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OIG ISSUES PROGRESS REPORT AND 2012 WORK PLAN

Conduct of an FPM investigated

Ten country audits, eight diagnostic reviews planned for 2012

The Global Fund's Office of the Inspector General (OIG) has conducted an investigation into actions of a fund portfolio manager (FPM) in the Global Fund Secretariat, and has concluded that some allegations against the FPM have merit. This information is contained in the OIG's progress report for the period April-October 2011.

At the end of 2010, the former Interim Director of Country Programs submitted a memorandum to the OIG outlining a series of alleged deficiencies in performance of an FPM that was deemed by the Secretariat to warrant a finding of misconduct. The memorandum alleged a series of deficiencies, including advocating and approving large grant disbursements at the very end of grants. The OIG said that it prepared a confidential report of its findings and submitted it to the Secretariat, where, in the words of the OIG, the matter is "currently under advisement."

In its progress report, the OIG also covered a wide range of other topics. The progress report included the OIG's proposed work plan and budget for 2012. The OIG said that six more audit reports will be released in 2011, and that one more audit and six diagnostic reviews will be done in 2011, with reports due out in early 2012. (On 31 October 2011, the OIG released reports on eight audits and three investigations. The investigation report regarding Mauritania has since been removed from the Global Fund's website.)

In a diagnostic review, unlike an audit, not all functional areas are comprehensively evaluated and

reported on. Instead, specific key risks are identified and recorded. Sub-recipients (SRs) are not typically reviewed in a diagnostic review. The amount of time spent in country for diagnostic reviews is about half the amount of time spent on an audit. The OIG estimates that about half of all diagnostic reviews will either evolve into full audits or require an investigation.

In 2012, the OIG plans ten country audits, eight diagnostic reviews and four Secretariat-based reviews. The OIG is planning to hire five more staff in 2012. (Note: At its meeting in Accra, the Global Fund Board approved an increase in the OIG's 2012 budget.)

The OIG said that exit meetings are now routinely held with principal recipients and other organisations that are visited by the OIG during an audit to ensure that interactions with the OIG teams have been "acceptable." The OIG said exit surveys conducted recently in six countries rated the performance of the OIG teams at 3.6 (on a scale of 1-4, with 4 being the highest). The exit survey is one of two feedback tools the OIG has developed. The second tool, which the OIG has not started using yet, requests comments once the final audit report has been issued.

Completed exit surveys were sent to the OIG. According to the OIG, most respondents said that the audit team "maintained very high standards and professionalism." Suggestions for improvement included completing audits more quickly and minimising disruption to implementation of the grants being audited.

(Separately, the OIG told the Board's Sub-Committee on OIG Matters that in future, the survey results could be sent to a Board committee or to a peer institution to compile – rather than to the OIG.)

The OIG said that although the investigation into the TB and malaria grants in Mali has been completed for some time, the investigation into that country's HIV grants has been suspended because of threats received by the members of the audit team. Team members left the country after the government advised that their safety was in danger.

Concerning drug thefts and counterfeit medicines, the OIG said that it has 21 investigations in 12 countries currently underway.

In its progress report, the OIG discusses a number of challenges it faces, including having a staff complement that the OIG said is insufficiently large to cope with its high case load. The OIG expressed concern about the fact that it does not have complete control over the hiring process for new staff. (Hiring is done through the Secretariat's Human Resources department.) The OIG said that it has no authority to set compensation rates, and no ability to amend offers, and that this impinges on the independence of the OIG.

The OIG's progress report should be available shortly at www.theglobalfund.org/en/board/meetings/twentyfifth. See GF/B25/3.

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