus (CFO)	Medium	Ongoing	Medical and security expertise contracted, in addition to in-house specialists; staff covered by medical insurance while travelling; vaccinations and prophylaxis provided; full security briefing for travelling staff.	Medium	→	Seek the granting of diplomatic immunities for staff on work-related travel to minimize risk of criminalization or persecution.	The evolution of the Ebola outbreak calls for increased attention, and the Global Fund is managing carefully, with support from the administration team and close engagement of senior leadership.

Key:

(a) Strategic Objectives

- 1 Invest more strategically
- 2 Evolve the funding model
- 3 Actively support grant implementation success
- 4 Promote and protect human rights
- 5 Sustain the gains, mobilize resources
- SE1** Enhance partnerships to deliver results
- SE2** Transform TGF governance, operations and fiduciary controls

(b) Risk Ranking

Likelihood	High	3	6	9
	Med	2	4	6
	Low	1	2	3
		Low	Med	High
		Impact		