Office of the Inspector General Progress Report
January to September 2015

The purpose of this report is to give the Board an update on the Office of the Inspector General's activities in 2015 to date. The Office of the Inspector General 2016 Work Plans are also included at the end of the report.

The Global Fund

Office of the Inspector General

I. Executive summary

The Office of the Inspector General (OIG) is on track to deliver its 2015 Work Plan. As of the date of this report:

- All audits from the 2014 Work Plan have been published with five audit carry forward reports issued since January;
- three audits and one ex-ante engagement from the 2015 Work Plan are in the final stages;
- out of 16 audits planned this year, fieldwork on 12 is complete;
- the Investigations Unit has closed 32 investigations out of the 75 planned for this year, of which six reports have been published (five were cases initiated before 2015 and one from this year).

2015: a year of high productivity

We expect that, by the end of year, fieldwork for all audits will be complete and reports will be in their final stages; on the investigations side, we expect to publish seven additional reports. Consequently, as the OIG celebrates it ten-year anniversary, 2015 should be one of our strongest years in terms of production.

Tracking material issues

Following on from the work contained in the first *OIG Annual Opinion on Governance, Risk Management and Internal Controls of the Global Fund* (GF/B33/07), published after the last Board meeting, the OIG continues to track significant improvement areas items such as due diligence, risk management and assurance provision. More information on the progress of these items is presented in Parts II and III of this report.

Slow recovery of funds

Concerning recoveries, the OIG reports independently on the Secretariat's progress as part of its report to the Board, or as otherwise determined by the AEC. The Secretariat has not yet recruited a recoveries officer, an important element in addressing the weaknesses outlined by the OIG last year in its review of the Secretariat's recoveries efforts.

In addition, the processes to operationalize the methodology approved in GF/AEC11/DP05 regarding recoverable expenditures outside of OIG-identified figures, are still being developed. Management has indicated that the efforts to automate such reporting have not yet yielded results and that it is currently exploring the feasibility of a manual process to capture and report on this information.

The OIG is mindful of AEC11/AI08 that request further independent review of the recoveries process by the OIG. This is planned following the publication of the first edition of the Recoveries Report under the methodology approved in GF/AEC11/DP05.

More strategic Agreed Management Actions

The OIG has substantially reduced its backlog of pending Agreed Management Actions reported as implemented and awaiting OIG validation and closure. Progress on the Secretariat side has slowed down after the headway made in the spring. For a full account, please refer to paper GF/AEC13/07 *Status Update on Implementation of OIG Agreed Management Actions*.

There is a clear trend to discuss corrective actions between the OIG and the Secretariat at a higher, more strategic level. Although

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more time-consuming, this means the actions can have a more transformative and systemic impact. We are taking this shift into account in the revised Stakeholder Engagement Models.

Encouraging people to speak out

Initiatives launched in 2015 include the "Speak Out" pilot communications campaign. The campaign is designed to improve the quality of information that the OIG receives so that it can act more swiftly to disrupt fraud and corruption. Main audiences will be both internal at the Secretariat and targeted external communities.

35% of the Secretariat want training on whistle-blowing

The first phase of the campaign involves educating Secretariat staff on what to report to the OIG, how and when. A recent survey on reporting to the OIG revealed that over a third of the Secretariat would like more information and clarity on what to report.

Starting in November and December this year, we will be organizing open door sessions to train the Secretariat on different types of fraud and abuse using real case studies from the OIG archives. The campaign will then move to phase two materials piloted in Ukraine, Côte d'Ivoire and Malawi. More information contained in Part IV of this report.

Continuous improvements

A number of operational improvements are in progress at the OIG. These include; creating systems and processes to build up an intelligence database using five years of investigations data; strengthening audit methodology, processes, and procedures; improving processes to follow up on Agreed Management Actions; developing a core training curriculum for OIG staff; reviewing

and reorganizing the OIG IT infrastructure to increase efficiency and mitigate vulnerabilities; developing tracking and monitoring processes and tools to enhance accountability for resource and budget utilization.

Improving the way we communicate

A summer poll on the way we report our findings revealed that key audiences (Board members, Audit & Ethics Committee members and the Management Executive Committee) are generally satisfied with our reports. 84% of responses rated the substance of the reports as good or excellent. General comments commended the improvements made in the way the OIG has been reporting its findings over the last two years and encouraged us to continue producing shorter and more concise reports.

There was, however, some criticism around the lack of specificity in some of the reports or, in other cases, the inclusion of general statements that are not backed up by evidence or quantitative data. We were also criticized for overusing jargon words or technical terms. This has been useful information that we are taking into account in report writing training sessions organized in Q3 and 4. In addition, as part of an upcoming internal review to support the development of a Quality Assurance and Improvement Program (see below), we will re-evaluate both the format and content of our reports with a view to enhancing conciseness, clarity and impact.

Quality Assurance Improvement Plan

The OIG is undertaking a detailed internal review designed to: a) provide an in-depth gap analysis of current audit and investigation practices against industry best practices with a view to significantly enhance the overall effectiveness of the OIG and strengthen its ability to deliver top value to

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the organization; b) develop a robust Quality Assurance and Improvement Program (QAIP). Whilst annual Quality Assurance reviews have historically focused on compliance with professional standards, the purpose of the QAIP is to move the audit and investigation functions from compliance to excellence, and to embed quality as an ongoing process throughout the lifecycle of each activity as opposed to an annual exercise. This review will be completed by the end of the year and the resulting improvements implemented starting with our 2016 work plan.

In conclusion, as demonstrated by the progress described in this report and by the status of key performance indicators in Annex 1, the OIG is on course to deliver its 2015 work plans and remains an independent, well-resourced office.

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II. Audit Unit

Progress against work plans

All 11 engagements of the revised 2014 Audit Work Plan have now been completed. The 2015 Audit Work Plan is also on track with four reports finalized to date – three audits and one ex-ante engagement. Of this year's 16 audits, fieldwork on 12 has been carried out and 8 are at the reporting stage. Three audits are currently in the planning phase. The audit planned for Chad was cancelled due to heightened security concerns that would significantly limit OIG's ability to conduct an effective in-country review. The resources freed up by this cancellation were reallocated to the Nigeria review which, based on preliminary planning work performed, will require more in-depth analysis.

Table I: Status of 2015 Work Plan

Audit	Qr.	Status
Country reviews		
1. Ghana	Q1	Reporting
2. Pakistan	Q1	Finalized
3. South Sudan	Q1	Finalized
4. Honduras	Q2	Reporting
5. Indonesia	Q2	Reporting
6. Uzbekistan	Q2	Reporting
7. Tanzania	Q3	Reporting
8. Nigeria	Q3-4	Fieldwork
9. Chad	Q3	Cancelled
10. Uganda	Q4	Planning
Internal reviews		
11. Allocation	Q1	Finalized
12. Grant Making	Q2-3	Reporting
13. Strategy & Impact	Q2-3	Reporting
14. CCMs	Q2	Fieldwork
15. KPIs	Q3	Planning
16. Internal Controls	Q4	Planning
Ex-ante engagements		
17. Implementer Resources	Q2	Finalized
18. IT audit follow-up	Q3	Reporting

We also committed to two additional ex-ante engagements that were not in the original 2015 work plan, one of which has been finalized. We are on track to complete the fieldwork for all of our 2015 reviews by the end of the year.

Significant trends and issues

Lack of progress in assurance

Audit work has continued to find weaknesses in assurance, as demonstrated by recently completed audits of grant portfolios in Kenya (See Annex 2 for a summary), Ghana, and South Sudan (currently in the last stages). Despite Global Fund investment in various assurance activities, these are limited in their effectiveness and are still not tailored to the country context.

Despite being identified as a corporate priority by the Management Executive Committee, the Risk and Assurance project, started in 2014, launched formally in May 2015, has not made significant progress. This initiative is designed to address key areas of improvement, including: the development of assurance plans at the grant level based on risk and capacity assessments, increased reliance on implementer assurance mechanisms where feasible, and differentiation in the scope and depth of assurance activities based on risk and materiality. Pilots initiated to test the new assurance approach in a number of representative countries have not yet shown tangible progress. In OIG's view, headway in this initiative and successful roll out of the new assurance model require clear formulation of the vision, strong buy-in and accountability from all key stakeholders (including both the Chief Risk Office and the business risk owners), robust project management, and executive-level sponsorship.

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Unaddressed critical weaknesses in Information Technology (IT)

Limited progress has been made on the implementation of the actions from the IT audit which found material security gaps. Despite improvements in strengthening IT security function and user access, insufficient progress has been made on two critical Agreed Management Actions around data classification and recovery.

Embedding risk management in everyday grant management

The recent country audits in South Sudan, Ghana and Indonesia have uncovered issues around how risks are identified, assessed and mitigated by the Secretariat. Although risk management tools have been put in place, more work is required to embed risk management in grant decision-making, and in particular to identify and record risks consistently to allow teams to mitigate more proactively portfolio level risks. The OIG found the Global Fund operational risk management framework (QUART) in Ghana to have limited effectiveness in identifying strategic risks beyond the core functional areas, in particular, funding gaps or sustainability risks. The South Sudan audit found that even for high risk countries (such as those subject to the Additional Safeguards Policy), the QUART risk assessment is not being prepared consistently.

Lack of a differentiated approach

During the year, the finance teams have begun to focus their resources on high impact and high risk countries. Similar work is underway in the Grant Management Division, but limited progress has been made to date to tailor the approach based on country context.

Our audit in South Sudan found that the Secretariat does not tailor its grant making and operational processes to take into consideration the complexities of implementing grants in challenging operating environments.

Although the Secretariat has initiated a project to drive differentiation principles of working in such environments, limited guidance is available for country teams who manage grants in these countries.

Risks related to Devolution

In countries where health services have been devolved to the state or provincial level, our reviews have highlighted a number of weaknesses in grant implementation arrangements that pose unmitigated risks to program effectiveness. In both Kenya and Pakistan, the OIG found that failure to tailor implementation arrangements in a context of devolution gave rise to issues of accountability, sustainability, oversight and impact.

Successes and challenges

The audit function is progressing well in implementing its improvement plan. Solid progress has been made against the recommendations from the 2014 External Quality Assurance Assessment, which found the unit to be generally conformant with auditing standards. While we continue to embed our strategic and risk-driven audit approach, we have also focused on various improvements related to people, processes, and tools:

People: The Audit Unit is currently staffed with 16 full time members, with three vacancies remaining. Recruitment efforts will continue in the autumn.

The unit maintains a healthy mix of experienced professionals with a strong knowledge of the organization coupled with newly recruited staff who bring a diversity of backgrounds and fresh perspectives. As part of a broader OIG initiative, a Core Training Curriculum is being developed during 2015

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across three key areas – technical competencies, business knowledge, and soft skills. Staff retention has been prioritized with initiatives put in place such as regular staff surveys, team-building activities and on the job training.

Processes: The Audit Unit continued to improve its internal processes during 2015, including developing and streamlining its audit methodology to support consistent execution of its risk-based audit approach. The OIG will commission an external provider to assist with developing and embedding a structured approach to quality improvement into its end-to-end audit lifecycle and internal processes.

With the development of an ongoing internal QAIP, the OIG will shift its external quality assurance reviews from an annual exercise to one that will be performed every three years, which is consistent with both professional standards and industry best practices. The audit methodology will be finalized at the end of the year in line with this quality improvement initiative.

Further enhancements have also been made to the processes around tracking and validating Agreed Management Actions to ensure timely and effective validation of corrective actions implemented by the Secretariat.

Tools: To inform its audit planning, the unit has continued to evolve its planning approach, in collaboration with the Intelligence and Operational Excellence Team, to proactively assess risks at the country level. This considers external and internal risk indices, OIG data, as well as a number of other grant and country level inputs.

Time and cost tracking methods are being put in place and are expected to lead to significant improvement in budget use and delivery timelines. Although significant inroads have been made, further enhancements are being implemented to better monitor resources and audit progress against the OIG Audit Stakeholder Engagement Model to assess the efficiency, effectiveness and quality of the audit work.

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III. Investigations Unit

Progress against 2015 Work Plan

32 investigations closed to date

The Investigations Unit completed the final case in its backlog of legacy pre-2013 investigations in the first quarter of the year. There has been steady progress completing investigations from 2013-2015. As at 31 August, out of the 71 investigations planned for 2015, 32 (45%) have been closed and 39 remain active. Twenty-six investigations were closed with closure memos and six with published reports: Kazakhstan, Yemen, Guinea, Tajikistan, Nigeria and Ukraine. An investigation of grants in Egypt is also in the final stages of publication.

Increased output in 2015

The Investigations Unit will publish seven additional reports before the end of the year: Timor Leste, Burkina Faso, Nigeria, Angola, Panama and two Guyana reports. Overall, this total of 14 published reports will represent an increase of three reports compared to 2014.

Investigations can result in either a published report or a case closure memo. A memo closes a case in any of the following three scenarios:

1. the evidence does not support the allegations (unfounded);
2. there is insufficient credible or substantive evidence to fully support
3. the allegation, or the financial findings are not material (inconclusive);
4. programmatic and financial risks have been mitigated and preventive controls have been put in place (proportionate response).

Out of the 26 closure memos produced to date, 13 have been classified as 'proportionate response', eight as 'unfounded', and five as 'inconclusive'. See Table III below for more details on the current caseload. When

necessary, the OIG includes Agreed Management Actions in case closure memos to address identified vulnerabilities.

In 2015, it takes on average 461 days to close an investigation with a closure memo and 486 for an investigation resulting in a published report. Whilst this is an improvement on prior years, a priority for 2016 will be to reduce this timeframe. The Investigations Unit is speeding up the time it takes to close a case as demonstrated in Table II below.

Table II: Faster turnaround to close investigations

Year investigation initiated	Years taken to close
2011	2.1
2012	1.4
2013	1.1

Complaint-led investigations

Allegations up 28%

As at 31 August 2015, the OIG had received 125 reports of fraud and abuse through its whistle-blowing channels: an increase of 28% compared to the 98 received over the same period in 2014.

As usual, all reports received are carefully screened to ensure that they fall within the scope of the OIG's Charter.

More investigations opened than expected

Following the screening process, 51 new investigations have been opened. There have been 12 missions, with five additional ones planned before the end of the year. This compares to a total of 38 new complaint-led investigations that were predicted in the 2015 Work Plan

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Significant trends and issues

Procurements are the main source of misconduct

The primary issue OIG investigators have found this year has been misconduct in procurement and sourcing in country. Non-competitive tenders, fictitious invoicing and collusion between suppliers and procurement or finance managers have frequently led to fraud.

The second general theme has been around building and renovation projects that have been found to be non-compliant with pre-approved technical specifications. As a result of collusion between implementers and suppliers, payments have been diverted for individual gain.

The third theme identified by investigators this year is where non-competitive or a fictitious provision of events management services, training, outreach or health systems strengthening, have resulted in expense and per diem fraud.

Providing assurance on Global Fund investments in challenging operating environments continues to present difficulties. Conflict situations or dangerous conditions make it impossible to send OIG investigators to verify local processes and procedures, for example, investigations in Yemen and in Peshawar (Pakistan) where there are travel bans in force. Finding third-party contractors to assist, can be problematic, as resources are scarce.

Root cause analysis

To prevent wrongdoing from happening again, the OIG and the Secretariat have to agree on root causes and corrective actions. Recurring causes for proven fraud have been identified as:

- the deliberate non-implementation of valid procurement processes for personal gain;
- capitalizing on a lack of controls or oversight for personal gain;
- overall, an absence of background checks or due diligence on employees or suppliers also facilitates fraud and wrongdoing.

Whilst putting in place corrective actions case-by-case has been effective, a more systematic approach is needed to implement preventive actions on other grants, which may have similar vulnerabilities.

Continuous improvements

The OIG's Complaints Screening System and Case Management System have been overhauled to produce better management information through improved search, filter and cross-reference functions.

Past data now informs future work

Data from 300 investigation cases from 2011-14 have been reviewed, cleaned and made fully searchable per country, region, year and category of wrongdoing. More rigorous whistle-blower protection protocols have also been built into the system. The focus for the remainder of the year is to include audit data in the database and provide intelligence, where required, to the Audit Unit.

The Investigations Unit has put in place an improved two-way information flow between the Secretariat and the OIG to ensure that programmatic information at screening level can still be acted on. Internal OIG communication has also been refined with new workflow processes aligned with the OIG Stakeholder Engagement Model to ensure tracking and monitoring of the Investigations Unit's products.

Using OIG intelligence for proactive fraud prevention

The four proactive assessments planned for this year are ongoing in Cote d'Ivoire, Ukraine, Nepal and Tanzania. Terms of

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Reference for the engagements have been drafted and a reporting template established.

We have also recently installed an intelligence software product,i2 iBase, to analyze OIG data. iBase will improve efficiency in intelligence processing and management within the OIG and supports analysis of both qualitative and quantitative material. This software has already been used for data analysis for a complex investigation in Nigeria.

Investing in report writing skills to be more efficient

Extensive report writing training has been delivered with both external and internal trainers to the majority of the investigations team. As a result, future efficiency savings are expected in this area.

Human rights

Since January 2015, nine human rights related allegations have been received. Of the nine, three have been allocated for further OIG investigation and while the remaining six did not meet the criteria, where appropriate, the Secretariat was informed and the complainant was advised of the screening outcome.

Developing the OIG's capacity to deal with human rights investigations

To ensure consistency and an appropriate response to the OIG's screening of human rights complaints, the existing Human Rights Advisory Group now reviews screening outcomes as an extra safeguard. This consultative group includes representatives from the Grant Management Division, the Community, Rights and Gender business unit, the Legal and the Communications departments.

All of the OIG Investigations Unit and a selection of auditors have received specialist training (provided by HIV/AIDS Canadian Legal Network) to assess and investigate human rights violations.

Building relationships with civil society to have more impact

The OIG continues to develop relationships with organizations such as Transparency International, Human Rights Watch, the International Network of People Who Use Drugs and the Network of Sex Work Projects to promote and develop understanding of reporting issues relating to potential human rights abuses within Global Fund activities.

As hosts of the 2015 Conference of International Investigators, the OIG has introduced Human Rights onto the agenda for the very first time to raise awareness and knowledge amongst peer organizations.

Work in progress

To clarify roles, duties and investigation methodologies, the OIG and UNDP are jointly revising their memorandum of understanding and a joint investigations protocol. This will improve collaboration and information sharing.

Lastly, to support the Global Fund Human Resources Department in dealing with employee relation cases, the Investigations Unit will advise Secretariat colleagues and provide training in investigation planning and interviewing.

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Table III: Status of 2015 Investigations Work Plan

Published reports	Country	Status
238/2011	Kazakhstan	Closed
239/2011	Yemen	Closed
287/2012	Guinea	Closed
341/2013	Tajikistan	Closed
355/2013	Nigeria	Closed
422/2015	Ukraine	Closed
336/2015	Egypt	Closed
Total 7		

Proportionate response Case Closure Memos	Country	Status
321/2013	Guyana	Closed
323/2013	Democratic Republic of the Congo	Closed
328/2013	Democratic Republic of the Congo	Closed
338/2013	Democratic Republic of the Congo	Closed
347/2013	Ukraine	Closed
356/2014	Nepal	Closed
360/2013	Afghanistan	Closed
361/2014	Uzbekistan	Closed
381/2014	Bangladesh	Closed
383/2014	Sao Tome and Principe	Closed
395/2014	Nigeria	Closed
405/2014	Internal	Closed
410/2015	Cambodia	Closed
Total 13		

Inconclusive Case Closure Memos	Country	Status
344/2013	Yemen	Closed
346/2013	Ukraine	Closed
349/2013	Guinea Bissau	Closed
353/2013	Ukraine	Closed
357/2014	Namibia	Closed
Total 5		

Unfounded Case Closure Memos	Country	Status
330/2013	Nigeria	Closed
339/2013	Uganda	Closed
345/2013	Burundi	Closed
354/2013	Sri Lanka	Closed
369/2014	Ghana	Closed
393/2014	Nepal	Closed
404/2014	Malawi	Closed
406/2014	Nepal	Closed
Total 8		

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IV. Strategy and Policy Unit

Budget

At the end of August, the OIG budget showed an underspend of US$ 2,455K (-22.40%).

Table IV: OIG Operational Budget in thousands of US$

Budget line	2015 Budget	Budget as of August	Actual as of August	Variance (Actuals Vs Budget as of August)		Full year Projections	Variance (Full year Vs 2015 Budget)	
Salaries	9,701	6,467	6,093	374	-5.79%	8,968	733	-8%
Professional fees	2,406	1,604	593	1,011	-63.03%	2,479	-73	3%
Travel	2,830	1,887	1,015	872	-46.20%	2,051	779	-28%
Meetings	171	114	26	88	-77.19%	171	0	0%
Communications	135	90	5	85	-94.44%	390	-255	189%
Office infrastructure	1,196	797	772	25	3.14%	1,048	148	-12
Total OpEx	**16,439**	**10,959**	**8,504**	**2,455**	**-22.40%**	**15,107**	**1,332**	**-8%**

Most of this can be explained by the following: **Variance on salaries:** three vacant positions are yet to be filled in the Audit Unit. Interviews have taken place, but no suitable candidates have been found so far. In the interim, professional fees are being used to hire audit consultants to assist with completing the audit work plan.

Timing differences: these are the costs that will be incurred later in the year. For example, part of the costs for the Q2 country audits (Honduras and Indonesia for around US$ 250k in total), investigative services (for around US$ 50k), and IT services (for US$ 65k) will affect the Professional fees budget line later in Q3. The costs of the Q3 and Q4 audits (Tanzania, Uzbekistan, Nigeria, Uganda for around US$ 564k) and internal reviews (for US$ 457k) will only affect our budget at the end of Q4. The costs of ongoing investigations in DRC, Guyana, Pakistan and Nigeria will also impact the budget later in the year (US$ 250k).

Initiatives in the second half of the year are not yet visible in the corresponding budget lines. For example, the cost of the Conference of International Investigators, hosted by the OIG this year, will impact the meetings budget in Q4 (100K). Similarly, the roll out of the Speak Out campaign (300K) will affect the communications budget in Q4.

The underspend in travel is due to 2015 investigations being managed more efficiently than anticipated, requiring less resources and travel than budgeted. During the budget exercise, it is difficult to predict the number of investigations for the following year as it depends partly on the number of allegations that come in during the year.

Major new IT purchases, originally planned for 2015 under the Office infrastructure budget line, have been delayed due to ongoing discussions with the Secretariat on how to integrate IT systems.

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Headcount and vacancies

The OIG currently has 45 members of staff and three vacancies.

Table V: Headcount and vacancies as of 31 August 2015

Unit	Headcount 1 Jan 2015	Hires	Departures	Headcount 31 Aug 2015	Budget	Vacancies
IG	7	2	1	8	8	0
Audit	13	4	1	16	19	3
Inv	21	2	2	21	21	0
Total	**41**	**8**	**4**	**45**	**48**	**3**

OIG IT

Integrating the Secretariat's IT infrastructure while safeguarding our independence

In the first half of the year, the Strategy and Policy Unit assessed the OIG's IT services and infrastructure. While the current OIG IT arrangements are acceptable, they are not sustainable in the long term as they involve significant exposure to key person dependencies as well as inefficiencies due to the duplication of basic computing and support services. In addition, recent changes in the Secretariat's IT infrastructure have made accessing certain corporate services impossible through the current OIG IT system.

We have recently agreed on a project initiation document with the Secretariat to implement an initial set of changes. This will allow us to leverage the Secretariat's end user computing platform (i.e. laptops management, operating system images, active directory management, business applications, phone, network, internet gateway, and helpdesk). This process is being carefully managed to leverage potential synergies in the IT infrastructure and services between the Secretariat and OIG while at the same time preserving the independence of OIG, and the security and confidentiality of its data.

Development of strategic objectives

Aligning organizational and personal objectives

In Q1, led by the Strategy and Policy Unit, the OIG developed a divisional strategic plan that included the alignment of purpose statements and strategic objectives across all three units.

In order to drive performance and accountability, objectives have been cascaded and mapped to the performance objectives of each OIG employee. The divisional strategic plans are now routinely used and help structure the mid-year performance evaluation review.

Speak Out campaign

In tandem with the Investigations Unit, the OIG communications team is currently putting in place the first phase of a pilot anti-corruption training and outreach campaign called 'Speak Out'.

Disrupting fraud and corruption upstream

The overall objective of the campaign is to improve the quality of information that the OIG receives through its reporting channels in order to be able to act earlier to prevent fraud and abuse in Global Fund programs.

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Helping to achieve grant objectives

As well as targeting internal audiences at the Secretariat, we will be reaching out to targeted communities in Ukraine and Côte d'Ivoire late 2015, followed by Malawi in early 2016, to promote anti-corruption messages. In collaboration with the three respective Country Teams in order to support grant and country objectives, the focus of the campaign in the three countries will be as follows:

- disrupting bribes that injecting drug users have to pay to get onto harm reduction programs in Ukraine;
- interrupting supply chain leakages that lead to free tuberculosis drugs being sold in street markets in Côte d'Ivoire;
- preventing free malaria drugs from being diverted and resold for a profit in Malawi.

Stakeholder Engagement Models and communication strategy

The roll out of a formal communication strategy for the OIG in 2014 has allowed us to manage expectations and communicate more clearly and consistently to stakeholders. A key component of this strategy is the Stakeholder Engagement Models that map out, stage by stage, when we engage with our different audiences during the audit and investigations process.

18 months experience of version 1.0

The AEC has asked the OIG to consider reviewing the models to ensure that they remain fully appropriate and applicable. We are currently working on version 2.0 after a year and a half of experience with the first iteration. We expect the new versions to be ready by the end of the year after consultations with the Secretariat and other key stakeholders.

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Annex 1. Key Performance Indicators

(as at 21 September 2015)

	Strategic Action	Status
A. To deliver an efficient and effective service	A.1 Reports finalized in compliance with the Stakeholder Engagement Model contained in the Communications Strategy and, on average, following the indicative timeframes	Audit: All 2014 audits have been finalized following the Stakeholder Engagement Model. Of the 2015 Work Plan, three reports have been finalized (South Sudan, Allocation and Pakistan) At the time of writing, the 2015 Work Plan reports were in the following stages of the model: Stage 1: KPIs, CCM, Uganda; Stage 2: Nigeria, Grant Making; Stage 3: Honduras, Indonesia, Strategy, Uzbekistan and Tanzania; Stage 5: Ghana; Stage 7: South Sudan. Pakistan has been published. Investigations: 6 Investigations reports have been published as of 31 August (Yemen, Kazakhstan, Nigeria, Tajikistan, Guinea and Ukraine). All followed the Stakeholder Engagement Model steps from stage 5 to stage 9 as the cases predated the introduction of the model. Ukraine followed from stage 2 to the end. At the time of writing, a report on Egypt was in final stages before publication.
	A.2 At least 90% achievement of annual audit/investigations work plans	At the time of writing, audit: 65% of the audit work plan has been completed. 11 audits are in progress (3 finalized, 8 are at the reporting stage) out of the 15 planned for the year (initially 16). An extra ex-ante engagement (Implementer Resources) is not included in this calculation as it was not in the original work plan. For investigations, at the time of writing, the total percentage of work plan achievement is 74% based on 71 cases (33 completed and 38 active).
	A.3 Costs managed within approved budget	At the end of August, the OIG budget showed an under-spend of US$ 2,455K (-22.40%).
B. To foster confidence by being accountable and transparent	B.1 External quality assurance review of audit and investigations units to confirm that the quality of assessment processes, work papers, reports, and interaction with key stakeholders adheres to professional standards and guidelines	Investigations: Progress has been made against the 12 recommendations resulting from the Investigation's Quality Assurance Review. - For each investigation, team members who are involved with the investigation now make a declaration of any conflict(s) of interest on the information available. - To motivate and facilitate career progression, two Grade D senior investigator positions have been created and filled. - A fraud awareness campaign is underway, due to be rolled out as part of the Speak Out campaign. - The OIG has been working in collaboration with Legal and Sourcing to review the 'Code of Conduct for Suppliers'. Audit: the recommendations from the 2014 External Quality Assurance have been incorporated in the audit team's annual

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		objectives for 2015 with most at advanced stages of implementation: • Both the Inspector General and Head of Audit positions have been filled, with just three vacancies remaining. • On-boarding efforts have been revised and staff retention initiatives have been put in place • Work has continued on formalising and streamlining our audit methodology to support consistent execution of our risk-based audit approach. • Assignment timelines and budgeting are monitored internally, with significant improvements
	B.2 All investigation and audit reports published on the OIG website as defined in the Communications Strategy.	Six 2014 audit reports have been issued in 2015 (of which IT Controls which is pending publication once the corrective actions have been put in place). One report from 2015 was published (Allocation of Funds) as at 31 August. At the time of writing, Pakistan was in the final stages before publication. Six investigations reports were published as at 31 August. At the time of writing, Egypt was in the final stages before publication.
	B.3 Annual assurance statement on governance, risk management and controls at the Global Fund	Issued on 31 March 2015 and shared with the AEC and Secretariat
C. To ensure impact in our work	**C.1** Agreed actions tracked, reported on monthly and validated within 3 months of Secretariat reported "Completed" date. Reports of slippage on agreed actions are escalated.	As at 31 August the OIG closed 98% of all 2015 implemented Agreed Management Actions within 90 days (53 of 54). Out of these 53 closed by the OIG, 27 were validated within a 30-month period of being reported as implemented by the Secretariat.
	C.3 Adherence to the Stakeholder Engagement Models embedded in the Communications Strategy to ensure quality through the safeguards (i.e. Facts and accuracy check)	Both the Audit and Investigations units are in compliance,
D. To recruit and retain the best people and foster a culture of trust and teamwork	**D.1** All employees participating in continuing professional development activities and complying with requirements	All development plans for OIG staff are in the Dialogue System. 63% of staff have completed their professional development activities year to date. The breakdown is as follows: 63% Audit, 90% Investigations, 80% Strategy and Policy.
	D.2 Staff Turnover does not exceed 10%	Staff Turnover is 9.3% as at 31 August 2015. Total headcount is 48 of which there are 45 staff and 3 vacancies (2 investigators joined in August).

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Annex 2. Summaries of OIG reports released in 2015

15-001 Yemen Investigation

The OIG found that the National Tuberculosis Control Program (NTCP), a recipient of Global Fund grants in Yemen, misrepresented information, accepted inappropriate gratuities and colluded with a supplier called Lab-Tec. As a result, the Global Fund is seeking to recover US$ 15,712 of misused funds and will replace NTCP.

15-002 Kazakhstan Investigation

The OIG identified a number of bid-rigging schemes that took place between 2005 and 2012 in Kazakhstan. As a result, the OIG called for the Global Fund to recover US$ 5.43 million corresponding to overpricing in contracts awarded to local vendors by Principal Recipients of Global Fund grants. The investigators found 57 contracts awarded by the Republican Center for Prophylactics and Control (RCAIDS) totaling US$ 10.57 million, and 19 contracts awarded by the National Center of Tuberculosis Problems (NTCP) totaling US$ 5.9 million, which were non-complaint with Global Fund grant agreements. Although the investigators found no evidence to suggest that the goods had not been delivered, they discovered systematic overpricing for printing, office equipment, health products and food parcels amounting to US$ 5.43 million.

15-003 Nigeria Investigation

The OIG called for US$ 785,906 to be recovered after investigators discovered significant irregularities in a renovation project of medical stores between 2011 and 2013. Although the renovation of the stores was completed, the investigators found that a Principal Recipient, the Nigeria National Agency for the Control of AIDS (NACA), mismanaged the project and that the quality of the work was sub-standard.

15-004 Pre-implementation Review Ethiopia

This audit was a pre-implementation review to assess the proposal for piloting a National Strategy Financing model in Ethiopia. Specifically, the audit looked at the adequacy of due diligence performed, the readiness of the Ethiopian internal control environment to sustain a National Strategy Financing Proposal, and the adequacy of the proposed assurance framework.

The OIG concluded that the Secretariat has no mechanism to formally develop and approve new models of grant management. This was demonstrated in the case of Ethiopia by insufficient due diligence performed to identify and mitigate critical risks before proposing a new model. The OIG also observed that Ethiopia is investing in building and maturing its national oversight mechanisms, which were still being constructed at the time of this review, and that proposed assurances over grant objectives were fragmented and uncoordinated.

15-005 Internal Financial Controls Audit

This audit examined whether internal financial controls over key grant process were adequate and effective to ensure the integrity of financial statements. In addition, the OIG assessed the design and effectiveness of financial controls performed by Finance Officers in relation to the post-disbursements procedures.

The OIG concluded that internal controls over financial statements were generally effective but the current design and effectiveness of financial controls over disbursed funds needed to be further improved.

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15-006 Tajikistan Investigation

OIG investigators found evidence of fraudulent practices and procurement irregularities by the Committee for Youth, Sports and Tourism (CYST), a government sub-recipient of Global Fund grants in Tajikistan, from 2011 – 2012. The OIG has called for US$ 116,726 to be recovered corresponding mostly to overpricing for non-health products.

15-007 Guinea Investigation

OIG Investigators found misappropriation and fraud amounting to US$ 416,183 by 22 sub-recipients of a Global Fund HIV/AIDS grant in the Republic of Guinea between 2008 and 2010. Investigators found that the Ministry of Health sub-recipient, the Programme National de Prise en Charge Sanitaire et de Prévention (PNPCSP), disbursed US$ 26,023 to fictitious companies and US$ 60,953 to recipient companies who did not use them for grant activities. PNPCSP could not show supporting documents to the OIG for further disbursements to a supplier worth US$250,852. Investigators also found fictitious invoices amounting to US$ 78,355 submitted by nine other sub-recipients to justify fake expenditures, sometimes involving PNPCSP.

15-008 Effectiveness of Sourcing Controls Audit

The audit sought to give assurance on how effectively the Global Fund's procurement and supply chain management strategy is aligned to and supports the strategic objectives, and whether the Global Fund is organized and managed in a manner that enables it to deliver on its procurement and supply chain activities.

The auditors found that procurement and supply chain management at the Global Fund were generally effective in supporting the organization's mission to end HIV, tuberculosis and malaria. The Global Fund has re-engineered its procurement operating model and its Sourcing Department has been strengthened significantly over the past two years. However, the Secretariat's procurement strategies need to be supported by a stronger internal control framework, which includes resources, policies and procedures, tools and systems to support the effective implementation of its activities.

15-009 Audit of the Republic of Sudan

This OIG audit assessed the Global Fund's strategic approach in Sudan, with a focus on the effectiveness and efficiency of the current implementation arrangements. Specifically, the audit examined the mechanism used by the Global Fund to identify, assess and mitigate key and material risks, as well as the adequacy of tools and mechanisms used by the Secretariat to derive an appropriate evaluation of the capacity of new and existing Principal Recipients.

The OIG found that, despite a number of attempts, there was no sustainable plan in place to ensure the long-term success of programs and the transfer of responsibility to national health authorities.

15-010 Audit of the Global Fund's Methodology for Fund Allocation

Auditors from the OIG concluded that the Global Fund's methodology of allocating funds was generally effective in ensuring that it invests strategically to end AIDS, tuberculosis and malaria. However, the OIG also noted there were areas for improvement, notably the Board's oversight of the way its committees and the Secretariat manage the risks inherent in the allocation methodology.

To address the issues raised by the OIG audit, the Secretariat will present to the Strategy Investment and Impact Committee, for consideration, options to refine the allocation methodology in time for the next funding period, drawing from its own 'lesson

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learned' experience from the first allocation as well as the OIG's findings.

15-011 Audit of Global Fund Grants in Kenya

Auditors rated the management of financial, health services and product risks as 'generally effective' in Kenya. However, the OIG called for the Global Fund to develop a longer term strategy to tackle the three diseases beyond 2016, including a more coordinated approach with other donors and health service providers in the country.

Global Fund management has agreed to put in place corrective actions to address the issues raised by the audit, including an updated donor mapping framework, following up on a TB prevalence survey and ensuring that strategic risks, including those linked to the devolution of health care to the counties, are mitigated.

15-012 Ukraine Investigation

In April 2015, the OIG began an investigation into allegations of misconduct by the Finance Director of the Alliance Ukraine, a Principal Recipient of Global Fund grants in Ukraine. The OIG investigation confirmed that there had been a conflict of interest and procurement irregularities. The Finance Director has since been dismissed and the Alliance Ukraine has taken other remedial steps, including reinforcing its conflicts of interest policy.

15-xxx Effectiveness of IT controls
(currently on hold pending corrective actions)

The IT controls audit sought to provide the Global Fund with reasonable, independent and objective assurance over the design and effectiveness of the IT controls in place to manage the key risks impacting programs and operations. Specifically, this audit tested IT controls over accuracy, agility, availability and access to IT systems. Internal controls over IT were deemed to be generally effective

for data agility (change management and system developments). However, controls over data availability (business continuity and disaster recovery components) and data accuracy showed some weaknesses. Controls regarding data access (logical and access, data security, privacy and protection) are also considered inadequate.

15-013   Implementer   Resources (Advisory)

Requested by Board leadership, this advisory review provided an analysis of resources available to the Board's implementer constituencies and made recommendations related to the funding methodology and the development of a longer term strategy to optimize implementer engagements.

15-014 Audit of Global Fund Grants in Pakistan

An audit of the Global Fund's grant portfolio in Pakistan found weak financial management resulting in USD 2.4 million in transactions that could not be accounted for. The auditors also noted that, despite recent efforts, grant implementation, procurement and stock management arrangements are deficient.

The Global Fund is putting in place corrective actions including strengthening significantly financial controls. The case has also been referred to the OIG Investigations Unit for further review.

15-015 Egypt Investigation

An OIG investigation in Egypt found evidence of fraud and procurement irregularities between 2008 and 2012 compromising Global Fund contracts worth US$ 668,877.

The irregularities involved the use of hotels and vehicle hire for training activities and related procurements for t-shirts, stationery, catering. These goods and services were

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bought by a Principal Recipient, the National AIDS Programme (NAP), part of the Egyptian Ministry of Health and Population. NAP has been instructed to cease all non-essential program activities; the Global Fund is taking corrective measures and is seeking to recover the misspent sums.

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OIG Report

OIG Audit Work Plan 2016

This Work Plan was reviewed and approved under reference GF/AEC13/04 Revision 1 in Decision Point GF/AEC13/DP03 at the 13th Audit & Ethics Committee on 7-8 October 2015

Document GF/B34/06 – Annex 3

The Global Fund
Office of the Inspector General

Contents

Introduction

2015 Achievements and challenges

2016 Audit planning approach

Audit response

Introduction
Vision and mission of the OIG audit unit

The Global Fund
Office of the Inspector General

Vision

The Global Fund's audit unit will be a respected role model and inspire the international aid community

Purpose

Driving and leading change to improve and safeguard the Global Fund in fighting AIDS, tuberculosis and malaria

2015 Achievements and Challenges

Audits are having a wider strategic impact due to root cause analysis

Achievements

- OIG on track to deliver 2015 audit plan including 15 audits and two ex-ante engagements

- Reviews more strategically focused, leading to greater engagement from senior management

- Country work concentrates on root causes, leading to conclusions applicable across the portfolio

- Increased focus on following up agreed actions

Challenges

- Providing assurance on critical portfolios such as Nigeria requires deeper review

- We haven't been able to offer more consulting work, despite identified need in key areas

- Despite extensive recruitment efforts, three positions remain vacant

- Poor value for money from using professional firms for routine activities or staff replacement

2016 Audit planning approach
Lessons learnt from 2015 will influence our approach for 2016
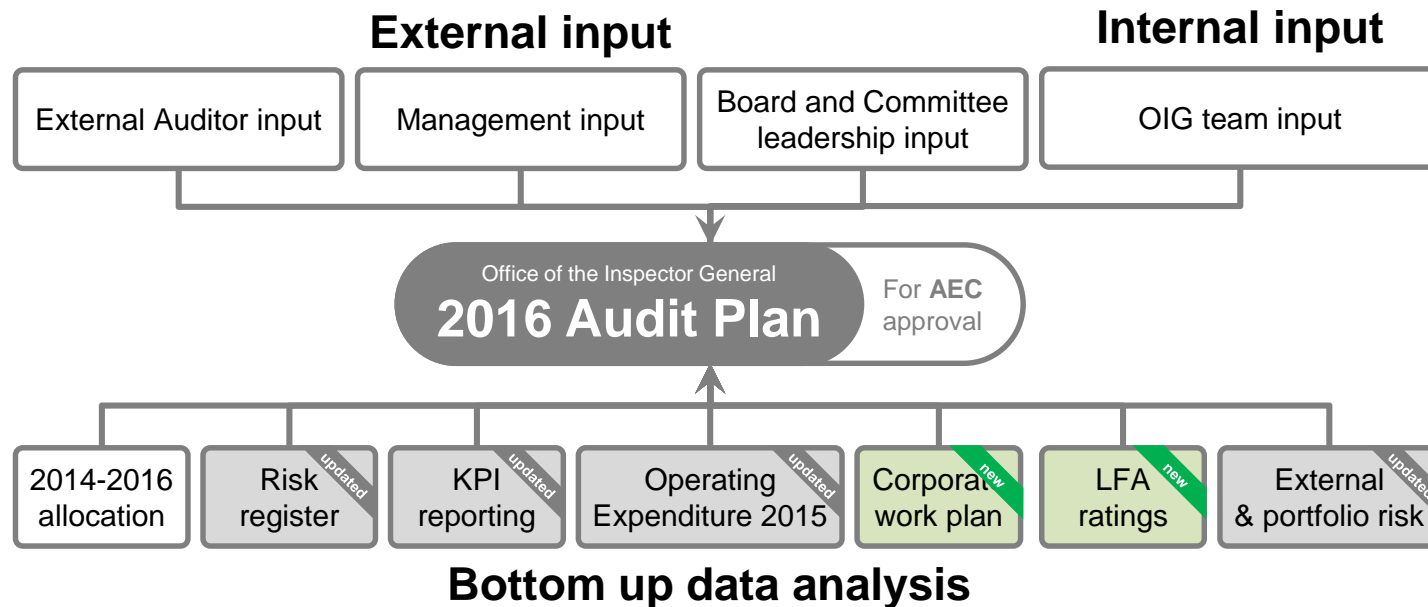
Audit approach
- Audit plan designed to maximize strategic impact through deeper analysis.
- Tailored risk-based approach to help guide Global Fund differentiation efforts.
- Continue to review both internal and grant-level processes.
- Provide timely input and feedback on key processes through advisory work and enabling activities.

Impact on plan
- Increased focus on high risk and high materiality through more targeted selection of country reviews and internal audits.
- Differentiate levels of effort based on risk and materiality.
- Aim to minimize reliance on professional firms for routine audit activities, and to retain knowledge and skills within the team.
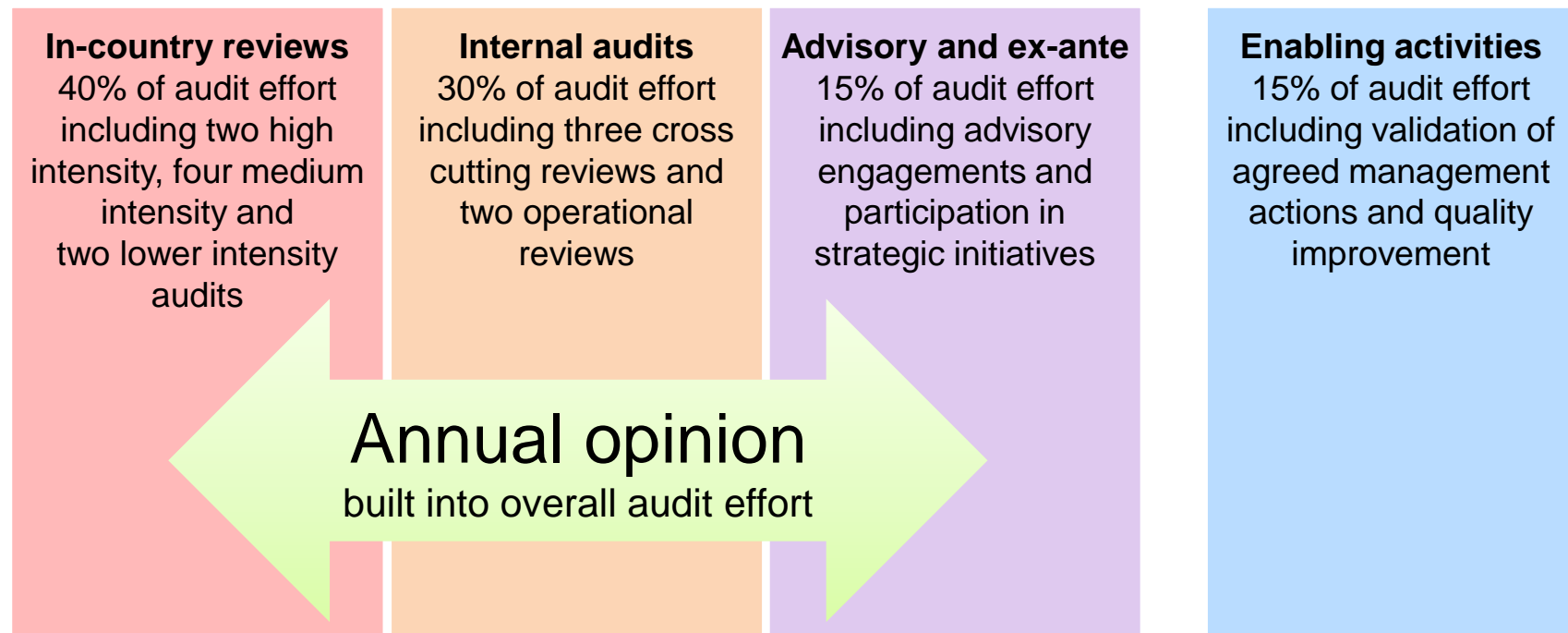
2016 Audit Response
Driving and leading change to improve and safeguard the Global Fund

External input

Internal input

| External Auditor input | Management input | Board and Committee leadership input | OIG team input |

Office of the Inspector General
2016 Audit Plan

For **AEC** approval

| 2014-2016 allocation | Risk register *updated* | KPI reporting *updated* | Operating Expenditure 2015 *updated* | Corporate work plan *new* | LFA ratings *new* | External & portfolio risk *updated* |

Bottom up data analysis

2016 Audit Response

Four building blocks of our audit response to produce an overall opinion

In-country reviews
40% of audit effort including two high intensity, four medium intensity and two lower intensity audits

Internal audits
30% of audit effort including three cross cutting reviews and two operational reviews

Advisory and ex-ante
15% of audit effort including advisory engagements and participation in strategic initiatives

Enabling activities
15% of audit effort including validation of agreed management actions and quality improvement

Annual opinion
built into overall audit effort
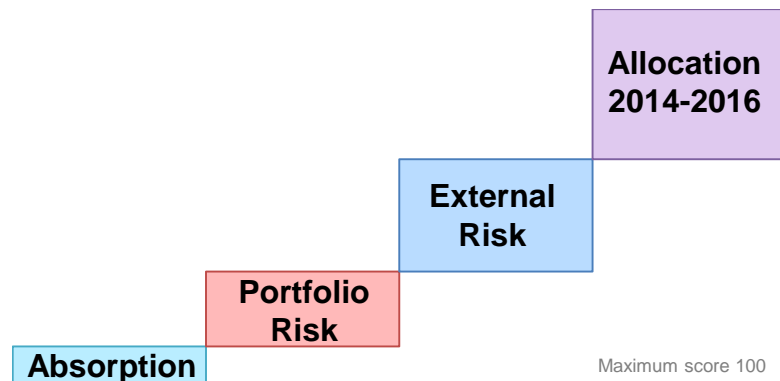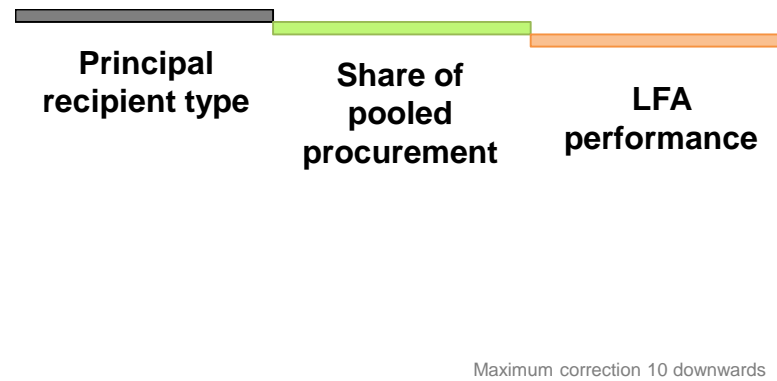
2016 Audit Response
Country reviews: 40% of audit effort

Selection of eight countries (slides 8 and 9) based on a residual risk:

a) **Inherent risk:** using two financial indicators and two indices compiled by the risk department.

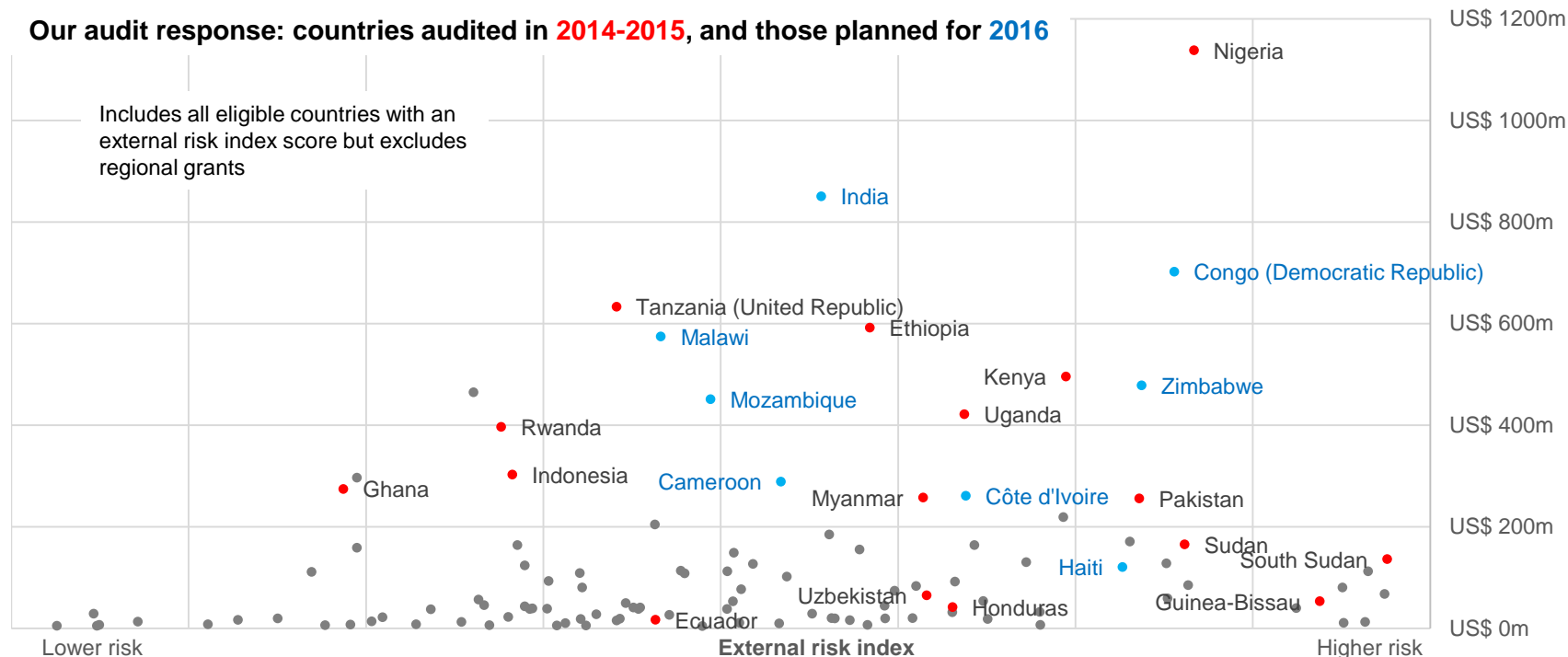b) **Quality of controls** adjusts the inherent risk to give an overall score.

Allocation 2014-2016

External Risk

Portfolio Risk

Absorption

Maximum score 100

Principal recipient type

Share of pooled procurement

LFA performance

Maximum correction 10 downwards

2016 Audit Response

Country reviews: 40% of audit effort

Our audit response: countries audited in 2014-2015, and those planned for 2016

Includes all eligible countries with an external risk index score but excludes regional grants

- Nigeria
- India
- Congo (Democratic Republic)
- Tanzania (United Republic)
- Malawi
- Ethiopia
- Kenya
- Zimbabwe
- Mozambique
- Uganda
- Rwanda
- Indonesia
- Cameroon
- Ghana
- Myanmar
- Côte d'Ivoire
- Pakistan
- Sudan
- Haiti
- South Sudan
- Uzbekistan
- Honduras
- Guinea-Bissau
- Ecuador

US$ 1200m
US$ 1000m
US$ 800m
US$ 600m
US$ 400m
US$ 200m
US$ 0m

Lower risk · **External risk index** · Higher risk

2016 Audit Response

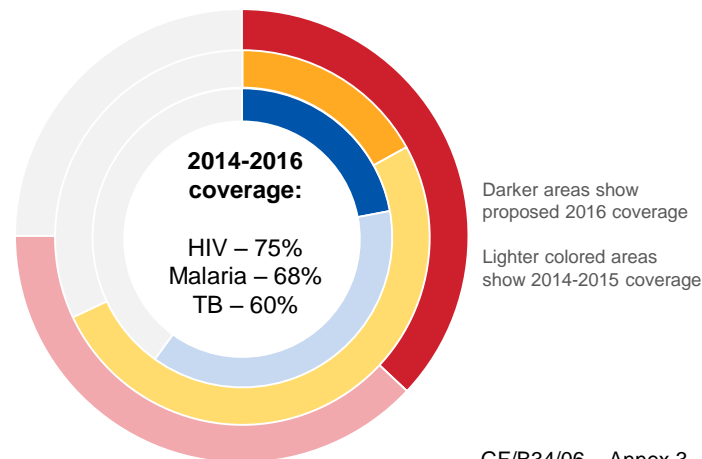Country reviews: 40% of audit effort

Allocation coverage
The eight countries have a combined US$ 3.72b
which is **25% of the allocation 2014-16**

High Impact Africa 1	High Impact Africa 2	High Impact Asia
DRC Cote d'Ivoire	**Zimbabwe Mozambique**	**India**
US$ 962m 32% of region	US$ 928m 27% of region	US$ 850m 39% of region

Americas, Europe & LAC	Africa and the Middle East
Haiti	**Cameroon Malawi**
US$ 120m 6% of region	US$ 863m 20% of region

Disease Impact Coverage
The eight countries account for 22% of
successful TB treatments, 37% of people
currently on ART and 17% of nets distributed to
countries eligible to Global Fund financing.

2014-2016 coverage:

HIV – 75%
Malaria – 68%
TB – 60%

Darker areas show
proposed 2016 coverage

Lighter colored areas
show 2014-2015 coverage

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The Global Fund Le Fonds mondial El Fondo Mundial Глобальный фонд 全球基金 الصندوق العالمي

2016 Audit Response
Internal audits: 30% of audit effort

Three strategic audits:

1. **Risk management**
   This audit will comprehensively assess the design of the Global Fund's risk management framework and the effectiveness of the underlying processes.

2. **Grant management in high risk environments***
   The audit, using a small sample of countries, will focus on the processes of ensuring that the risk management and assurance activities are adequate in challenging or dangerous environments.

3. **In-country supply chain**
   This joint review **with investigations** will follow up on our sourcing audit (2014) and assess processes and controls from the arrival of health products in country to the end user.

Two operational audits:

4. **Integrity due diligence**
   This audit will review the processes and systems by which the Global Fund determines which entities and individuals it does business with and how it this information is used to take critical decisions.

5. **Treasury**
   This audit will assess the adequacy, effectiveness and efficiency of the treasury function and evaluate whether the coordination between the Trustee and the treasury function of the Global Fund is fit for purpose.

* The OIG recognizes that there is project underway at the Secretariat to examine the processes in place to manage risks in challenging operating environments (COEs). This review will take into consideration this work, and will also focus on the wider processes in place to manage grants in countries that are not classified as COES but where travel and security restrictions apply.

2016 Audit Response
Real time and responsive risk-based advice: 15% of audit effort

Advisory or ex-ante activities will include:

Ex-ante reviews in response to Board or executive management requests
- Aims to provide early analysis and guidance on significant emerging issues
- Tailored to the maturing environment at the Global Fund
- Publication at the discretion of the Secretariat
- *Example: a joint review of data quality with the TERG*

Formal implementation review
- Aims to provide assurance on the implementation of critical actions raised in past audits
- Selected audits: Grant Closure, Governance, Results-Based Financing (Ethiopia and Rwanda)
- Typically published

Real time advisory activity
- Aims to provide on-the-spot advice and guidance
- Unpublished – formal or informal feedback
- *Example: active involvement with internal initiatives or Secretariat committees*

2016 Audit Response
Enabling activities: 15% of audit effort

Routine audit activities to ensure the impact of our work include:

- Routine follow up of agreed actions

- Relationship management including Secretariat, partners and other key stakeholders

- Participation at industry-wide meetings and conferences

- Participation at Board and Committee meetings

Continuous improvement initiatives to maintain our internal standards include:

- Quality improvement initiatives

- Operational improvement initiatives

- Training and development

OIG Report

OIG 2016 Investigations Work Plan

This Work Plan was reviewed and approved under reference GF/AEC13/05 Revision 1 in Decision Point GF/AEC13/DP03 at the 13th Audit & Ethics Committee on 7-8 October 2015

Document GF/B34/06 – Annex 4

The Global Fund
Office of the Inspector General

Content overview

1. Vision and mission

2. 2015 Achievements and challenges

3. Published reports 2015 and closed investigations

4. 2016 Investigations work plan

5. Human rights

Investigations unit plan 2016
Vision and mission unchanged

The Global Fund

Office of the Inspector General

Vision

The Global Fund's Investigation Unit to be a role model for the international aid community

Purpose

To expose the abuse of grant funds and influence change that safeguards the Global Fund and the lives affected by AIDS, tuberculosis and malaria

2015 Achievements and challenges*

Productivity continues to rise

- In the first quarter of 2015, the last of the 2009-2012 'legacy cases' were cleared

- Screened 125 complaints representing an increase of 28% compared to the same period last year

- 51 new cases* opened in 2015, compared to 38 in 2014

- The total percentage of work plan achievement is 66.9%*

- To date published reports for: Kazakhstan, Yemen, Guinea, Tajikistan, Nigeria and Ukraine

- Additional 2015 reports are: Egypt; Timor Leste; Burkina Faso; Angola; Panama; Nigeria and two for Guyana. This would represent three more reports than in 2014

- 32 investigations closed to date, (including published reports and closure memoranda), 64 expected by year end

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*as at 28 August 2015

2015 Achievements and challenges
Influencing change

- Hosted the Conference of International Investigators, which was fully subscribed. Human rights on the agenda for the first time

- Embedded tactical and strategic analysis in all aspects of investigatory activities

- Improved case management system information relating to operational performance, i.e. case distribution, age, stage

- Speak Out Campaign planning and issue identification. Training material development

- Ongoing developmental training for the team

2015 Achievements and challenges
Challenges

- **Access to Principal Recipients and sub-recipients**

  - Framework grant agreement

- **Stakeholder engagement model timelines**

  - Monitoring tools and identification of bottlenecks

  - Increased resources required for analysis

  - Report writing training for better quality reports, requiring less edits

  - Completion of cases carried forward from 2013/2014, in a timely manner

- **Collaboration on Agreed Management Actions**

  - Root cause and Agreed Management Action discussions need to happen earlier

Investigation work plan
Six themes

1 **Allegation management**

Continue managing complaint handling process, whistleblower guidelines. Estimated over 220 allegations in 2016.

2 **Carry forward investigations**

Completion of 37* cases from 2015/2014. Total carry forward cases 37 compared to 47 in 2015

3 **Complaint-led investigations**

Commence 55 predicted 2016 complaint- led in country investigations and complete 31

4 **Proactive assessments**

Conduct six proactive assessments - fraud disruption and prevention

5 **Speak Out campaign**

Measure the impact of the 2015 pilots and depending upon results extend the campaign to three additional countries

6 **Continuous improvement**

Continue investigations capacity building with a focus on reducing the timeframe

2016 Investigations unit activities
Four types of activities

- Proactive activities to drive improvement in quality and quantity of leads such as Speak Out campaign

- Projected 22% increase in allegations

- Support to sourcing – rapid diagnostic testing project

- Support to country teams – bed net campaigns

- Completion of 68 Investigations (37 from 2014/15 and 31 from 2016)

- Analysis for root causes and preventive actions

- 6 proactive assessments based on a risk-based approach

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Theme 1: Allegation Management
The key to quality leads

- **Speak Out** campaign will clarify what needs to be reported to the OIG, when and how; designed to increase quality of allegations, disrupt fraud before it escalates and reinforce the Global Fund's zero tolerance to wrongdoing

- Quality of allegations should reduce investigations which end without substantiated findings, allowing focus on impactful investigations of fraud and abuse

- All allegations screened to determine best follow up: investigation or referral to Secretariat or partners

- All allegations feed into OIG's intelligence database used to identify areas for proactive assessment

- Campaign will reassure potential whistle-blowers that reporting is safe and confidential; the OIG will keep him or her informed of the process followed

- Allegation intake has more than doubled since 2013: dedicated screening officer position is proposed in 2016 budget

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Theme 2: Carry forward investigations

Aiming to reduce carry forward cases (estimated) 37 in 2016, versus 47 in 2015

| Work plan	2015	2016
Carry forward investigations	47	37*
Investigations completed in same year of allegation	20	31
Proactive assessments	4	6
Total	**71**	**74**

*Estimated

Theme 3: Complaint-led investigations
A quicker response

- Disrupt and prevent fraud
- Complete 68 investigations in 2016
- Conduct joint missions with audit
- Reduce the average time for investigation completion
- Investigations starting in 2011, took on average 2.1 years to complete.

Av. years taken to close an investigation
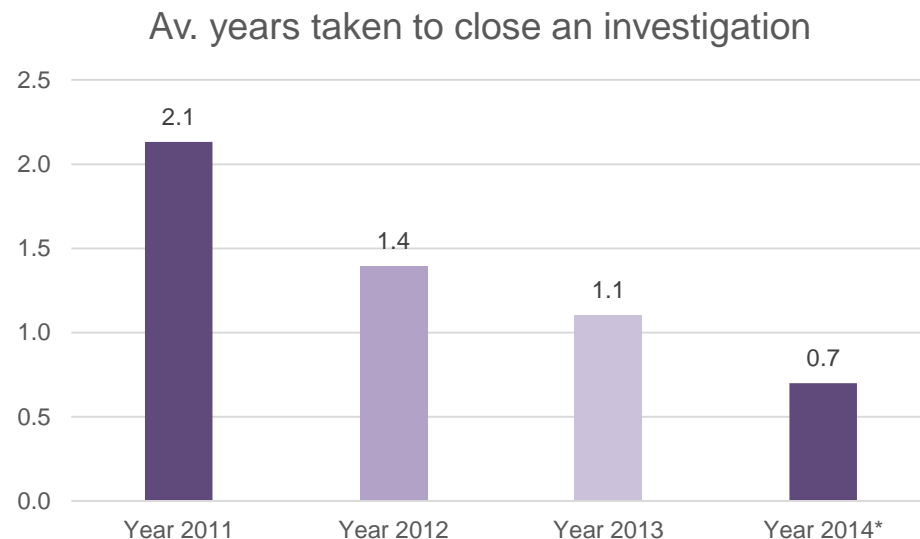
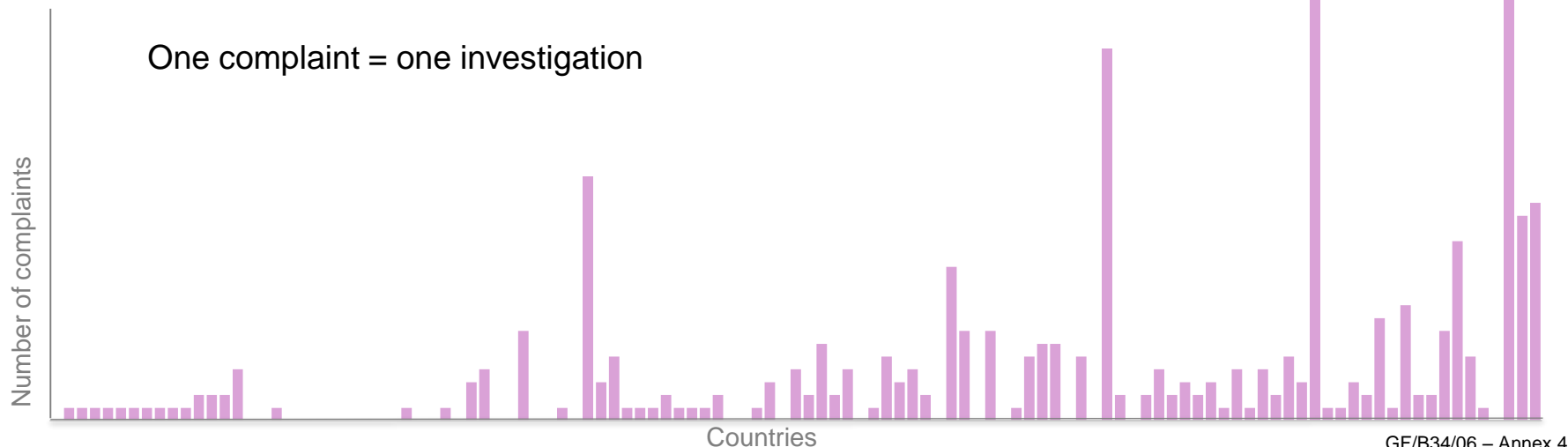* Investigations started in 2014 still ongoing

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Theme 3: Complaint-led investigations

Up to now, a heavily reactive

Follow the complaints:

Previously, OIG focused investigations efforts in a linear/reactive way
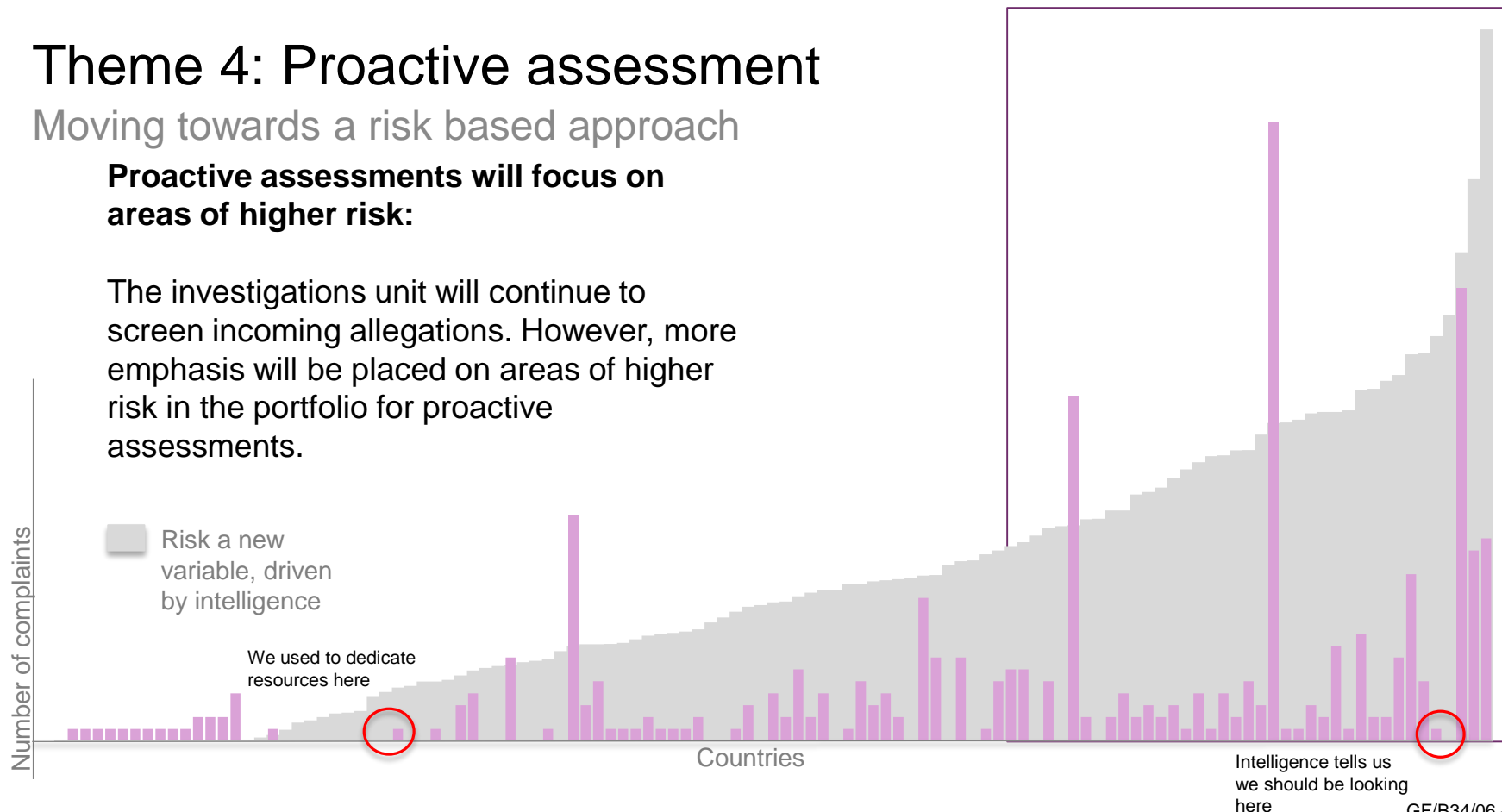
One complaint = one investigation

Number of complaints

Countries

Theme 4: Proactive assessment

Moving towards a risk based approach

Proactive assessments will focus on areas of higher risk:

The investigations unit will continue to screen incoming allegations. However, more emphasis will be placed on areas of higher risk in the portfolio for proactive assessments.

Risk a new variable, driven by intelligence

We used to dedicate resources here

Number of complaints

Countries

Intelligence tells us we should be looking here

Theme 5: Speak Out campaign
The key to quality leads

Campaign to improve leads from internal and external sources

2015:

1. Secretariat & Local Fund Agents: educating when to engage and what to send to the OIG
2. Ukraine: targeting bribery for patients on opiate substitution therapy
3. Côte d'Ivoire: targeting stolen tuberculosis drugs
4. Malawi: targeting stolen artemisinin combination therapy drugs

2016:

1. Countries to be determined – subject to analysis
2. Secretariat & Local Fund Agents– Continuing campaign from 2015

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Theme 6: Continuous improvement
Effective and efficient

- Improve cost effectiveness. Convert consultant investigator to full headcount

- Continue to develop the investigations case management system to provide quality management information

- Review policy and guidelines relating to investigation activities

- Continue to develop an information management strategy for the OIG

- Continue to develop training materials relating to the reporting of human rights

Crosscutting theme: Human rights
Raising awareness

- Since January 2015, nine human rights related allegations have been received. Of the nine, three have been allocated for further OIG investigation; the remaining six are being resolved through the standard OIG review process

- Supports training events for the International Network of People Who Use Drugs and Network of Sex Work Projects. Countries include: Kenya, Cambodia, Senegal, Ecuador, Cambodia, Thailand