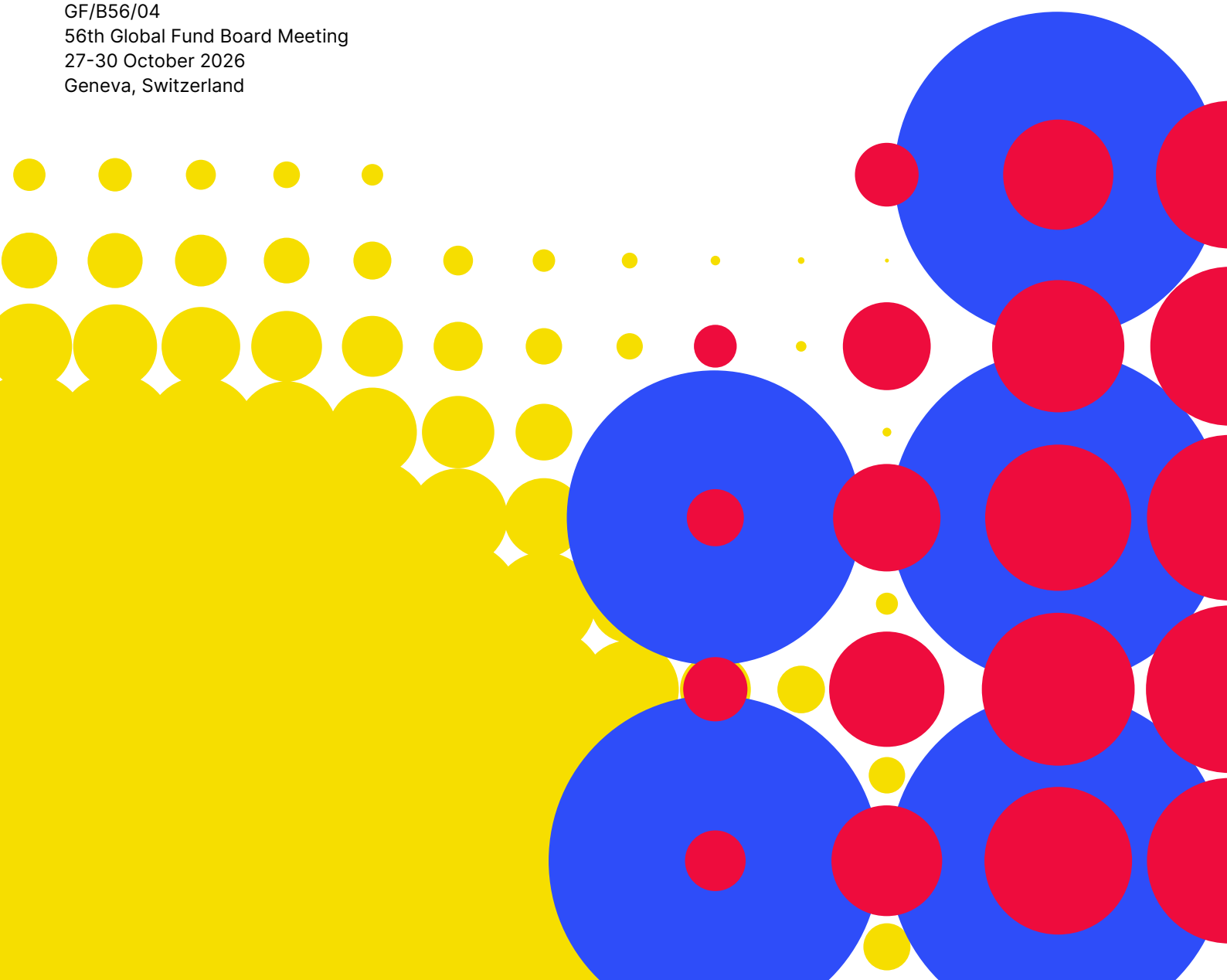
THE GLOBAL FUND
Office of the Inspector General

Global Fund Board Report
Office of the Inspector General

Operational Progress Report

January to August 2026

GF/B56/04
56th Global Fund Board Meeting
27-30 October 2026
Geneva, Switzerland



What is the Office of the Inspector General?

- We safeguard the Global Fund's assets, investments, reputation and sustainability.
- We critically assess the organization's risk management, governance and internal controls.
- We investigate alleged Prohibited Practices, as defined in the *Policy to Combat Fraud and Corruption*, and violations of the human rights standards and instances of sexual exploitation and abuse, as defined in the applicable codes of conduct.
- We provide strategic advice, data-driven insights and prevention activities.
- We agree management actions to ensure the organization is taking the right measures and managing risks effectively in the fight against AIDS, tuberculosis and malaria.
- We report to the Global Fund Board through the Audit and Finance Committee.

51
Full-time staff

26
Primary nationalities

Global Fund languages spoken by OIG staff

English	100%	Russian	4%
French	48%	Arabic	4%
Spanish	15%	Portuguese	2%

All figures as displayed at 31 August 2026

Gender

44% Female

56% Male

Donor-Implementer

51% Donor

49% Implementer

OUR STAFF have extensive experience in a wide range of professions including public accounting and assurance, risk management, health, law and law enforcement. We have worked in development banks, United Nations agencies, government departments, management consulting and strategic advisory, NGOs and anti-corruption organizations, as well as national audit offices with mature Value for Money methodologies.

Our staff hold a variety of globally recognized professional certifications and qualifications, and include Certified Internal Auditors, Certified Fraud Examiners, Chartered Accountants, Risk and Project Management experts, holding degrees ranging from Masters in Public Health, to Business Administration and Law. Our staff undergo extensive training annually to maintain their professional certifications and qualifications, as well as to develop strategic organizational priorities such as Value for Money.

iSPEAK OUT NOW!

Learn about fraud, abuse and human rights violations

Our e-learning site, www.ispeakoutnow.org, contains a wealth of case studies, animated videos and quizzes about the different kinds of wrongdoing that Global Fund grants are exposed to, as well as a practical toolkit to help grant implementers fight fraud and corruption.

The OIG has published **12 reports** so far in 2026. In line with the Global Fund's commitment to transparency and accountability, reports are available on the Global Fund website.

HOW TO CONTACT US

If you suspect wrongdoing connected with Global Fund grants, **please tell us**. Reporting to the Office of the Inspector General is **secure and safe**, and we will keep your identity **confidential**.

Email: **hotline@theglobalfund.org**

Online form: **www.ispeakoutnow.org**

Our reporting channels are available in English, French, Spanish and Russian.

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Inputs received

At its 31st meeting, the Audit and Finance Committee (AFC) welcomed the OIG's progress in implementing its transformation and approved the proposed 2027 work plan, budget, revised KPI framework and risk-based approach to actions arising from OIG work.

The AFC encouraged continued focus on implementation capacity, country readiness, and transition, including the role of assurance partners and country-level institutions in supporting sustainable delivery and ownership.

The AFC also emphasized the importance of maintaining visibility over significant risks and management commitments under the proposed differentiated action framework and encouraged continued analysis of cross-cutting risks and emerging challenges across the Global Fund portfolio.

1. Foreword

The pace and scale of change facing the Global Fund continues to accelerate. The Partnership is navigating a more constrained financing environment, increasing expectations for efficiency and impact, a more differentiated approach to country support, and significant organizational transformation. At the same time, scientific advances in prevention, diagnostics and treatment, together with growing interest from non-traditional partners, create new opportunities to accelerate and sustain impact. Together, these developments are reshaping the risks and opportunities facing the Global Fund and the wider global health architecture.



Tracy Staines (she/her)
Inspector General

In this context, confidence is increasingly important: confidence that resources reach those most in need; that risks are understood and managed; that difficult decisions are informed by evidence; and that the Partnership can continue to adapt while protecting its integrity, accountability and impact. Fortifying that confidence lies at the heart of the OIG's mandate. Independent oversight plays a critical role in safeguarding the Global Fund's assets, investments and reputation. In a period of rapid change and complexity, oversight must not only identify weaknesses but also help decision-makers understand trade-offs, anticipate risks and focus on the issues most likely to affect delivery and impact.

Through Strategic Reviews, advisory services, intelligence-led oversight and strengthened prevention activities, the OIG is evolving its support to the Board, Secretariat and wider Partnership. This evolution is taking place within a disciplined resource envelope, requiring greater prioritization, increased use of technology and continued focus on areas of greatest risk and strategic importance. Like much of the Partnership, our challenge is not simply to do more, but to do better with less.

The OIG's evolution is reflected not only in what it does, but also in how it drives accountability. Following feedback from the AFC and Board, the OIG has adopted a more proportionate, risk-based approach to tracking actions arising from its work, concentrating oversight on areas of greatest risk, strategic importance and organizational influence.

Despite significant internal change, implementation of the 2026 workplan has remained broadly on track. Across assurance, investigations, advisory services, strategic reviews, prevention activities and stakeholder engagement, the OIG has continued to provide timely oversight, assurance and insight while adapting its priorities and work program to emerging risks and organizational needs.

Looking ahead, the 2027 workplan has been developed against a backdrop of continued uncertainty and transformation. As the Partnership advances GC8 implementation while concluding GC7, the need for focused, risk-based oversight remains high. The workplan is designed to provide assurance over areas of greatest strategic importance while retaining the flexibility to respond to evolving risks. This reflects the principle that accountability and impact are complementary, not competing objectives. Independent oversight creates value not only by protecting resources, reputation and integrity, but also by supporting better decisions, stronger risk management and sustained impact.

The findings in this report reflect both the changing environment in which the Global Fund operates and the OIG's continued evolution, highlighting opportunities to strengthen resilience, improve execution and sustain confidence. While the environment remains uncertain, advances in science, technology and innovation, together with growing engagement from philanthropic and other non-traditional partners, provide grounds for optimism. Realizing those opportunities will require clear choices, disciplined execution, effective risk management and continued focus on the people and communities the Global Fund exists to serve.

2. Themes emerging from OIG work in 2026

Midway through Grant Cycle 7, the Global Fund is operating in an environment that differs substantially from the one anticipated at the start of the cycle, with several foundational assumptions having shifted materially. In under eighteen months, the partnership has absorbed a mid-cycle reduction in country allocations, re-planned Grant Cycle 8 around a smaller resource envelope with streamlined grant making processes and initiated the deepest Secretariat restructuring in over a decade. All of this while continuing to revise and disburse grants across a portfolio of increasingly diverse country contexts.

Despite these disruptions, the partnership continued to deliver results at scale, supporting 26.9 million people on antiretroviral therapy, treating 7.4 million people for TB and distributing 196 million insecticide-treated mosquito nets in 2025.[1] These achievements demonstrate the resilience of the Global Fund partnership, even as operating considerations become increasingly challenging.

The findings from the OIG's 2026 work underscore the complexity of the current environment and demonstrate how the organization has adapted and responded to meet this moment effectively.

Three themes emerge from the OIG audits, advisories, rapid reviews and investigations over the last year.

The resilience of the Global Fund partnership continues to drive results, despite an increasingly challenging operating environment.

1. The Global Fund has demonstrated real agility in the face of a fundamental shift in its operating environment, but continuous adaptation of this scale is unsustainable in the longer term.

The 2026 assurance work demonstrates that the Global Fund is adaptable and agile. Confronted with a smaller resource envelope, the Secretariat delivered a US$1.43 billion net reduction in GC7 country allocations through a structured, two-step process, completed in around six and a half weeks alongside ongoing business. The OIG's *Rapid Assurance Review of the Reduction of GC7 Country Allocations* found the process to have been well designed and materially implemented, with no significant issues identified. Country Teams, implementers, CCMs and technical partners were engaged in ways that preserved the disciplines of the partnership even under compressed timelines. That is a significant institutional achievement, and a testament to the resilience and agility of the partnership.

The downstream grant revisions confirmed a similar picture at country level. Across the five rapid assurance reviews of the Grant revision process, covering *Zambia*, *Tanzania*, *Nigeria*, *Kenya* and *Mozambique*, the OIG found that budget adjustments have been made in line with Global Fund guidance, through structured engagement with local actors. No material issues were identified in any of the five countries. In every case, difficult choices were made quickly, dialogue continued, and services largely continued.

Despite this success, these were not easy choices. The Secretariat introduced an additional review requirement for grant revisions affecting

1 *The Global Fund, Results Report 2026*. Programmatic results achieved during 2025 in countries and regions where the Global Fund invests.

human rights, gender equality and community interventions, being mindful that the full programmatic impact of the revisions will only become visible during implementation. That discipline mattered in 2025. It will matter even more in GC8, when some of the services most affected during the grant revisions may not be fully replaced through domestic financing.

While adaptation at grant level has been critical, organizational transformation has been equally essential - a decisive factor in ensuring the mission succeeds amid rapidly evolving risks and operating country challenges. Building off targeted reorganizations that took place in 2025, in 2026, the Secretariat launched a multiphase, continuous transformation initiative - which will continue into 2027. This aims to evolve and adjust the Secretariat operating model in response to internal and external pressures, ensuring the most effective and efficient support to countries and populations we serve. Process simplification has advanced, alongside efficiency gains through, for instance, the establishment of Service Centers in India and, shortly, Kenya for financial and IT services. These are decisive actions, and they reflect an organization willing to align its cost base with a more constrained environment.

However, the continued strengthening of the Swiss franc against the US dollar creates additional financial pressure, reinforcing the need for continued attention to efficiency, cost management and structural constraints. The efficiencies achieved so far have been valuable, but future savings will require sharper prioritization, sustained commitment and investment in advanced technologies, structural choices and explicit trade-offs rather than further compression.

The lesson from GC7 is not that mid-cycle shocks can be absorbed indefinitely. It is that the disciplines applied in 2025 to manage such shocks, particularly pledge conversion monitoring, scenario planning and explicit prioritization, need to become permanent features of the model rather than temporary crisis instruments.

Maintaining this level of adaptation comes at an institutional cost: the loss of long-standing expertise and experience, the intensification of workloads, and a visible impact on staff well-being. These pressures have surfaced exactly as GC8 has become more strategically complex, placing additional weight on an already stretched ecosystem. Sustaining these changes will now depend on how deliberately the Global Fund invests in the skills, continuity and prioritization that a more differentiated era demands.

2. Implementation capacity is becoming the primary determinant of impact, and the Global Fund's operating model, at country and Secretariat level, will need to evolve accordingly.

It is no longer a question of whether the Global Fund can adapt. It can and it has. Its operating model has evolved, its systems continue to mature, and the organization has navigated significant change. The more demanding test is execution. As funding constraints become a structural feature of the environment rather than a temporary shock, success will depend less on the availability of resources and more on the ability to deliver results. The critical issue is whether the Partnership can consistently convert ambition into impact while operating with a smaller funding envelope, leaner Secretariat capacity and increasing operational complexity.

OIG work has shown that across the Global Fund's portfolio, implementation capacity, country leadership, solid governance, good procurement, effective and efficient supply chains, and organizational readiness emerge as the factors most likely to determine whether strategic ambition ultimately translates into impact.

At the country level, the recurring pattern across OIG work in 2026 is not one of poor strategy or failure to prioritize, but of persistent execution challenges in addressing largely well-diagnosed problems.

Despite their very different contexts, the OIG's forthcoming country audits point to a strikingly similar pattern. While the specific manifestations differ, the underlying challenges are remarkably consistent: persistent and well-understood bottlenecks are not being mitigated at the pace or scale required to translate ambition into impact. This suggests that many of the obstacles identified are not solely country-specific but reflect broader limitations in the operating environment and in the ability to execute effectively in complex settings.

In one high-impact country, strong programmatic strategies and well-designed policies coexist with recurring weaknesses, including unfulfilled co-financing and supply chain issues that have remained unresolved across successive grant cycles.

In another high-impact country, innovative approaches such as adapted bed net campaigns have helped sustain service delivery in highly challenging operating contexts. However, while the national programs have identified the drivers

of underperformance in PMTCT and viral load monitoring, limited progress has been made by the country in addressing them.

In a core country, outsourced logistics arrangements and other safeguards have helped stabilize the portfolio and sustain service delivery. However, relatively high program management costs and the prolonged reliance on parallel systems illustrate the difficulty of sustaining these gains over time.

Despite very different contexts, these portfolios exhibit strikingly similar patterns: delays in sub-recipient selection and contracting, weak subnational data quality, uneven supply chain execution, and low absorption of RSSH and C19RM investments. The innovative arrangements observed across these countries reinforce the value of tailored operating models rather than uniform approaches.

At the same time, they reinforce a broader lesson that the challenge is rarely a lack of strategy, funding, technical solutions or understanding of the underlying problems. In many cases, risks are well known and appropriate policies, plans and mitigation measures already exist. The more persistent challenge is execution: securing the domestic commitments, capacity, accountability and sustained follow-through needed to implement those solutions consistently and at scale. This distinction is becoming increasingly important as the partnership seeks to introduce and scale new health innovations, where success will depend not only on what is deployed, but on the ability to deliver it effectively in practice.

Scientific innovations offer real opportunities, but their impact will depend on countries' ability to implement and sustain it effectively. HIV and TB programs continue to show strong results in several core portfolios, with countries approaching or achieving global targets The introduction of long-acting lenacapavir for HIV prevention, dual active-ingredient bed nets, and new-generation TB diagnostics demonstrates the transformational potential of innovation, particularly when the Global Fund can secure early and equitable access. However, the benefit of these advances will depend on how quickly they are integrated into national programs, how effectively their delivery is monitored, and whether access can be sustained as domestic financing gradually replaces external support. The successful introduction, uptake, and affordability of new health technologies will be important determinants of GC8 outcomes and will require both strong implementation capacity and effective systems to support and assure service delivery.

Grant oversight delivers the greatest value when it supports delivery, drives course correction, and improves implementation outcomes. High volume of oversight activity does not necessarily translate into better implementation outcomes, as found in our audit of *Global Fund grants to the Federal Republic of Nigeria*. While the established financial assurance mechanisms on the Nigeria portfolio identify and report financial risks and issues, the OIG noted lapses in the effective execution of financial controls and assurance activities, leading to recurring issues.

In another forthcoming country audit, our auditors identified that more than 400 findings and 500 recommendations were generated by oversight providers in less than 2 years, yet many recurring issues persisted and a significant proportion of management actions remained delayed. While this example may or may not be an outlier, the issue is not about the availability of oversight, but its focus. As resources become more constrained, oversight and monitoring will need to be increasingly risk-based, targeted and differentiated, with a stronger emphasis on informing decision-making and managing the risks most likely to affect delivery and impact.



OIG team with the Burkina Faso Country Coordinating Mechanism

This matters because periods of financial and operational pressure also create greater opportunities for fraud, misuse and other derailers. Recent OIG investigations into *the sale of rapid diagnostic tests* and a *fraudulent practice in proposing for consultancy services in Ghana* illustrate how weaknesses in oversight, procurement and accountability can quickly undermine value for money and program delivery. At the same time, stronger national assurance systems will be essential to support sustainability and country ownership.

The challenge will be to strike the right balance: relying more on capable in-country assurance where it exists, while maintaining the ability of the OIG and other assurance functions to identify emerging risks and intervene decisively in the most exposed areas. Under GC8, the objective should not necessarily be more or less oversight, but better-quality oversight that is proportionate to risk, supports implementation and protects the activities where failure would have the greatest consequences for programs and beneficiaries. Achieving this shift will depend not only on country systems and assurance providers, but also on the Secretariat's ability to focus its own resources and attention on where they can have the greatest effect.

The Secretariat's execution capacity is also under increasing pressure, making Board engagement and decision-making critical to determining not only where the organization should invest its limited resources, but also where it may need to scale back its ambitions.

The Partnership is entering a period of significant leadership transition. Within the space of two years, the Executive Director and four MEC members will or have departed, resulting in the loss of decades of executive-level experience and institutional memory. Together with ongoing changes in Board leadership, this transition will coincide with a critical phase of GC8 grant-making and implementation.

Concurrently, the Secretariat is managing an exceptionally ambitious transformation agenda, including the Country Delivery Model redesign, Strategic Shifts implementation, OPEX optimization, evaluation and learning reforms, Non-Global Fund Financed procurement, and broader global health system changes, while simultaneously delivering GC8 grant-making and supporting ongoing GC7 implementation. At the same time, workforce reductions are reducing capacity in many of the functions most critical to successful execution.

Compounding these pressures, many of the underlying implementation challenges identified repeatedly across the OIG's work remain unresolved, raising questions about whether the organization has the capacity to execute the breadth of change now underway.

Each of these endeavours is individually worthwhile, but not all of them can proceed at the same pace, with the same senior attention, and with equal demand on staff time. The OIG's Advisory Review of the Grant Approvals Committee offers one illustration of what a more disciplined operating model would look like: with 93% of grants and 98% of allocations having gone through Executive or Plenary GAC in GC7, senior management attention has been too dispersed to focus on the trade-offs.

Similar logic applies more broadly across the transformation portfolio, and the Secretariat and the Board will need to prioritize together, establish a clear strategic direction, and communicate honestly that some activities must be deprioritized or sequenced later. Without clear prioritization and disciplined trade-offs, the model risks underperforming not because the work is not needed, but because the organization is trying to do too much, too quickly, and all at once.

Evidence from OIG work over the past few years points to a consistent conclusion. Across very different contexts, the key challenge is less about strategy design and more about sustaining effective implementation. That observation has important implications beyond current grant performance. As the Global Fund enters GC8, questions of sustainability, transition and country ownership become less about policy design and more about whether countries and institutions are well equipped to deliver.

Implementation capacity is increasingly the factor that separates ambition from impact.

3. Sustainability, transition and country ownership under GC8 will be tests of execution and monitoring, not of intent.

The strategic shifts that define GC8 - sharper prioritization, transition, stronger co-financing and sustainability, more differentiated approaches and a more explicit stance on risk - are well aligned with the challenges facing the partnership. The OIG's work suggests that, while the direction is largely right, the conditions to deliver them will be challenging. For each of the shifts, the same question recurs: is the partnership ready to implement these changes effectively?

Country readiness is a major constraint, and is too varied to absorb a superficial or uniform approach. OIG thematic work over the past two years has consistently pointed to significant differences in institutional and implementation capacity across portfolios. Countries face different combinations of epidemiological, fiscal and governance conditions. Some absorbed the GC7 reduction with limited disruption. Others saw community and key population activities more exposed. These differences matter because they shape both the support countries require and the pace at which greater responsibility can realistically be transferred. Under GC8, differentiation cannot depend on income classification and disease burden alone. The Global Fund will need to draw on explicit readiness indicators covering principal recipient maturity, sub-recipient landscape, supply chain performance, data quality and civil society capacity.

As a result of this complexity, the strategic shifts also require a more differentiated approach to how the Global Fund deploys its attention, resources and capabilities. As the organization moves into GC8, it will increasingly be asked to pursue two related but distinct objectives leading to a dual mandate for the Global Fund. In high-disease-burden countries, the priority must remain sustaining and accelerating progress against HIV, tuberculosis and malaria. In other contexts, the focus will increasingly shift towards sustainability, transition readiness and stronger country ownership. These objectives are complementary, but they do not require the same level of engagement, skills, support, oversight or risk tolerance across every setting. As country needs diverge, differentiation will need to extend beyond grant design and become a broader organizational discipline. At the same time, increasing diversity and complexity across country contexts strengthen the case for simpler and more targeted Global Fund processes, support arrangements and oversight, ensuring that institutional complexity does not grow in parallel with country complexity.

This will require more than simply identifying priorities. It will need deliberate choices about where leadership attention, operational capacity and resources can have the most impact. In a constrained environment, the Global Fund cannot allow every country, process or initiative to receive the same level of focus. The Board has an important role in enabling this shift. Efforts to simplify the model or introduce greater differentiation have often been balanced against legitimate concerns around consistency, oversight and equity across



OIG Team visit to a medical store in the Greater Accra Region

the portfolio. Yet sustaining impact under GC8 will increasingly depend on accepting more differentiated approaches and clearer trade-offs, allowing the organization to concentrate its efforts where they are most needed and where they can achieve the greatest effect. The Board, the Secretariat, implementers, partners and communities have an important role in supporting these choices and providing clarity on the trade-offs the organization is expected to make.

Stronger country ownership requires stronger institutions. One of the clearest lessons emerging from recent OIG work is that sustainable programs depend not only on financing, but also on the strength of the institutions responsible for implementing, overseeing and assuring them. National audit institutions, health information systems, procurement and supply chain functions, anti-corruption bodies and governance mechanisms all influence whether countries can sustain results over time. Where these foundations remain weak, progress towards greater country ownership may need to be accompanied by continued investment in the capabilities, systems, and support required for sustainable delivery.

This challenge extends well beyond countries approaching formal transition. As the Global Fund places greater emphasis on sustainability and country ownership across the portfolio, institutional strengthening will become increasingly important in countries at very different stages of the development continuum. Recent OIG work suggests that progress in financing and program performance is not always matched by comparable progress in institutional capacity. In *Liberia*, for example, strong safeguards and partner support have helped stabilize the portfolio, but sustainability is jeopardized by continued reliance on parallel systems and external capacity. Under GC8, stronger national institutions will be critical not only to sustain health gains, but also to reducing dependence on parallel delivery and external oversight mechanisms, enabling the Global Fund to focus assurance resources more selectively on higher-risk areas.

Protecting vulnerable populations during transition will be an important measure of GC8's success. OIG work repeatedly identifies key populations, community systems and human-rights-related interventions as vulnerable during periods of financial pressure and political instability. During the GC7 grant revisions, proposed reductions affecting community, human rights and gender-related interventions were subject to additional review. This helped to ensure that potential impact on vulnerable populations was explicitly considered before decisions were taken. But the risk of abrupt service gaps, where reduced Global Fund support outpaces the readiness of domestic systems to sustain services, is real, particularly for key populations in HIV and for community-led responses in fragile contexts. In some countries, the risk is compounded by restrictive legal environments, including the criminalization of key populations, which can undermine access to services and threaten the sustainability of prevention and community-led responses. Long-term sustainability strategies must be actively designed to avoid these cliffs. The Board's fair and continued demand that sustainability, transition and country ownership will not be delivered at the cost of the populations most reliant on the Global Fund's support will be one of the hardest challenges as GC8 unfolds.

Delivering these ambitions will require greater prioritization, clearer choices and stronger country ownership. The 2026 OIG work demonstrates the partnership's capacity to adapt, while underscoring the importance of sharper prioritization, stronger execution, readiness for transition, and continued protection of the most vulnerable. That will determine whether GC8 sustains and extends the impact of the Global Fund. Across all three themes, the underlying challenge is similar: converting well-understood priorities into consistent implementation.

Country ownership succeeds when responsibility and readiness advance together.

3. Progress Against OIG Priorities

3.1 2026 in review

The first eight months of 2026 were marked by a significant transformation of the OIG, culminating in the implementation of a new organizational structure on 1 June 2026. The reorganization strengthened the OIG's assurance, investigation, and prevention capabilities while establishing a leaner and more integrated delivery model through three delivery units: Assurance, Investigations, Strategic Advice, Insights and Prevention (SAIP). Despite the transition, the OIG continued to advance its 2026 workplan and strategic priorities, as outlined below.

Figure 1
OIG activities



Investigations

Case intake and screening

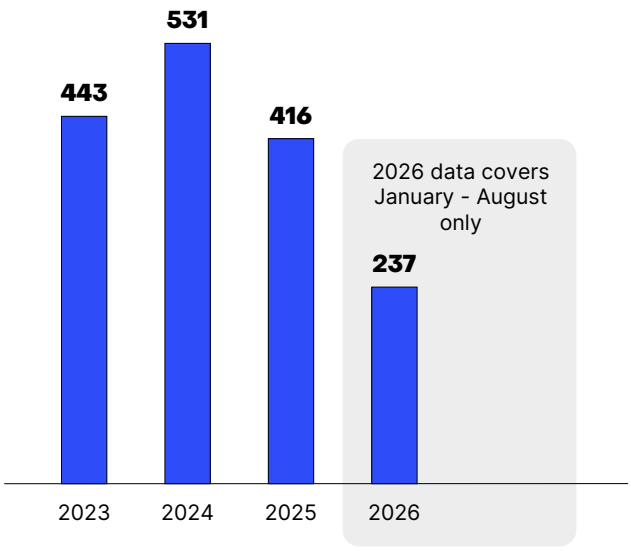
All allegations and reports of wrongdoing are received by the OIG through our dedicated reporting hotline or via the *I Speak Out Now!* platform and are screened and assessed by the Case Intake Team. Following the OIG restructuring, this team was reintegrated into the Investigations Unit, enabling more flexible support during surge periods and strengthening the timeliness and risk-based prioritization of case assessments.

Working closely with the newly established SAIP unit, the OIG will prioritize the earlier identification of emerging risks and strengthen the use of allegation and investigation data to inform fraud prevention efforts across the Secretariat and implementing entities.

As of 31 August 2026, the OIG received 237 new complaints, a 14% decrease compared with the same period in 2025 (274 complaints), reflecting a continuation of the downward trend observed in 2025.

Figure 2

Complaints evolution from 2023 - 2026



Cases opened

As of 31 August 2026, the OIG opened 10 new investigations, a 44% decrease compared to the same period in 2025, continuing the trend of lower investigation openings. Half were OIG-led Level 3 investigations and half were Level 2 investigations conducted by implementers under OIG oversight and guidance.

The reduction in new Level 2 investigations may reflect normal fluctuations in allegations received linked to the programmatic cycle of a grant-making year, as well as competing operational and programmatic priorities that may affect the volume of allegations reported to the OIG. The OIG will continue to monitor the trend and work with the Secretariat and implementers to ensure that fraud and other prohibited-practice risks continue to be identified, investigated, and managed effectively.

Investigation in progress

As of 31 August 2026, the OIG has 34 active investigation cases (compared to 38 at the end of 2025):

- 16 of these are reactive, OIG-led cases. Of the active cases, half involve complex allegations spanning multiple transactions and parties, these cases are currently in the reporting phase.
- 15 are reactive oversight cases (known as L2 cases), led by oversight functions of implementers with demonstrable capacity, and closely monitored by the OIG.
- 3 proactive investigations.[2]

Cases closed and published

Up to August 2026, the OIG closed 14 investigations, representing 29% of the total investigation caseload managed during the reported period. Of the cases closed, 36% (5 cases) were substantiated.[3]

Since the start of the year, two investigation reports have been published on the OIG website. Two further OIG-led investigations have been issued to the AFC and Board and are in the final stages of publication, with completion expected in Q3/Q4 2026. A further three OIG-led investigations are expected to be issued to the AFC and Board before the year-end.

Details on substantiated cases closed through Management Briefing Notes can be found in Annex 4.4 of this report. Most of these investigations were conducted by implementers and overseen by OIG.

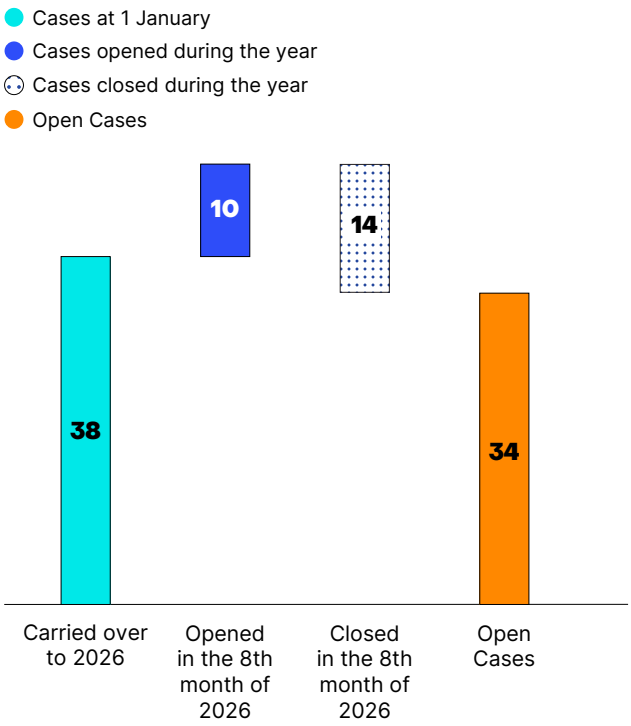
The average duration for case closure was 16.3 months. Although methodologies differ across organizations, publicly reported data from peer investigative offices suggests that the OIG's average case completion time remains comparatively short.

2 A proactive investigation is an investigation initiated based on risk analysis, data, intelligence, or other indicators of potential Prohibited Practices, rather than a specific allegation of wrongdoing.

3 Substantiated means sufficient evidence identified to support the allegations received.

Figure 3

Case evolution in 2026



Proactive Integrity Reviews

Following a successful pilot in 2025, the OIG currently has two ongoing Proactive Integrity Reviews (PIRs) and is likely to initiate an additional review by year-end. PIRs are risk-based reviews designed to identify potential indicators of prohibited practices, and the underlying control weaknesses and integrity risks that enable them.

Through intelligence gathering, stakeholder engagement, and targeted reviews of books, records and processes, PIRs examine potential integrity risks that may warrant further investigation. The OIG increasingly uses data analytics and artificial intelligence (AI) to assess large volumes of data and documentation, helping identify anomalies, patterns and red flags that may not be readily detectable through manual review. Combined with investigative expertise, these tools enhance the speed, rigor and reach of analysis, enabling the OIG to focus resources on higher-risk areas and strengthen the evidentiary basis for its findings.

Assurance

Figure 4

2026 Assurance workplan at a glance

Country audits

4 planning & fieldwork
4 reporting

Internal audits

3 planning & fieldwork

The increasingly complex and volatile operating environment requires the OIG to remain agile and keep its assurance workplan focused on the issues of greatest relevance to the Partnership. Accordingly, the workplan is regularly reviewed and adjusted to reflect evolving priorities and emerging risks.

As a result, the OIG has continued to refine its 2026 assurance workplan, deferring lower-priority activities and introducing new engagements focused on heightened risks. The OIG will complete eight country audits and three assurance reviews of Secretariat-level processes by year-end. Audits of Global Fund grants in Liberia, Burkina Faso, the Democratic Republic of Congo and Ghana are at the reporting stage, while audits in South Africa, Zambia, Ethiopia and Cameroon are in planning and fieldwork. Three assurance reviews are also underway, covering the Global Fund's Quality Assurance Processes, PwC's LFA services, and the operationalization of Non-Global Fund-Financed Procurement.

The planned review of the Global Fund's restructuring processes, and audits of grants in the Philippines and Bangladesh, were deprioritized due to their comparatively lower risk ratings.

Delivery of the 2026 workplan has been affected by the OIG's restructuring and competing organizational priorities, including GC8 funding requests and grant-making.

The OIG has continued to engage with in-country assurance providers. As of August 2026, ten staff from Supreme Audit Institutions across Africa had participated in OIG country audits, contributing local insights and expertise while gaining experience with OIG methodologies and approaches.

Strategic Advice, Insights and Prevention

The creation of the Strategic Advice, Insights and Prevention Unit (SAIP) reflects the OIG's shift towards a more proactive and forward-looking approach to oversight, combining strategic analysis, intelligence and prevention activities. To support this objective, SAIP delivers a range of products and services, including strategic reviews and advisory work, risk intelligence and prevention-focused initiatives.

Strategic Reviews and Advisory

Strategic Reviews, a new OIG product, provide forward-looking assessments of strategic challenges that are largely outside management's direct control but may affect organizational performance and program impact. They are designed to support decision-makers in navigating trade-offs, prioritizing actions and making timely course corrections.

OIG has started a Strategic Review of the Global Fund's approach to transition under GC8 and GC9, examining both the risks associated with the transition strategic shift and how those risks are being managed. The review also aims to promote a shared understanding among key stakeholders of the objectives, concepts and expectations underpinning transition. Drawing on extensive consultation, including with country stakeholders across a subset of portfolios, the review is expected to conclude in Q1 2027.

Leveraging OIG insights to inform strategic decision-making

The OIG continued to strengthen its capacity to convert oversight findings into forward-looking insights for Management and governance bodies. Key outputs included the first Insight Note on the Global Fund's country-facing delivery model, strategic analysis to support leadership discussions, and targeted intelligence products on fraud risks and vulnerabilities affecting malaria commodities. Together, these products help inform decision-making, strengthen risk awareness and support more proactive risk management across the Partnership.

Three Advisory Reviews have been completed covering the *Sub-Recipient Selection Process*, the *HR function delivery model*, and the *Grant Approvals Committee*.[4] These reviews have provided objective, practical and solution-oriented advice to inform management decision-making.

Advancing a preventive approach to integrity risks

The OIG strengthened its prevention efforts by launching its first Prevention Note on integrity risks in Funding Requests and Grant Making and expanding engagement with stakeholders across the Partnership. Through conflict-of-interest outreach with CCM representatives and a new consultation mechanism with Country Teams, the OIG is enhancing the early identification of emerging risks and supporting more proactive integrity risk management.

Leveraging technology to strengthen operational effectiveness

The OIG continued to strengthen its digital capabilities through enhancements to transcription tools and the development of an AI-enabled knowledge platform that allows staff to access and interrogate OIG and Global Fund information through natural-language prompts, reducing the need for manual searches across large volumes of documentation.

Quality and Operations

The OIG continued to enhance quality, consistency, and operational effectiveness through the implementation of external and internal quality assessment recommendations, alongside improvements to existing assurance and agreed management action (AMA) methodologies, KPI frameworks, and operational processes.

The outstanding action from the 2024 External Quality Assessment in adapting the OIG's strategy in line with changing operating context will be completed before Q4 2026.

4 In line with the Global Fund's Policy on *Disclosure of Reports issued by the Office of the Inspector General*, not all Advisory/Consulting reports are published.

3.2 Outreach and Stakeholder Engagement

In 2026, the OIG continued to advance integrity, accountability, and fraud prevention across the Global Fund partnership through targeted outreach, strategic collaboration, and capacity-building initiatives. The OIG strengthened its global influence through active participation in high-level international integrity forums. Strategic partnerships were further reinforced through renewed and new memoranda of understanding, while engagement with Supreme Audit Institutions and other national accountability bodies helped strengthen public financial management and sustain oversight capacity at country level. Figure 5 highlights the OIG's key outreach and stakeholder engagement activities throughout the year.

Figure 5

Summary of 2026 Outreach and Stakeholder Engagement Activities

Collaboration and external engagement

- **Cooperation with authorities in four countries on matters arising from OIG investigations** to facilitate coordinated action by sharing investigative findings and supporting evidence in line with applicable legal frameworks and OIG disclosure protocols, while **deconflicting parallel investigations to avoid retraumatizing victim-survivors**.
- **Internal Audit and Integrity Group** meeting in June 2026 to enhance oversight effectiveness by fostering coordination and sharing best practices in investigations, auditing, and donor engagement.
- **The Annual Meeting of Representatives of Internal Audit Services across multilateral organizations and the United Nations** in September 2026, providing an opportunity to share best practices and lessons learned in oversight.
- In January 2026, a new partnership established with the Drug Enforcement Commission (DEC) of Zambia.

Capacity Building

- **Throughout 2026, the OIG Assurance teams** engaged and collaborated with in-country assurance providers such as SAIs and internal auditors in three countries.
- **In June 2026, OIG teams** engaged with peer organizations on the use of AI to exchange lessons learned, share experiences from implemented use cases, and identify opportunities for continuous improvement.
- **In July 2026, the OIG team** delivered additional training focused on the use of AI in investigations for partner organizations and oversight functions.

Fraud Awareness and Outreach

- Targeted conflict-of-interest awareness sessions with CCM representatives across multiple regions.
- Established a consultation mechanism with Country Teams to identify emerging integrity risks.



RIAS 2026 Meeting in Beijing, China – September 2026

3.3 2027 Looking Ahead

The 2027 workplan is designed to provide risk-based assurance in a critical year for the Secretariat, marked by the finalization of GC8 grant-making processes and start of implementation, alongside GC7 closure. The OIG workplan seeks to balance targeted assurance over the most significant risks the Global Fund is facing with an efficient approach that minimizes additional burden on the Secretariat and Country Teams.

The current environment of heightened uncertainty makes planning OIG activities particularly challenging, requiring continuous monitoring of the evolving risk landscape and flexibility to adapt engagements as risks and priorities emerge.

The 2027 workplan will strengthen country-level assurance coverage, while maintaining a targeted focus on the areas of greatest risk, importance and potential impact at the Secretariat level. This approach is intended to ensure that OIG activities remain responsive, risk-based and aligned with the Global Fund's evolving context.

Work Plan Methodology

To determine its workplan, OIG follows a risk-based approach that builds on the principles used in previous years, while refining its methodology to respond to the evolving risk environment. It combines quantitative analysis to identify and prioritize key risks, portfolios and processes, with qualitative information from consultations with key stakeholders, namely Board constituencies and the Management Executive Committee (MEC), to help understand priorities and evaluate alignment with the quantitative analysis.

For 2027, our risk assessment has further strengthened its focus on current and emerging risks across various universes. Beyond identifying risks, the assessment examines where and how these risks manifest, enabling the OIG to select the most appropriate and proportionate OIG response. This risk-based approach helps maximize coverage of key risk areas, while ensuring an efficient deployment of OIG resources.

To avoid duplication and reduce overlaps, the workplan also considers the activities of other assurance providers, including the External Auditor.

2027 Workplan

Country-facing

In 2027, the OIG will review **thirteen portfolios** (10 country audits and 3 Proactive Integrity Reviews). These engagements will be tailored to focus on the most significant risks facing each portfolio. This selection and the review approach will remain flexible and will be refined based on factors such as the outcomes of ongoing OIG country reviews, corporate priorities, and the extent and nature of country-level disruptions (e.g., challenging operating environments, political instability).

The OIG will determine the most appropriate assurance modality across nine out of **ten portfolios** (Figure 6), ranging from a full-scope audit to a more targeted rapid assurance review, depending on the risk profile, urgency of emerging issues, and assurance needs.

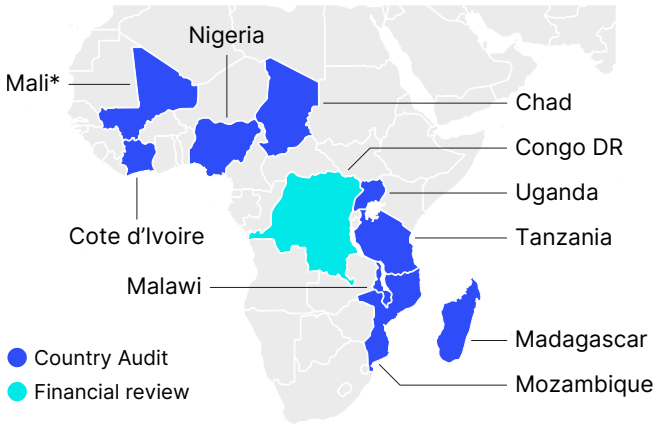
In addition, the OIG will pursue a mix of reactive and proactive investigations. Building on 2026 delivery levels (27 cases), the OIG expects to handle a comparable volume of **high-impact allegation-led investigations** in 2027 and up to **three Proactive Integrity Reviews** (PIRs). The OIG will continuously deepen collaboration with implementing partner oversight offices to extend its investigative reach and support partner-led investigations where appropriate.

The portfolios will be refined throughout the year based on emerging risks and priorities.

In countries where OIG conduct simultaneously Assurance engagements, Investigations or Proactive Integrity Reviews, close coordination among our teams is undertaken to maximize efficiency, leverage opportunities for joint information gathering, and minimize duplication of effort, overlap, and siloed work.

Figure 6

Planned 2027 country-facing engagements



* High travel security risk in Mali (Côte d'Ivoire as back-up)

Planned 2027 Secretariat-facing

The OIG will perform **eight engagements** on Secretariat-facing processes or strategic topics.

Assurance reviews:

In 2027 we expect to complete **four** assurance reviews:

- ***Ethics and Integrity:*** to assess the adequacy and effectiveness of Secretariat's governance, oversight, and assurance framework for identifying, mitigating, monitoring, and reporting ethical and integrity risks.
- ***Grant Making:*** to assess the adequacy and effectiveness of Secretariat's governance, systems, processes, and resources in supporting quality grant-making and the timely identification, mitigation, and monitoring of risks and issues.
- ***Strategic Initiatives:*** to assess the adequacy and effectiveness of Secretariat's management, oversight, assurance, and risk management mechanisms for the design, implementation, monitoring, and achievement of Strategic Initiatives objectives.
- ***Service Centers:*** to assess whether Service Centre's governance, operating model, resources, and oversight arrangements are adequately designed and operating effectively to support service delivery objectives and manage outsourcing-related risks.

The Organization and Workforce Planning review, which was initially planned to be carried forward from the 2026 workplan, has been cancelled following a reprioritization of OIG resources toward higher-risk areas.

Strategic Reviews:

We expect to complete **two** strategic reviews for 2027:

- ***Delivering the GC8 Strategic Shift - Assessing the implementation of Integrated Service Delivery:*** to assess whether GC8 strategic shift towards integration is being implemented as intended and is positioning countries to achieve sustainable, efficient, people-centered and resilient HIV, TB, malaria and health systems responses, while mitigating the associated risks.
- ***Delivering Health Products Effectively and Sustainably - A Review of Global Fund Procurement and Supply Chain Arrangements:*** to assess the value chain and diagnose various arrangements to inform a transition towards more sustainable and resilient country-owned systems.

Advisory reviews:

In addition to the Governance Advisory Review that will be delivered in early Q2 of 2027, we plan to complete another **two** advisory reviews which will be agreed with Senior Management, in response to evolving organizational priorities and organizational changes. Topics will be selected based on input from the Secretariat management and governance bodies.

Other OIG activity:

The OIG workplan will integrate Insight Notes and Fraud & Integrity prevention activities. Building on the establishment of the SAIP Unit, the OIG will strengthen collaboration with the Secretariat to provide timely insights and preventive advice, enabling earlier identification and mitigation of integrity risks.

The KPIs and Budget can be found in Annex 4.1 and 4.2 for details.

4. Annexes

4.1 Staffing and Budget

Staffing

As of 31 August 2026, the OIG had a budgeted headcount of 51 (2025: 63), including one staff member on parental leave. Recruitment processes have been completed for remaining positions and all are expected to be filled by year-end. The vacancies have not materially impacted the OIG's ability to deliver its mandate, with temporary professional resources engaged where necessary to support delivery of the workplan.

Budget

Actual Expenditures

As at 31 August 2026, the OIG had spent US$7.7 million (86%) of its 2026 operational budget and remains on track to fully utilize its budget by year-end.

Figure 7

OIG operational budget expenditure and F2 forecast in thousands of US$ as of August 2026

Category	2025 Budget	2026 Budget[5]	YTD Budget	YTD Actuals	Budget vs. Actuals variance	2026 Forecast[6]
Workforce	11,847	10,484	7,068	6,273	-795	9,470
Professional fees	2,016	1,379	919	604	-315	2,015
Travel	1,451	950	633	546	-87	1,306
Meetings	28	25	17	11	-6	33
Communications	120	89	59	30	-29	87
Office Infrastructure	211	192	128	122	-6	164
Depreciation	97	140	94	91	-3	136
Total	**15,770**	**13,259**	**8,918**	**7,677**	**-1,241**	**13,211**

Budget and actual expenditure variations

The year-to-date underspend reflects the phased implementation of the OIG reorganization, including recruitment timelines and the delayed execution of workplan activities, resulting in underspends in workforce costs (US$0.8 million), professional fees (US$0.3 million), and travel (US$0.1 million). All other budget variances are immaterial.

5 The 2026 budget has been adjusted upward by US$0.08 million to reflect actual staff costs, replacing the provisional average staff cost assumptions used in the original budget.

6 Compared to the F2 Finance Forecast prepared in June 2026, which estimated expenditure of US$13.5 million, the OIG's August forecast decreased by US$0.3 million, primarily driven by lower staff cost as the recruitment and onboarding of vacant positions took longer than initially anticipated following the OIG reorganization.

Budget 2027

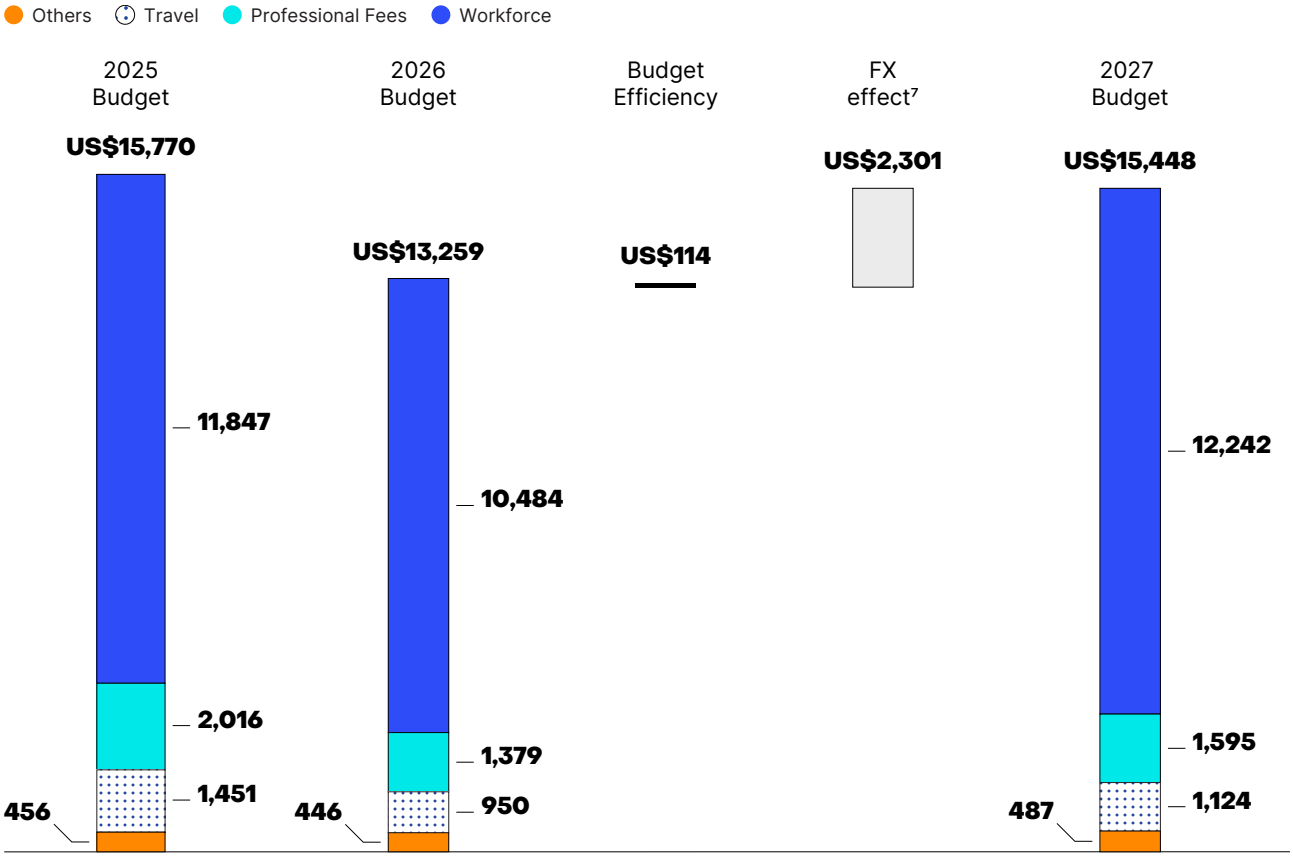
In response to the Global Fund's challenging fiscal environment, the Inspector General undertook a comprehensive review of its activities, operating model, and expenditure plans during the 2026 reorganization to ensure resources are directed to the areas of highest risk and greatest value. This review identified opportunities for process efficiencies, streamlined ways of working, and a reduction in staffing from 51 in 2026 to 50 FTEs in 2027 (2025: 63 FTEs).

The OIG has also adopted a more flexible resourcing model, selectively redeploying a portion of these savings to professional fees. This approach enables access to specialized expertise and surge capacity when required, while avoiding the fixed costs associated with permanent staffing.

The 2027 OIG budget and workplan have been approved by the AFC and integrated into the Global Fund's 2027 OPEX budget, presented to the Board for approval in GF/B56/08. The 2027 operational budget of US$15.4 million is 1% below the OIG's projected 2026 year-end expenditure of US$15.5 million, using GC8 exchange rates, following a significant 16% decrease in the 2026 budget. This reflects the OIG's commitment to prudent stewardship of resources, continuous efficiency improvements, while maintaining independent assurance, investigations and advisory support proportionate to organizational risk.

Figure 8

2026 Budget and 2027 Budget in thousands of US$



7 GC8 FX rates used, in line with the OPEX Workplan and Budget paper GF/B56/08 OPEX.

4.2 Key Performance Indicators

Following a clear steer from the Audit & Finance Committee at its May 2026 meeting, the OIG has updated its KPI framework to better reflect the increasing complexity of the operating environment and stakeholders' expectations for agile, risk-responsive oversight that delivers demonstrable impact.

The revised framework shifts the emphasis from activity and output measures towards indicators that assess whether the OIG is focused on the most significant risks, contributing to meaningful change, maintaining quality, and strengthening the enablers of sustainable delivery. As approved by the AFC, the revised 2026 KPI framework will continue to apply in 2027.

Despite reducing the number of KPIs reported to the AFC/Board, the previously tracked KPIs will continue to be monitored internally by the OIG and can be made available to the AFC/Board upon request.

Figure 9

Actual 2026 & 2027 Key Performance indicators for OIG

1. Risk-Driven Response

Performance objective	Result at 31 August 2026
(Minor KPI refinement) 1.1 OIG engagements cover at least: • **30%** of high risk rated areas in the ORR or emerging risks at each annual reporting cycle (**80%** coverage of high risks in 3 years cycle). • **30%** of corporate strategic priorities/strategic sub objectives annually (**80%** over 3 years). • **30%** of allocation at each annual reporting cycle (**70%** of total allocation over 3 years).	**In Progress** For 2024 – 2026, the OIG is expected to cover: • **92%** of ORR risks assessed as "High" or "Very High. [N.B. Resource mobilization risk is not included in the OIG workplan due to existing mitigation measures and assurance coverage, with OIG focusing on the downstream impacts of funding shortfalls and pledge conversion risks] • **73%** of corporate strategic priorities are covered. • Based on the actual implementation of the OIG 2024–2026 workplan, cumulative coverage is expected to reach **65%**. The lower coverage is due to temporary pause in country audits in 2025 in response to the significant disruptions affecting global health programs and partners. The 2026 targets for the first two sub-KPIs have been adjusted to better reflect actual operating conditions and establish a more realistic baseline for future performance measurement.
(Minor KPI refinement) 1.2 Complaints received are triaged and assessed within a median timeframe of **60 days**.	**In Progress** As of 31 August 2026, the median time to triage and complete an assessment of complaints was **50.5 days**.
(Minor KPI refinement) 1.3 Median of **18 months** to complete investigation cases (Published and non-published cases).	**In Progress** As of 31 August 2026, the median time to complete OIG-led and implementer-led investigations was **14.3 months** The KPI methodology and target have been revised to reflect the adoption of median-based measurement, which provides a more robust indicator of performance given the variability in case complexity and completion timelines.

2. Impact/outcome

Performance objective	Result at 31 August 2026
2.1 Organizational, policy, or process changes influenced by OIG work.	**In Progress** In 2026, OIG advisory, prevention, and investigative work has informed a range of organizational, policy, and process changes, including Human Resources (HR) and GAC transformation initiatives, enhancements to integrity risk management, and ongoing reforms to the Code of Conduct, Disclosure Policy, and the revised sanctions framework.
(New KPI) 2.2 **80%** of investigations resulting in additional observations involved early prevention engagements with the appropriate business.	**Not Due** This KPI will be monitored and reported beginning in 2027.
2.3 **80%** overall satisfaction score from Board & Audit and Finance Committee satisfaction surveys.	**Not Due**

3. Quality

Performance objective	Result at 31 August 2026
3.1 Provide an annual assurance statement on governance, risk management and controls at Global Fund: 2025 Annual Opinion on Governance, Risk Management and Internal Controls.	**Not Due** 2025 Annual Opinion on Governance, Risk Management and Internal Controls was presented to the Board in July 2026: OIG 2025 Annual Report.
3.2 Quality Assurance: • Completion of annual internal quality self-assessments to confirm ongoing conformance with IIA and CII requirements as per OIG QAIP. • Performance of triennial external quality assurance review to confirm conformance with IIA and CII requirements. • **100%** of actions from the 2025 triennial External Quality Assessment to be completed on time.	**Not Due** • The annual internal quality self-assessments to confirm ongoing conformance with IIA and CII requirements as per OIG QAIP will be conducted in January 2027 for the year 2026. **Not Due** • OIG undergoes a triennial external assessment, surpassing the international standard that requires an external assessment every five years. The External Quality Assurance Review was carried out in 2024 and completed in 2025. Both the audit and investigations function fully conform with the relevant industry standards. Full reports can be viewed here. **Not Met** • **75%** of actions from the 2025 EQA have been completed. Following the OIG reorganization, the remaining **25%** (two outstanding actions) in adapting the OIG's strategy in line with changing operating context will be completed before end of Q4 2026.

4. Enablers

Performance objective	Result at 31 August 2026
(Minor KPI refinement) 4.1 OIG collaborates with Internal Auditors and/or Supreme Audit Institutions (SAIs) in **80%** of country engagements.	**In Progress** OIG engaged with and collaborated with in-country assurance providers such as SAIs and internal auditors in three out of the four country audits to date (**75%**).
4.2 Costs managed within **10%** of approved budget.	**In Progress** As of 31 August 2026, OIG actual expenditure was **14%** under the year-to-date budget, mainly due to the delay in the execution of OIG workplan due to the reorganization. The OIG's forecasted expenditure up to the end of 2026 will be **100%** *(See Annex 4.1 for more details).*

The following indicators have been removed from regular AFC reporting as they are primarily operational measures used to support internal management of delivery and execution. Relevant progress may still be highlighted through routine operational updates, and the full underlying information remains available to the AFC at any time upon request.

1. Risk-Driven Response

- Six awareness-raising activities be completed in a calendar year
- Initiate three proactive investigations reviews targeting high-risk programs per year
- Close 50% of investigation cases opened at the end of the previous year
- Issue reports for 80% of current year's audit plan by end of the year
- 100% of Audit reports from the previous year's workplan completed by 30 June of the ensuing year
- Three Advisory reports issued in draft per year

2. Impact/Outcome

- Recoveries identified or significant lessons learnt from 100% of OIG-led substantiated cases
- 80% overall score from prevention, audit and advisory engagements satisfaction surveys
- 70% of closed investigations result in a Management Briefing Note or Published Investigation
- 100% of AMAs validated within 30 days

3. Quality

- All applicable engagements are rated as satisfactory from internal quality reviews

4. Enablers

- Operational efficiency gains from AI and technologies deployed in OIG's activities
- 100% of staff complete training activities/CPD requirements

4.3 Summary of Reports Published in 2026

Audit of Key Procurement Controls over Health Commodities
GF-OIG-26-001

The Global Fund procures over US$2.5 billion in health products annually, including approximately US$1.7 billion through the Pooled Procurement Mechanism (PPM), serving more than 80 countries. Procurement processes are generally transparent, competitive, and supported by the NextGen Market Shaping Approach. However, the lack of detailed procurement procedures and operating guidance for key processes, including supplier allocation decisions, increases reliance on institutional knowledge and creates risks of inconsistent application of controls. While supplier allocations are periodically reviewed using risk-based criteria, the rationale for material allocation changes is not consistently documented, limiting transparency and oversight. Although a new procurement policy and manual have introduced stronger controls, detailed procedures remain under development.

Audit of High & Extreme Security Risk Settings
GF-OIG-26-002

The Global Fund has successfully maintained HIV, TB, and malaria program delivery in high-risk environments through agile implementation approaches, strategic partnerships, and adaptive tools. Most sampled grants achieved moderate to excellent results despite challenging conditions. Opportunities remain to improve impact by better aligning grant objectives with country realities, applying COE policy flexibilities more strategically, and improving operational efficiency. Although financial assurance mechanisms have kept financial and fiduciary risks manageable, weaknesses in operationalizing risk appetite limit effective risk-based decision-making and the prioritization of programmatic and supply chain assurance activities.

Audit of the Evaluation and Learning Function
GF-OIG-26-003

Despite significant investment and efforts to establish the Independent Evaluation Function, it has not fully achieved its intended objectives. Reliance on externally delivered evaluations without adequate oversight, combined with delays in learning activities, weak follow-up of management responses, and lengthy delivery timelines, has reduced its effectiveness in driving learning, informing decisions, and strengthening accountability. Role misalignments, limited strategic oversight, and an imbalance between independence and quality assurance further constrain the Function's performance.

Advisory review of the sub-recipient Selection Process
GF-OIG-26-004

Not rated

The OIG conducted an advisory review of the sub-recipient (SR) selection process to inform Secretariat decisions on strengthening PR-led SR selection processes ahead of GC8. The review found that the current process is affected by fragmented guidance, unclear roles and accountabilities, inconsistent oversight and assurance mechanisms, and recurring delays that may become more significant under compressed GC8 timelines.

The review also highlighted the need to reinforce PR accountability for SR selection and clarify the role of CCMs to avoid potential conflicts of interest. Finally, it highlighted that limited guidance is available to support PRs in selecting the most appropriate SRs.

The review recommends streamlining guidance, clarifying responsibilities across stakeholders - with an emphasis on PR ownership and CCM involvement only in exceptional circumstances, strengthening oversight informed by proactive risk assessment, enabling earlier SR selection, and establishing clear metrics to monitor implementation readiness and identify potential risks of disruption.

Key: OIG Ratings

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

Rapid Assurance Review Implementation of the Grant Revision process of GC7 grants for:

Zambia	Tanzania	Nigeria	Kenya	Mozambique
GF-OIG-26-005	GF-OIG-26-007	GF-OIG-26-010	GF-OIG-26-011	GF-OIG-26-012

These rapid assurance reviews assessed the Secretariat's communication of the deallocation amounts and the processes followed in revising the grants. The Secretariat's grant revision process across countries was well structured, transparent, and followed the Board's Deallocation Decision. OIG identified no material issues.

Investigation report - Fraudulent Practices in the sale of rapid diagnostic tests
GF-OIG-26-006

Not rated

The OIG found that the sale of Global Fund-financed HIV and malaria rapid diagnostic tests (RDTs) was, more likely than not, compromised by fraudulent practices. The supplier did not disclose a reportable change in the sourcing of a key RDT component while continuing to represent the products as compliant with the World Health Organization (WHO) prequalification requirements. As a result, an estimated 30.8 million RDTs, valued at approximately US$11 million, could not have contained components from the manufacturer identified in the WHO documentation. The investigation also found that the supplier did not fully cooperate with OIG. The OIG made no findings regarding the efficacy of the RDTs and found no evidence of adverse outcomes linked to their use. The Secretariat addressed the misconduct through Sanctions Panel Procedures relating to the Code of Conduct for Suppliers.

Investigation report - Ghana - Fraudulent Practice in Proposing for Consultancy Services
GF-OIG-26-008

Not rated

OIG found that a supplier engaged in fraudulent practices during the proposal and negotiation of a Global Fund-financed consultancy contract supporting Ghana's public health supply chain. The supplier misrepresented and omitted material information, including employee taxes, pension contributions, transportation allowances, health insurance, and rent expenses, resulting in an estimated US$240,208 increase in the contract value. The investigation also identified weaknesses in controls over direct contracting, particularly in relation to price evaluation and procurement oversight. In response, the Secretariat initiated the sanctions process and strengthened guidance and requirements for direct contracting procurement.

Audit of the Indirect Procurement Process
GF-OIG-23-013

The Global Fund's procurement framework for indirect Procurement has well-designed controls and processes that support compliant procurement activities in most cases. The establishment of comprehensive tools, templates, and hierarchies has strengthened the control environment. In addition, the introduction of the 2025 Procurement Manual will help to address prior gaps in guidance going forward. The Secretariat needs to strengthen consistent control application and oversight for both competitive and non-competitive procurements. Fragmented approaches to procurement planning and supplier performance management in most teams across the Secretariat limit visibility on emerging procurement needs and the ability to respond proactively.

Key: OIG Ratings

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

4.4 Summary of Cases Closed without Published Reports in 2026

Not all investigations result in a published report. The OIG may issue a Management Briefing Note (MBN) where publication would be disproportionate, but the investigation identifies findings, integrity risks, or lessons learned that warrant management attention. This approach is commonly used for implementer-led investigations where appropriate corrective action has already been taken. MBNs summarize key findings, lessons learned, and any recommendations for management action.

As of August 2026, five cases had been closed through MBNs, including cases involving fraud, collusion, and theft. Two additional cases (not listed below) were also concluded through MBNs despite no wrongdoing being substantiated, reflecting significant integrity risks and lessons identified during the investigations.

Wrongdoing type	Total value of non-compliant amount	Key Findings and Actions Taken
Fraudulent and collusive practices (1 case)	US$66,083	An implementer-led investigation uncovered that Principal Recipient finance staff and four vendors colluded to misappropriate Global Fund grant funds. False invoices and unsupported payments were used to divert funds to implicated individuals. The scheme exploited weaknesses in financial controls, payment approvals, and procurement oversight. *The Principal Recipient dismissed all implicated staff, banned the involved vendors from future contracts, and disallowed all identified irregular expenditures.*
Theft (1 case)	US$896,073	Approximately 369,000 long-lasting insecticidal nets (LLINs), valued at US$926,000, were stolen prior to distribution under Global Fund-supported malaria programs. Due to the existence of a parallel investigation in place and security challenges for OIG to conduct its own investigation, OIG relied on the implementer to report on the results of the national investigation. The theft was substantiated, however, the investigation results regarding parties responsible were not provided to OIG. *The Secretariat continues to engage with the implementing country government regarding recovery of the missing LLINs and associated costs.*
Collusive practices (1 case)	US$11,709	An implementer-led investigation uncovered that sub-recipient procurement process was compromised by collusive practices involving two vendors. The investigation substantiated that one vendor was linked to a former employee and that another was not qualified to provide the contracted services. *The Secretariat and implementing partners have taken steps to address the findings identified through the investigation. Recovery of the confirmed loss was pursued, and the implicated sub-recipient was required to implement corrective measures to strengthen procurement governance and internal controls. Appropriate remedial action was also taken against the individuals and suppliers involved, including exclusion from future procurement activities and capacity-building measures for responsible staff.*

Wrongdoing type	Total value of non-compliant amount	Key Findings and Actions Taken
SEAH (2 cases in 2 countries)	N/A	The OIG closed two cases relating to sexual exploitation and abuse (SEA) as unsubstantiated: • Allegations were raised that sub-recipient staff had sexually abused program beneficiaries, including minors. The matter was also reported to and pursued by national authorities. Consequently, the OIG was unable to further investigate or substantiate the allegations due to the need to avoid re-traumatization of victims/survivors, as well as limitations in access to underlying evidence. Nevertheless, the review identified weaknesses in the sub-recipient's safeguarding and reporting mechanisms. • OIG received allegations that a program manager of a sub-recipient sexually exploited peer navigators. OIG was unable to obtain corroborating evidence and determined the matter to be unsubstantiated. Nevertheless, the investigation identified structural risks of sexual exploitation, abuse, and harassment within the peer navigator model, including power imbalances, economic dependency, and geographic isolation. The OIG further observed that the sub-recipient lacked independent reporting mechanisms. *The OIG recommended strengthening safeguarding controls through enhanced staff training, improved reporting mechanisms, increased oversight of high-risk activities, and closer collaboration with implementing partners.*

4.5 Agreed Management Actions as at 31 August 2026

Progress in addressing AMAs

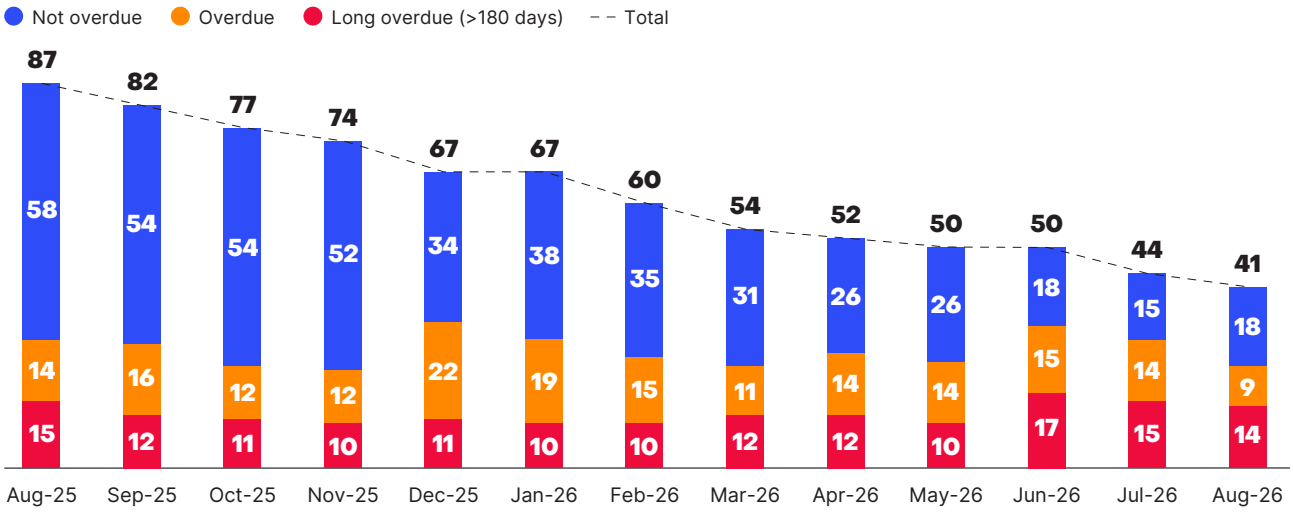
As of 31 August 2026, there are 41 open Agreed Management Actions (AMAs), with 53 actions implemented and closed since end of August 2025. This includes six AMAs written off as the remaining residual risks were accepted by the Secretariat.

13 new AMAs were agreed as a result of OIG audits and investigations between end of August 2025 and end August 2026.

The number of open AMAs has gradually declined over the past 12 months as shown below due to increased management attention to address the underlying risks:

Figure 10

AMA evolution from August 2025 - August 2026



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

For grants specific AMAs, 25% of the closed AMAs focused on strengthening governance arrangements, oversight mechanisms, and accountability frameworks to support effective risk management and safeguard Global Fund resources. As examples, in Angola the Principal Recipient established a formal governance framework with government sub-recipients that clarified accountabilities, strengthened oversight, and enhanced coordination across key grant implementation functions.

One third of the closed AMAs for grants specific also focused on strengthening HIV, TB, malaria, and RSSH interventions. In Mozambique, the closure of an AMA reflected strengthened malaria prevention efforts through improved planning, oversight, and resource optimization for the national LLIN distribution campaign, addressing key barriers to access and LLINs utilization.

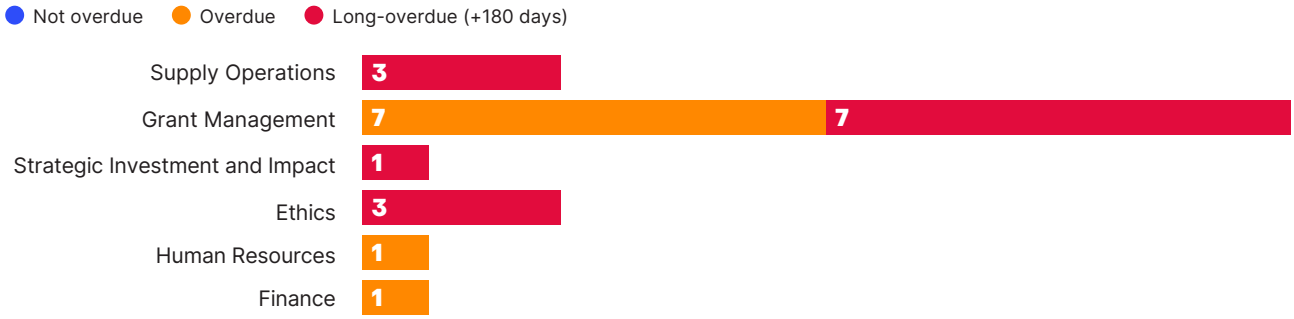
At the Secretariat level, closed AMAs supported enhancements across key corporate processes for internal data management and country level processes. For instance, six HR and IT actions strengthened data governance, information security, and key operational controls, helping safeguard sensitive information and improve compliance. The remaining cross-cutting AMAs focused on strengthening grant oversight and performance monitoring through improved analytics, reporting frameworks, and portfolio management processes.

Overdue and Long Overdue AMAs

The number of overdue and long-overdue AMAs decreased by 21% between August 2025 and August 2026, reflecting increased management attention despite challenges in closing certain cross-cutting and country-specific actions amid program reprioritization. In addition, more than three quarters of the 23 overdue and long-overdue AMAs are over 50% complete, demonstrating continued progress in addressing outstanding actions. As a result, no long-overdue AMAs are prioritized for AFC attention during this reporting period.

Figure 11

Overdue and long overdue AMAs by department as of 31 August 2026



A new process to agree, track and report on AMAs will be implemented as at 01 January 2027. Details can be found in Annex 4.6.

4.6 Changes to the OIG Agreed Management Actions approach

Revision of the AMA Methodology and Approach

Following feedback from the AFC and the Global Fund Board, the OIG undertook a review of its approach to tracking and monitoring actions arising from OIG findings.

The current methodology was developed at a time when the Secretariat's risk management framework was less mature and therefore relied on extensive OIG monitoring of management actions. While this approach has served the organization well over the past decade, it applies a largely uniform treatment to findings, resulting in formal management actions being raised for most issues regardless of their relative risk and significance. As a result, management, AFC and Board attention can become dispersed across a large number of actions, potentially limiting focus on the risks most critical to the achievement of the Global Fund's objectives.

Given the increasing maturity of the Secretariat's risk management framework, and the steer from the Global Fund Board and AFC, many lower-risk issues can be effectively managed through established risk management and governance processes. The revised methodology therefore introduces a more proportionate and risk-based approach, aligned with the Board-approved Risk Appetite Framework, to ensure that oversight and reporting remain focused on the areas of greatest significance.

The revised methodology is guided by four key principles:

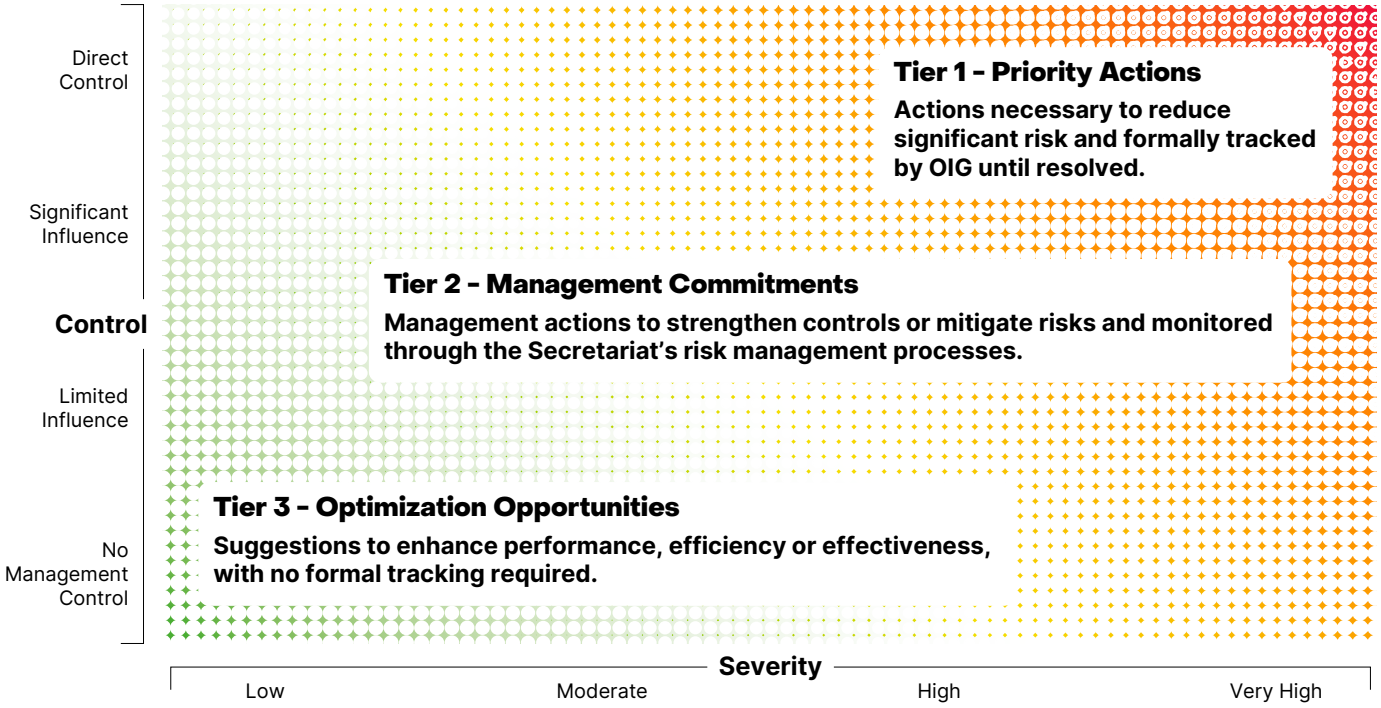
Figure 12

Principles used to guide the development of the new Tiered approach.

Risk-based prioritization	Management ownership and accountability	Proportionate oversight	Differentiated treatment of externally driven risks
Oversight is aligned to both risk significance and the Global Fund's ability to influence remediation. Significant risks within management's control receive the greatest attention, while lower-risk or operational matters are addressed proportionately.	The OIG identifies risks, root causes and areas for action; management remains responsible for designing, implementing and sustaining effective responses.	Oversight focuses on whether risks have been effectively mitigated, rather than whether every action has been completed. Reporting concludes once risks are reduced to an acceptable level or formally accepted through the appropriate governance process.	Oversight recognizes that some risks are largely influenced by country context, implementers or partners. In such cases, the focus is on transparency over residual risk and mitigation efforts, rather than full remediation by management.

Figure 13

Revised tiered approach to differentiate actions.



As illustrated in Figure 13, the revised framework considers both the significance of the underlying risk and the degree of management control or influence over its remediation. Oversight increases where risks are more significant and where management has greater ability to reduce those risks. Conversely, lower-risk issues, optimization opportunities, and risks largely driven by external factors may be subject to a more proportionate approach, with oversight tailored to the Global Fund's ability to influence outcomes.

Following consultation with governance officials and Secretariat stakeholders, the methodology would introduce a three-tier model for action oversight:

Tier 1 - Priority Actions: Actions required to address significant risks or control weaknesses that are formally tracked by the OIG and reported to the AFC and Board until the residual risk has been reduced to, or formally accepted at, an appropriate level.

Tier 2 - Management Commitments: Management-led actions intended to strengthen controls or mitigate risks that are monitored through Secretariat governance and risk management processes. These actions are not routinely reported to the AFC or Board but remain subject to management accountability and may be assessed by the OIG through future assurance activities.

Tier 3 - Optimization Opportunities: Suggestions to enhance efficiency, effectiveness, organizational maturity, or value for money where no material control deficiency exists. These are communicated to management for consideration and are not subject to formal action tracking or OIG follow-up.

To further streamline reporting and focus attention on underlying risks, actions addressing the same root cause or risk exposure will be consolidated where appropriate. As a result, the number of individually tracked actions is expected to reduce, providing a clearer view of the organization's most significant risk mitigation efforts.

Under the revised approach, OIG oversight would be concentrated on a small number of Priority Actions associated with the highest residual risks to the organization.[8] The majority of existing actions would instead be managed through Secretariat risk management processes or communicated as optimization opportunities.

The approach shifts the focus from monitoring action completion to assessing whether underlying risks have been effectively mitigated. Reporting to the AFC and Board would therefore evolve from detailed tracking of implementation progress to providing greater insight into risk reduction, remediation effectiveness, management accountability, areas of delayed progress, and instances where residual risk has been formally accepted.

The OIG will maintain active oversight of Tier 1 Priority Actions, monitoring changes in risk exposure and implementation progress, and escalating significant concerns to the AFC and Board as appropriate. Actions will remain subject to OIG oversight until the underlying risks have been appropriately mitigated or any remaining residual risks have been formally accepted at the appropriate level.

8 OIG estimates that, based on the current population of AMAs, only four actions would be classified as Tier 1.