

B28/ER/12**For Decision**

**REVISED CHARTER OF THE OFFICE OF THE INSPECTOR GENERAL
AND
TERMS OF REFERENCE FOR THE INSPECTOR GENERAL**

PURPOSE:

Upon the recommendation of the Audit and Ethics Committee of the Global Fund, this report presents the following documents for approval by the Board:

1. Revised “Charter of the Office of the Inspector General”; and
2. “Terms of Reference for the Inspector General”.

The documents, set out in Annexes 1 and 2 respectively, are shown in “track-changes” mode to reflect the difference between the 19 February 2013 initial drafts that were commented upon by Board Constituencies, and the final documents now being recommended to the Board by the AEC.

This document is part of an internal deliberative process of the Global Fund and as such cannot be made public until after the Board deliberations close and a decision has been taken.

Part 1: Background**For Information*****Process of document revision***

1. In November 2009 the Global Fund Board last considered and revised the combined “Charter and Terms of Reference of the Office of the Inspector General”.
2. At its September 2011 meeting, the Global Fund Board adopted recommendations of the High-Level Independent Review Panel on Fiduciary Controls and Oversight Mechanisms (“High Level Panel”),¹ including matters related to the Office of the Inspector General.
3. At its November 2011 meeting, the Global Fund Board adopted governance reforms,² including the establishment of the Audit and Ethics Committee (“AEC”) under a Charter³ that delegated certain responsibilities related to the work of the Office of the Inspector General to the AEC.
4. At its November 2012 meeting,⁴ the Global Fund Board agreed it would commence the search for the next Inspector General of the Global Fund.
5. Pursuant to Section 33 of the “Operating Procedures of the Board and Committees of the Global Fund” (“Operating Procedures”), and after consultation with Constituencies of the Board, the Board Chair has proposed for Board approval the Terms of Reference for the 2013 Inspector General Ad-Hoc Nominations Committee (“Nominations Committee”) and the membership of the Nominations Committee.⁵
6. On 11 February 2013, at the same time as circulating the proposed final draft Nominations Committee Terms of Reference, the Board Chair proposed to the Board that the search for the next Inspector General be undertaken under revised governance documentation. The proposal to Board Constituencies was to separate the role of the Office of the Inspector General from the role of the person leading that office. The Board Chair suggested therefore that the Board consider over February and early March:
 - a. A revised “Charter of the Office of the Inspector General” (“OIG Charter”) that describes the mission and work of the Office of the Inspector General; and
 - b. A separate “Terms of Reference for the Inspector General” (“IG TORs”) to describe the overall responsibilities for the head of the Office of the Inspector General.
7. Acting in line with this proposal and the draft timetable in the Board Chair’s communication to the Board on 11 February 2013, Board Constituencies received an initial version of the OIG Charter and the IG TORs on 19 February 2013.

¹ Refer to the Decision Point titled “High-Level Independent Review Panel” passed at the 24th Board Meeting (GF/B24/DP3). The Recommendations of the High Level Panel are available at:

http://www.theglobalfund.org/documents/highlevelpanel/HighLevelPanel_Report05Recommendations_Report_en/

² Refer to the Decision Point titled “Governance Reform” passed at the 25th Board Meeting (GF/B25/DP7)

³ The AEC Charter is available at:

http://www.theglobalfund.org/documents/committees/Core_AuditsAndEthicsCommittee_Charter_en/

⁴ Refer to paragraph 67 of the Draft Report of the Twenty-Eighth Board Meeting, issued electronically to the Board for comment on 20 December 2012.

⁵ The materials were issued for decision under Electronic Report B28/ER/09 titled “2013 Inspector General Ad-Hoc Nominations Committee”.

8. As foreshadowed in the 11 February draft timetable, the initial revised draft OIG Charter and draft IG TORs had been prepared by the Board leadership, the AEC leadership, Legal Counsel and the Interim Inspector General.
9. Board constituencies provided inputs on the draft OIG Charter and draft IG TORs during conferences calls on 25 February, or in writing by 27 February 2013. A compilation of all inputs was circulated to Board Constituencies on 1 March 2013.
10. In line with the “next steps” at section C of the 1 March communication, the AEC was requested to take the inputs from Board Constituencies over 25 – 27 February 2013, and resolve a series of outstanding topics arising from those inputs.
11. Part 2 of this report reflects the AEC’s deliberations on the draft OIG Charter and IG TORs taking into account Board Constituency inputs, and best practice. Part 3 presents the proposed final OIG Charter and IG TORs for Board approval.

Part 2: AEC deliberations on draft OIG Charter and draft IG TORs

1. The AEC met by teleconference on 8 March 2013 to consider revised drafts of the OIG Charter and the IG TORs. The documentation reviewed included:
 - a. “Draft two” versions of the OIG Charter and the IG TORs circulated to the AEC on 4 March 2013; and
 - b. An explanatory note of how the majority of the inputs from Board Constituencies had been taken up in the latest versions.
2. During its meeting, the AEC considered six key questions arising from Board Constituency inputs, and then considered the documents as whole. The paragraphs that follow in this part 2 note the questions and the AEC’s final view on those inputs. The paragraphs also identify additional inputs from the AEC during their review of the two documents, to ensure that the versions recommended for Board approval represent best practice.

Questions for the AEC arising from Board Consultations

3. *Does Section 5 of the OIG Charter capture an appropriate escalation approach for matters to the Board by the Inspector General/Office of the Inspector General?*

AEC decision: The AEC determined that the drafting in section 5 required a small change in terminology but was otherwise appropriate having regard to the Bylaws and AEC Charter. The change is to remove the ostensibly optional nature of the consultation (coming from the use of “consult” in the draft OIG Charter), and replace it with a requirement to first discuss the issue and seek to reach agreement with the AEC before engaging directly with the Board on matters relating to the work of the Office of the Inspector General.

4. *Should Section 9.1 of the OIG Charter reflect the Institute of Internal Auditor’s (“IIA”) definition of internal audit more directly, by including the audit of “governance processes” in its terms?*

AEC decision: The AEC determined that it was best practice to reflect the IIA definition in Section 9.1.

5. *In Section 15, is there a reason not to take up the High Level Panel recommendations, which recommend that the Global Fund have different versions of reports for different audiences? More specifically, should the Global Fund no longer publish internal audit findings on its external website, but still ensure that there is full disclosure of issues to the Executive Director and the Board through the AEC?*

AEC decision: The AEC discussed this section in the context of the risk-based multi-year audit plan that the Office of the Inspector General had presented to the AEC for the 2013 and 2014 calendar years. It noted that the new audit plan focuses on key Fund processes and controls, meaning that the number of country audits planned over this period is not as numerous as in past years. The AEC noted this was likely to mean that a smaller number of audit reports would be published on the Global Fund's external website than before, which in turn may lead to perceptions that the Global Fund was moving back from its principle of full transparency in its work. AEC members saw merit in retaining section 15 of the OIG Charter as drafted.

However, the AEC noted that when it comes time for the AEC to consider, and recommend to the Board for approval, the revised disclosure policy for reports of the Office of the Inspector General, this issue must incorporate technical, ethical, transparency and accountability perspectives. Staff of the Office of the Inspector General and Legal and Compliance Department present during the AEC meeting on 8 March 2013 confirmed that the draft disclosure policy presented to the AEC would address this issue. It would also incorporate the new practice of the Board having 10 days to review any final report before external publication.

6. *Do the revised Section 1 (Mission of the Office of the Inspector General) and Section 2 (Scope) clarify that the Office of the Inspector General does not evaluate program impact?*

AEC decision: The AEC determined that the shortened version of Section 2 of the OIG Charter, together with new drafting in Section 9.4 (and the second sentence in particular) removed any confusion about this matter. They noted that the streamlined heading of Section 2 of the OIG Charter to "Scope" (to reflect the overall breadth of the office's work), from the earlier "Scope of Work" (which may have been confused with the more restrictive concept of a "statement of work") helped with this clarification.

The AEC also found that unlike section 9.1 (which benefited from a more exhaustive definition of internal audit from the IIA guidelines), Section 1 should stay broader and more principles-based.

7. *Do AEC members feel that the edits presented to Section 8.2 and Section 9.11 of the OIG Charter clarify what is meant by "Advisory services", and ensure that these services are provided only if they do not detract from performance of the overall mission of the Office of the Inspector General?*

AEC decision: During deliberations, the AEC noted two possible issues with the initial drafting on Section 9.11 of the OIG Charter. First, the AEC discussed whether it is possible to avoid all conflicts of interest in the provision of advisory services. The Interim Inspector General recommended revised wording, to require potential conflicts to be mitigated proactively, rather than assuming that they could always be avoided. Second, the AEC reflected on whether there was potential confusion between the provision of consulting services under the IIA standards (which would be typical) and other services. The AEC is recommending a substantially modified Section 9.11 and 9.12 of the OIG Charter to ensure the necessary level of clarity.

8. *What is the recommended minimum term for the Inspector General role, having regard to the proposal of a six-year minimum term in the draft IG TORs?*

AEC decision: The AEC briefly noted the revised 2012 Executive Director appointment framework (initial four year term, the possibility of one additional four year term, robust annual performance assessments, and new contractual terms for senior officers of the Global Fund)). Because of the nature of the Inspector General role, the AEC noted the importance of the Inspector General role having a different employment cycle to the Executive Director, to avoid concurrent vacancies and to maintain overall accountability.

The AEC agreed that this best-practice standard necessitated the employment term of the Inspector General being six years. There was also discussion about the natural expectation of persons in the role: they would take a period of time (up to one year was the observation from the Interim Inspector General) to be fully operational in their role, and then the final year would be one of preparing to hand over to the new appointee.

On balance, the AEC agreed that six years was a more effective term of office than other multilateral organizations that have terms less than this, having first considered whether the term should be seven or eight years. AEC members with Global Fund Board experience reflected on the typical appointment term for Board and Committee Members, and observed that an eight-year fixed term may not be appropriate in that context. Taking all matters into consideration, the AEC believed that a single six-year term represented good practice, together with robust annual performance assessments.

Additional matters arising during AEC review of the draft OIG Charter and draft IG TORs

9. *There was discussion on whether the IG TORs were sufficiently connected to the OIG Charter to ensure that the Inspector General was accountable for the overall management of the Office of the Inspector General, and delivery on the mission of that Office.*

AEC decision: The AEC agreed that the IG TORs should expressly reference the mission and OIG Charter in the introductory paragraphs on page one.

10. *The AEC also identified a small number of minor drafting edits to give clarity and strengthen the final version of the documents.*

AEC decision: The AEC made minor drafting changes to ensure clarity and consistency in terminology.

Recommendation of the AEC

11. Having taken all inputs into account, and being fully satisfied with the documents, the AEC recommends for approval by the Board, the OIG Charter and the IG TORs set out at Annexes 1 and 2 to this report. The documents are shown in “track-changes” mode to reflect the difference between the 19 February 2013 initial drafts that were commented upon by Board Constituencies, and the final documents now being recommended to the Board by the AEC.

Part 3: Decision Point

For Decision

1. As recommended by the AEC, the Board is requested to approve the revised OIG Charter, and the IG TORs according to the decision point set out below.

B28/EDP/16: Revised Charter of the Office of the Inspector General and Terms of Reference for the Inspector General

Based on the recommendations of the Audit and Ethics Committee and information presented in the Electronic Report to the Board dated 12 March 2013 and titled “Revised Charter of the Office and the Inspector General and Terms of Reference for the Inspector General” (“B28/ER/12”), the Board:

1. ***Approves the revised Charter of the Office of the Inspector General, as set forth in Annex 1 to B28/ER/12 (the “Charter”);***
2. ***Approves the Terms of Reference for the Inspector General (the “TOR”), as set forth in Annex 2 B28/ER/12 (the “TOR”); and***
3. ***Notes the Charter and TOR shall be effective as of the date of this decision.***

Charter of the Office of the Inspector General

(Amended []) ⁶

Mission

1. The mission of the Office of the Inspector General is to provide the Global Fund with independent and objective assurance over the design, ~~performance quality~~, and effectiveness of controls or processes in place to manage the key risks impacting the Global Fund's programs and operations, including the quality of such controls and processes.

Scope of Work

2. ~~The scope of work of the Office of the Inspector General encompasses all aspects of the Global Fund's activities, including those carried out on its behalf by its program recipients, partners, suppliers and service providers.~~ All systems, processes, operations, functions and activities within the Global Fund and the programs it funds (including those in place or carried out by its program recipients, partners, suppliers and service providers) are subject to the Office of the Inspector General's review, evaluation, and oversight. The Office of the Inspector General may also act in an advisory role to further the Global Fund's mission and objectives.

Independence and Reporting Lines

3. While integral to the Global Fund, the Office of the Inspector General is an independent unit of the Global Fund, reporting directly to the Board through the Audit and Ethics Committee ("AEC") of the Global Fund.
4. The Global Fund Board has delegated to the AEC responsibilities for certain aspects of the work of the Office of the Inspector General as set out in the AEC Charter.⁷
5. The Inspector General, should he/she consider it necessary in a particular circumstance, will first ~~consult~~ discuss and seek to reach agreement with the AEC before deciding to engage directly with the Board on matters related to the responsibilities over the Office of the Inspector General's work that the Board has delegated to the AEC.
6. The Inspector General and the Executive Director coordinate and cooperate with regard to the activities of the Office of the Inspector General, including through the provision by the Executive Director of administrative support to the Office of the Inspector General.
7. The Office of the Inspector General may conduct and report on any audit, investigation or other assurance work that is deemed appropriate and consistent with ~~the Board's direction~~ its mandate as set out in this Charter, the Board-approved 'Policy for Disclosure of Reports Issued by the Inspector General' and any other specific direction from the Board.

⁶ Last amended by the Global Fund Board at its 20th Meeting titled "Amendments to the Office of the Inspector General (OIG) Charter and Disclosure Policy" GF/B20/DP23, and the material set out at Annexes 2 and 3 of the Report of the Finance and Audit Committee to the Board (GF/B20/6).

⁷ Approved by the Board at its Twenty-Fifth Board Meeting (refer GF/B25/DP7), amended by the Board at its Twenty-Seventh Board Meeting (GF/B27/DP6), and as may be further amended by the Board from time to time.

Activities

8. Led by an Inspector General,⁸ the Office of the Inspector General:

8.1 Finds, assesses and Reports on facts and makes risk-prioritized based recommendations on the basis of such facts. It does not decide on how the Global Fund will address the recommendations, or make judicial decisions or issue sanctions. Recommendations to the Global Fund primarily aim to help identify, mitigate and manage risk of the Global Fund and its recipients' activities.

8.2 Subject to section 14 below, Undertakes its work according to two-year multi-year work plans that focus on providing assurance on key processes and controls in high-risk areas across the Global Fund financed programs and operations ("Multi-year Plans").

8.3~~2~~ Has and implements an effective communications strategy to ensure its activities raise awareness of identified risks in Global Fund financed programs and operations.

9. Specifically, the activities of the Office of Inspector General are:

Internal audit

9.1 To conduct audits of internal management, and control and governance processes and their respective performance-quality, including income, non-grant expenditure, internal projects, information and communication, grant application and grant awards, funds disbursement, and risk assessment and risk management processes.

In-country reviews

9.2 To review management and control processes of Global Fund financed programs at the country level, including oversight and governance, grant and financial management, procurement and supply chain management and program delivery processes.

Assurance validation

9.3 To periodically validate the assurances provided by other assurance providers to assess whether the work performed is reliable, by establishing whether they are fit for purpose through assessing their purpose and remit, position and organization, process and technology, people and knowledge and performance and communication.

9.4 The Office of the Inspector General will coordinate to avoid duplication of assurance or evaluation work provided by other advisory bodies or entities to the Global Fund. The Office of the Inspector General does not conduct evaluations of the impact of Global Fund financed programs.

⁸ Refer to the "Terms of Reference of the Inspector General" for the role and responsibilities of this position.

Inspection

- 9.54 To conduct unannounced inspections of transactions at the Secretariat and at the sites of its grant recipients. Inspections can relate to transactions and activities of partners, suppliers and service providers, relating to Global Fund financed programs or its own operations.
- 9.65 To monitor within the Secretariat sensitive transactions, including expenditures, bank accounts, contracts and journal entries.

Investigations

- 9.76 To undertake investigations of alleged fraud, abuse, misappropriation, corruption and mismanagement (collectively, "fraud and abuse") ~~where the Office of the Inspector General considers these risks are high within Global Fund~~ financed programs and by Principal Recipients ("PRs"), Sub-Recipients, Country Coordinating Mechanisms ("CCMs"), Local Fund Agents ("LFAs"), as well as suppliers and service providers and those with whom suppliers and service providers engage in connection with their activities to implement Global Fund projects, programs or operations, or that receive, have received, or have sought to receive, Global Fund funds, either directly or indirectly, but not limited to, their agents, intermediaries, subcontractors and assignees. The decision to initiate and close an investigation will be taken by the Inspector General using his/her best professional judgment. Such investigations may be carried out where the programs and projects are, or have been, implemented as well as those locations where evidence and witnesses may be located.

Counter-fraud

- 9.87 To (a) create mechanisms for reporting potential fraud and abuse; (b) create intake procedures to evaluate incoming reports of potential misconduct within Global Fund financed programs and operations and to oversee the implementation of appropriate protections for Global Fund employees and others reporting concerns as well as those who are the subject of such reports; and (c) to develop, provide and maintain capacity to identify the risk of fraud and abuse ~~in accordance with the scope of work.~~
- 9.98 To identify systemic weaknesses providing opportunities for fraud and abuse in Global Fund financed programs and operations and make recommendations to the Global Fund on changes that it can make to its grant management practices to address them.
- 9.109 ~~To develop and administer, as resources permit, a training program for the prevention and detection of fraud and abuse within Global Fund financed programs and operations, and other counter-fraud activities in line with emerging best practice as and when identified and deemed appropriate by the Inspector General.~~

Consulting and Other Services

- 9.11 Subject to section 9.12 below, the Office of the Inspector General may provide consulting services in line with IIA standards ("Consulting Activities") or other advisory services in addition to advice provided as part of its audit and investigation functions ("Other Services").

9.12 The Office of the Inspector General will perform Consulting Activities or Other Services provided:

- a. The Consulting Activities or Other Services are aimed at providing value-added input to improve the governance, risk management, and control processes of Global Fund financed programs;
- b. The Office of the Inspector General has considered the impact on the Multi-year Plans and will report to the AEC if the performance of Consulting Activities or Other Services creates a substantial deviation from the Multi-year Plans;
- c. The Office of the Inspector General has considered potential conflicts of interests and developed mitigation plans for such conflicts of interest should they arise; and
- d. The Office of the Inspector General's personnel will act only as a participating observer, with no line management or agency responsibility for decisions or outcomes.

Advisory services

~~9.10 In addition to advice provided as part of the routine audit and investigations function of the Office of the Inspector General, the Executive Director or other Global Fund key partner may request the office to provide other advisory or consulting services. Subject to available resources and the request being in line with its mission and scope the Office of the Inspector General may provide value-added advisory services that improves the governance, risk management, and control processes of Global Fund financed programs. If the Office of the Inspector General provides such advisory or consulting services, its personnel will act only as a participating observer, with no line management or agency responsibility for decisions or outcomes.~~

Standards of practice

10. The work practices of and functions provided by the Office of the Inspector General itself are subject to periodic independent review and assessment to confirm conformance with prevailing international standards and guidelines,⁹ and best practices.

~~10.11.~~ The Office of the Inspector General, as an integral but independent unit of the Global Fund, will apply the Global Fund's standard policies and procedures, including together with applicable professional standards of conduct.

Prioritization, planning and budgeting, and reporting

~~11.12.~~ *Setting strategic priorities for the Office of the Inspector General:* The priorities for the Office of the Inspector General are approved by the Board, based on the advice of the AEC. As the Inspector General develops the proposed priorities, and the AEC reviews proposed priorities and discusses the material with the Inspector General, each will consider the level of risk to Global Fund financed programs and operations and

⁹ These include the 'International Standards for the Professional Practice of Internal Auditing' issued by the Institute of Internal Auditors, Inc. ("IIA"), Code of Ethics issued by the IIA, and the 'Uniform Guidelines for Investigations' issued from time to time by the International Organisations and multilateral institutions that participate in the Conference of International Investigations, as may be amended from time to time.

take account of, amongst other matters, the Global Fund's assurance framework, the activities of other assurance providers and the results of their work, the Secretariat's own risk assessment framework and risk mitigation activities, the extent and findings of past work of the Office of the Inspector General, known changes in the Global Fund's activities or risk profile, the views of the Secretariat and concerns raised by them, and any relevant information from other sources such as whistle-blowers.

~~12-13.~~ Setting Approving Preparing and reviewing costed Multi-year Plans: ~~The Office of the Inspector General will prepare two year work plans that focus on providing assurance on key processes and controls in high risk areas across the Global Fund financed programs and operations ("Multi-year Plans"). The Office of the Inspector General's Multi-year Plans prepared by the Office of the Inspector General will be approved by the AEC in line with its Charter, and reviewed annually to ensure relevance in light of changed risk and organizational conditions. Annual budgets associated with the Multi-year plans will be reviewed by the AEC and approved by the Board as a component of the Global Fund's annual operating expenses budget. The Board will ensure that the resources for the Office of the Inspector General are sufficient to meet deliver the agreed activities AEC-approved Multi-year Plans. Substantial deviations to the Multi-year Plans will be reported to the AEC for approval.~~

~~13-14.~~ Investigation planning: In addition to the activities approved from time to time in the Multi-year Plans, the Office of the Inspector General retains the authority, independence and flexibility to investigate allegations of fraud and abuse as they arise and otherwise respond to events that occur outside the approved Multi-year Plans during the course of the year.

15. Reporting: Final reports of Office of the Inspector General regarding its external assurance and investigations work will be posted on the Global Fund's public internet site in accordance with the Board-approved 'Policy for Disclosure of Reports Issued by the Inspector General'. Internal assurance findings will be promptly reported to the Executive Director and the AEC for internal action.

16. Board Reports: The Inspector General will prepare a report for each regular Board meeting ("Board Report"), measuring actual performance against the Multi-year Plans, and identifying significant risk exposures and control issues in regard to Global Fund financed programs and operations. The Board Report should be submitted to the Board, through the AEC, with a copy to the Executive Director.

Authority to execute the mission of the Office of the Inspector General

17. The Office of the Inspector General will have the authority to:

17.1 Access, inspect, review, retrieve and make copies of all books, records and documents (including financial documents and records) maintained by the Global Fund Secretariat, subject to section 19 below; Access, inspect, review, retrieve and make copies of all books and records (including financial documents and records) relating to grants funded by the Global Fund or the implementation of Global Fund financed programs and operations, whether maintained by Principal Recipients, Sub-Recipients, LFAs or LFA subcontractors, suppliers and service providers or other individuals and entities who are engaged in, or involved in, carrying out or participating in Global Fund financed programs or operations, and those who have received Global Fund monies or assets, either directly or indirectly;

- 17.2 Seek any information required from any personnel, subject to section 19 below, including those external to the Global Fund Secretariat (i.e. Principal Recipients, Sub-Recipients and, suppliers and service providers) involved in Global Fund financed programs and operations and require such personnel to cooperate with any reasonable request made by the Office of Inspector General, including requests for interviews, as well as the production of all documents, including originals,¹⁰ deemed relevant by the Office of the Inspector General in connection with any assurance audit, inspection or investigation, and the reasonable use of facilities and equipment to assist in the investigation; and
- 17.3 Obtain independent professional advice and secure the involvement in its activities of outside persons with relevant experience and expertise, if and when determined necessary.
18. The Inspector General may delegate the authority under paragraph 17, as he/she deems necessary, to any Global Fund employee or contractor that holds a position with the Office of the Inspector General.
19. Where access to the Global Fund's internal records would be required by the Office of the Inspector General to conduct its work, access to any records that could contain personal or other extraneous information (for example, email, agendas, medical or employment records) will require:
- 19.1 A specific request for access to relevant records; and
- 19.2 A review by the Global Fund's Legal Counsel so that the Office of the Inspector General is only given access to information that is relevant to the scope of each specific request.
20. There is no authority for the Inspector General or any Global Fund employee or contractor that holds a position with the Office of the Inspector General to:
- 20.1 Perform any operational duties for the Global Fund outside of the Office of the Inspector General;
- 20.2 Initiate or approve transactions for the Global Fund external to the Office of the Inspector General; or
- 20.3 Direct the day to day activities of any Global Fund employee or consultant not holding a position within the Office of the Inspector General, except to the extent such persons have been appropriately assigned to the Office of the Inspector General to assist in a specific matter.

Working Relationships

21. In order to promote efficiency, avoid duplication, and help ensure a ~~productive~~ positive working environment, ~~positive-productive~~ working relationships should characterize the Office of the Inspector General's interactions with ~~all~~ Global Fund staff; the external auditors; LFAs; the Chair and members of the Technical Evaluation Reference Group; the Chair and members of the Technical Review Panel; the Chairs and Vice Chairs of the Board's standing committees; and the Chair and Vice Chair of the Board, and other Board members.

¹⁰ When the production of the original is deemed relevant and necessary by the Office of the Inspector General, substituted identical copies may be provided in return by the Office of the Inspector General.

22. In particular, it is important for the effective and productive functioning of the Office of the Inspector General and the Secretariat that there is cooperation between the ~~Inspector General and the Executive Director~~Office of the Inspector General and the Secretariat, at all levels of management, including through a shared understanding of their respective roles and responsibilities, clarifying processes and procedures and coordinating with regard to communication.
23. Certain matters that are brought to the attention of the Office of the Inspector General may be covered by the Global Fund's Policy on Ethics and Conflict of Interest for Global Fund Institutions and therefore within the mission of the Board's AEC, either separately or jointly, as a matter may overlap between the two entities. In such cases, the Office of the Inspector General should inform and coordinate with the AEC and the Ethics Official as appropriate. Correspondingly, the AEC and the Ethics Official should inform the Office of the Inspector General of matters of which it becomes aware that are relevant to the mandate of the Office of Inspector General and should refer any such matters to the Office of Inspector General for investigation promptly.
24. In addition, if the Office of the Inspector General receives information regarding a matter that is outside the scope of the Office of Inspector General's mission but may be relevant to the work of these or other parties, the appropriate individuals or entities should be informed by the Office of the Inspector General as promptly as possible.

Amendment of this Charter

25. Any amendment of this Charter is subject to the approval of the Global Fund Board upon the recommendation of the AEC after consultations by the AEC with the Inspector General and the Executive Director.

Terms of Reference for the Inspector General

Introduction

The Inspector General leads and manages the Office of the Inspector General in its provision of independent and objective assurance over the design, performance quality and effectiveness of controls in place to manage the key risks impacting the Global Fund's programs and operations.

The Inspector General maintains strong relationships with a diverse range of stakeholders who are important collaborators in the Global Fund's efforts to maintain the highest standards of transparency and accountability.

The Inspector General has the responsibility and accountability to set the tone for the Office of the Inspector General's internal and external interactions by exemplifying values of high ethical standards, integrity, and fairness. He/she manages the Office of the Inspector General in a professionally competent and responsible manner to achieve the mission set forth in the Charter of the Office of the Inspector General. He/she must act in the best interests of the Global Fund in all contexts, and is responsible for ensuring this culture prevails amongst employees and contractors that hold positions with the Office of the Inspector General.

A. Duties and Responsibilities

The Inspector General reports to the Global Fund Board through the Audit and Ethics Committee. In accordance with the Bylaws, the Board retains all powers regarding selection, appointment, assessment and replacement of the Inspector General. The Inspector General's primary responsibilities are as set out below.

Strategic Leadership Capability

1. Provide leadership and strategic oversight to the Office of Inspector General.
2. Manage strategic relationships (e.g. Board, Secretariat, Audit and Ethics Committee, Regulators and External Auditors).
3. Through the Audit and Ethics Committee keep the Board and, where appropriate, the Executive Director, informed of the Office of Inspector General's activities and findings, through the submission of Annual Reports, and reports of assurance audits, in-country reviews and investigations.
4. Support the Global Fund in building, and continuously improving, strong and effective risk awareness and control consciousness.
5. Promote the sharing of best practice with regard to risk management and internal-control assurance across the Global Fund.
6. Add value and improve the Global Fund's governance, risk management and control processes through the provision of advisory-Consulting and Other -services~~Services.~~

~~that may be requested by the Executive Director to inform his/her management decisions~~

- ~~6.7.~~ Stay current with changes in international development trends and practices, and analyze the impact of those changes on the risks, assurance controls and processes of the Global Fund.

Operational Management Skills and Professionalism

- ~~7.8.~~ Develop comprehensive and flexible ~~Annual~~ Multi-year Plans that adequately addresses the Fund's risk profile, and ensure that resources are effectively deployed to meet the requirement of those plans.
- ~~8.9.~~ Develop and maintain a relationship of continuous dialogue with the Executive Director, or his/her delegate(s) from time to time, to monitor the risk profile of the Global Fund and ensure that the Office of the Inspector General's Annual Plans reflects any major change in risk profile.
- ~~9.10.~~ Coordinate the work of external parties engaged by the Office of the Inspector General. Put in place, and monitor, systems to assure that external parties meet the service standards of the Office of the Inspector General during their work.
- ~~10.11.~~ Through follow up with the Secretariat, make recommendations, and report on whether audit actions are cleared appropriately and in a timely fashion.
- ~~11.12.~~ Implement best international practices for the detection, investigation and prevention of fraud and abuse and for fostering an ethical work environment. Provide advice to the Board, its Committees, the Executive Director, senior management, staff, consultants, Local Fund Agents and other Global Fund assurance providers, implementers of Global Fund financed programs, and other third parties involved in the Global Fund grant processes, on policy, operational and programmatic measures that will foster institutional integrity and prevent and combat fraud and abuse.
- ~~12.13.~~ Maintain the Global Fund's whistleblowing hotline, and investigate whistleblower complaints and allegations of misconduct consistent with the Charter of the Office of the Inspector General.
- ~~13.14.~~ Ensure the quality of Office of the Inspector General output is of the highest standard, and proactively disclose to the Board through the Audit and Ethics Committee any failing or perceived inability to substantially comply with Annual Plans, together with reasons and how the underlying causes are to be addressed.
- ~~14.15.~~ Facilitate the Audit and Ethics Committee effective management of committee business through the provision of committee materials in advance of each meeting.
- ~~15.16.~~ Maintain the highest standard of work and ensure adherence to the 'Code of Ethics and International Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors' (the IIA standards) and conduct all investigations in accordance with the guidelines of the Conference of International Investigators and in line with international best practice. Drive sustainable quality improvements within the Office of the Inspector General, in all areas of work, and be seen as a strong proponent of a Quality Assurance process.
- ~~16.17.~~ Develop continuous improvement initiatives of the Office of the Inspector General and ensure that working practices are fit for purpose.

~~17.18.~~ Prepare and manage cost-effective operational and salary budgets for the Office of the Inspector General and monitor expenses relative to budget projections on an ongoing basis.

~~Drive broader, value added thinking in the Office of the Inspector General's work to enhance the cost effectiveness of the Office of the Inspector General proposition.~~

~~18.19.~~ Provide input to the ongoing professional development of Global Fund staff assigned to the Office of the Inspector General and ensure that all staff have high quality development plans in place and that these are implemented.

~~19.20.~~ Giving due consideration to objectivity and conflict of interest issues, ~~p~~Provide opportunities for other qualified Global Fund staff to be seconded to the Office of the Inspector General to support development of management talent in the Fund. Selectively move people out of the Office of the Inspector General into the Secretariat, in accordance with their and the Secretariat needs.

Representation Skills

~~20.21.~~ Formulate an effective communications strategy for dissemination of key findings and lessons learned, that extends from within the Office of the Inspector General to key Global Fund stakeholders, so as to enhance the feasibility and probability of recommendations being incorporated into future work.

~~21.22.~~ Foster collaborative relationships with other partner organizations with the aim of learning from each other, encouraging high standards of ethics and integrity and fighting corruption and fraud. For these purposes, the Inspector General is authorized to negotiate and sign memoranda of understanding and other agreements establishing cooperative arrangements with partner organizations on Office of the Inspector General matters.

~~22.23.~~ Represent the Global Fund at conferences and other forums relevant to the Office of the Inspector General's mission.

~~Stay current with changes in the development arena and analyze the impact of those changes on the Fund.~~

B. Knowledge and Experience

The essential minimum requirements are:

- Proven leadership in, and extensive experience with, risk management, professional internal auditing and investigations;
- Proven success as a builder of a mutually supportive multi-cultural team;
- Proven experience in fostering collaborative relationships with diverse partners and stakeholders;
- Sensitivity to issues relating to Human Resources management, cultural diversity, gender equity, and human rights internally and externally;
- Experience of working effectively in and/or with partners in implementing countries; and
- Fluency in English (the working language of the Global Fund).

Fluency in other languages, notably French, is desirable.

C. Competencies

The core competencies required for the role are:

Strategic Leadership Capability

- Proven ability to formulate a strategy that meets organizational and oversight demands efficiently and effectively;
- Proven ability to deliver results that focused on key organizational goals amid multiple competing risks and demands;
- An ability to understand key issues facing partners in implementing countries and opportunities that exist to alleviate barriers to successful implementation of national programs and prioritize issues and find pragmatic solutions either in the department or organizationally;
- Proven ability to articulate key messages and communicate effectively to multiple stakeholders such that value is added at different levels and in multiple ways to a wide range of stakeholders;
- A strong analytical mind and the ability to grasp the nature and direction of the Global Fund strategy – and risk profile - and respond appropriately; and
- The capacity to work collaboratively with a large and complex Board and its Committees and Advisory Bodies¹¹ in the development and articulation of its vision and on its translation into action.

Operational Management Skills and Professionalism

- Exceptional management skills of people, finances and systems, with a proven capacity to motivate and lead a multi-disciplinary management team to achieve organizational goals according to a risk-aware implementation framework;
- Team-building ability, the capacity to instill a culture that values measurable achievement, mutual support, and compliance with organizational processes;
- A focus on sustainable results that deliver improved health outcomes for affected populations;
- An ability to make difficult decisions when required, balanced by experience in constructive engagement with staff on change management processes and their value to the organization as a whole; and
- A facilitative and culturally sensitive approach that enables effective delivery with and through partner organizations.

Representation Skills

- Strong public-speaking and influencing skills;
- Proven writing skills;
- Presence and gravitas in dealings with partners – at a senior level - from a variety of backgrounds; and
- An ability to engage and operate effectively at the highest levels.

¹¹ The Global Fund's Technical Evaluation Reference Group, Technical Review Panel and Market Dynamics Advisory Group comprise advisory bodies under the Global Fund governance framework.

D. Personal Attributes

- Integrity, independence of mind, with a reputation for a high standard of professionalism;
- Strong inter-personal skills;
- Sound judgment combined with humility and a focus on personal development and continued learning;
- The capacity to deliver difficult messages candidly but in an even-handed and diplomatic manner;
- The ability to work with a multi-constituency board as a credible partner, informing its decisions and deriving the maximum advantage for the Global Fund from its collective experience;
- Strength of personality and robustness of intellect;
- Familiarity and ease with a variety of cultures and comfort with diverse groups; and
- Familiarity and ease with multilateralism as it impacts the workings of a global organization.

E. Location

The Inspector General will be based at the Global Fund's secretariat in Geneva. He/she will be required to undertake routine travel.

F. Term of Appointment and Performance Expectations

The performance-based approach the Fund adopts to its programs, applies also to its leadership. The appointment is a non-renewable six-year term.

Employment is strictly subject to performance against an agreed set of criteria through an annual review process, facilitated by the Audit and Ethics Committee on behalf of the Board.