



Independent observer
of the Global Fund

IMPLEMENTATION OF INTEGRITY DUE DILIGENCE REMAINS FRAGMENTED: OIG

According to the Office of the Inspector General (OIG), integrity due diligence (IDD) remains fragmented across the Global Fund, and there are no mechanisms in place to assess whether the processes implemented by various departments are “fit for purpose” and consistent across the organization. Nor are there mechanisms to assess whether there are duplications or gaps among the processes.

This is the main finding of an advisory review on the Global Fund’s IDD processes conducted by the OIG in 2016. An “advisory review” is something that the OIG periodically undertakes as part of the consulting services it provides. A [report](#) of the review was released on 20 January 2017.

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But what is “integrity due diligence”?

(The information in this section was provided by Nick Jackson, the Global Fund’s Ethics Officer.)

Integrity due diligence is the process of assessing the reputation of a “third party” – i.e. an individual or organization you are dealing with, or considering dealing with. In the case of the Global Fund, the third party can be suppliers of goods, a consultant, a service provider (e.g. local fund agents), and even implementers.

The types of questions IDD is looking to answer are: (a) Does the third party have a criminal record? (b) Are there concerns that the third party has committed misconduct in the past that might damage the reputation of the Fund or that might be repeated?

Here are two examples of the application of IDD in the context of the Global Fund:

- A new private sector donor. During the process of assessing the potential donor, the Fund conducts due diligence to understand if there are any reputational concerns about the donor that may affect the Global Fund. For example, the Fund would not take money from someone associated with human rights abuses, or involved in pornography.
- A new hire. During the recruitment process, the Fund asks the candidate to provide details of their identity and to allow the Fund to carry out open source (i.e. Internet) checks. Using that information, the Fund's IDD service provider searches the internet to identify if there is any negative information or allegations concerning the individual. The Fund also performs criminal records checks on individuals.

The Global Fund already performs a capacity assessment of implementers, using a capacity assessment tool (CAT). CAT is a form of due diligence. The Fund is looking to extend this due diligence to include integrity matters.

Aidspan asked Mr Jackson whether IDD is a philosophy, a corporate-wide program, a mitigating action, or a tool within the anti-corruption framework. "Good question," he said. "It's all of the above. I see it mainly as a preventive tool within the anti-corruption framework. However, given the range of third parties it is applied to, it needs to be developed and implemented across the organisation using a risk-based approach. For example, we would not do detailed checks on the stationery supplier in Geneva, but we would do more detailed checks on a new implementer."



The OIG put forward several recommendations to guide the development and implementation of IDD, as follows:

1. As a precursor to implementing IDD, the Secretariat should decide which approach is best suited to the organization.
2. The Secretariat should develop an over-arching anti-corruption framework within which IDD will be undertaken. (Mr Jackson, the Ethics Officer, is overseeing the development of the anti-corruption framework.)
3. The Secretariat should designate a corporate manager at a senior level to be the custodian of the anti-corruption policy and responsible for implementing IDD.
4. The Secretariat should define the nature, scope and key elements of IDD; and the policies and procedures to guide the implementation of IDD.
5. The Secretariat should develop a toolkit to guide the establishment of IDD.

For more information on the advisory review, please see the OIG's [report](#).

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