



Independent observer
of the Global Fund

THE GLOBAL FUND'S OFFICE OF THE INSPECTOR GENERAL ADOPTS REMOTE AUDIT AND INVESTIGATION APPROACHES

At the Board meeting held on 11 and 12 November 2020, the Office of the Inspector General (OIG) of the Global Fund reported that the coronavirus disease 2019 (COVID-19) pandemic had severely affected its planned operational activities for 2020. As a result, the OIG redirected its resources towards supporting and reviewing the Global Fund's response to the pandemic. The OIG plans to leverage technology and in-country networks and partners, including Supreme Audit Institutions, to support remote audit and investigations in 2021.

COVID-19 disrupts planned activities for 2020

The COVID-19 pandemic significantly affected the OIG's operational activities. This is mostly due to travel restrictions and disruptions at the Global Fund Secretariat and at the country level. As a result, the OIG had to modify the 2020 work plan significantly.

Seven audits targeting high risk areas in the COVID-19 context

The Global Fund called off the 11 country audits planned for 2020 on account of the pandemic. This includes three audits for which fieldwork had started by March 2020. However, the OIG carried on with two audits from the original 2020 plan: the audit of Global Fund grant closure processes and the audit of Global Fund internal financial controls. It has expanded the scope of the latter to include additional risks related to COVID-19. The OIG also designed five audits directly related to the COVID-19 risk environment. Three of these audits are currently in progress. The remaining two were scheduled to begin in the fourth quarter of 2020. (It is not clear from the report whether the OIG has started the audits.) The OIG published all pending 2019 audits by June 2020 and is currently following up and validating open

agreed management actions (AMAs).

The OIG proactively redeployed its staff members to help the Global Fund Secretariat identify and mitigate COVID-19 related risks while safeguarding program delivery. The redeployed OIG staff members included experts in risk, governance, and internal control matters. They provided on-the-spot advice in a wide range of areas, including business continuity planning, access to funding operations, supply operations, as well as analyzing fraud and fiduciary risks. The OIG spent more than 5 000 audit hours, or 21 percent of the auditors' time, supporting the Secretariat between January and August 2020.

Investigations and fraud prevention in the COVID-19 context

The report acknowledges the increased risk of fraud and abuse in light of the pandemic, which could potentially prevent people from accessing life-saving services and treatment. Remote work, the inability to travel, and rushed procurements of much-needed COVID-19 products have created opportunities for corruption. [Cases of alleged misappropriation of COVID-19 funds](#) (though not from the Global Fund) have been reported across Global Fund implementer countries.

The OIG had opened 13 new investigations related to corruption, supply chain issues, product theft, and procurement irregularities, between January and August 2020. However, the office has faced challenges in collecting evidence and conducting interviews in the course of these investigations. The report does not specify whether any of those investigations are related to COVID-19 programs supported by the Global Fund. The OIG is also undertaking fraud prevention activities such as risk awareness webinars for in-country partners.

OIG to leverage technology and in-country resources in 2021

The OIG noted the need to adapt in-country audits and investigations to a 'new normal' as COVID-19 disruptions are likely to continue throughout 2021. The OIG will also need to retain its agility and operational flexibility amid the uncertainties caused by the pandemic.

The OIG will leverage existing data analytics, enhanced technology, and in-country resources to carry out its planned activities in 2021. It will use technology platforms to carry out virtual meetings, perform remote audit tasks such as inventory checks and walk-throughs, conduct investigative interviews, and transfer documents. The OIG has an existing network of consultants at the country level that have already been trained on Global Fund auditing methods and plans to expand this network. The choice of whether to use local or international consultants will depend on the country. The OIG will consider the capacity and independence of local consultants and the extent of travel restrictions in the country. It also plans to engage Supreme Audit Institutions in sub-Saharan Africa through their umbrella organizations, AFROSAI and CREFIAF, to collaborate in the execution of some country audits. The OIG will also leverage existing relationships with donor partners, such as the United States Agency for International Development's (USAID's) OIG, to jointly investigate cases, where appropriate.

Author's note: A recent Aidspan analysis highlighted the potential benefits of a collaboration between the Global Fund and national accountability institutions, especially during this pandemic. The analysis showed that supreme audit institutions (referred to as the Office of the Auditor General) can provide additional support in the absence of the Global Fund team's ability to travel and by regularly monitoring the implementation of the OIG's agreed management actions. Read the full article, [National accountability institutions and the Global Fund will benefit from collaboration](#), in the previous issue.

The OIG plans to conduct nine country audits, three internal audits, four advisory engagements, 14 complaint-led investigations, and two proactive investigations. The nine country audits will target Cameroon, Central African Republic, Ethiopia, Kenya, Mozambique, Nigeria, Philippines, South Africa,

and Ukraine. The countries collectively account for 29% of Global Fund 2020–2022 allocations and a significant proportion of the burden of AIDS, tuberculosis, and malaria. The audits will seek to provide country-level assurance that grants are achieving impact and that COVID-19 funds are being effectively utilized. Since 2021 marks the beginning of a new implementation cycle, 2021–2023, the country audits will examine whether the Global Fund can continue to effectively deliver impact in the new implementation cycle amidst the changing environment.

The OIG has also planned for two advisories in 2021 that will target the Global Fund’s mechanism to manage domestic financing, and internal justice to ensure a fair, transparent, and open work environment.

The OIG will use the same key performance indicators (KPIs) that were approved for 2020 in 2021, although there are some minor adjustments to certain targets to reflect the COVID-19 disruptions.

Feedback from Board constituencies

Some Board constituencies commented on the OIG progress report. The constituencies commended the OIG’s decision to adopt remote audit methods to ensure continuity of its work, which they described as timely and appropriate. The constituencies encouraged the OIG to use in-country resources and to work closely with in-country structures such as civil society, supreme audit institutions, and independent investigation units of other donors. The constituencies also commended the OIG’s rapid adjustment in light of the pandemic and promptness in redirecting resources towards the Global Fund’s COVID-19 response.

The constituencies echoed the need for closer monitoring of grants to detect fraud and wrongdoing in light of increased risks brought on by the pandemic. They also welcomed the OIG’s plans to carry out an advisory review on the management of domestic financing in 2021. The review is timely given the economic impact of COVID-19 on countries’ fiscal space as well as the stagnation of health financing, particularly in Africa. The constituencies also asked for a review of the Global Fund’s risk management strategy, especially in the wake of COVID-19, as well as a review of Global Fund’s investments in health systems (RSSH), given its importance to the Global Fund’s mission.

The Board Document (GF/B44/04, Office of the Inspector General Progress Report) will be available shortly at <https://www.theglobalfund.org/en/board/meetings/44>

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