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SECRETARIAT, OIG AGREE ON NEW PROTOCOL

Protocol describes how the two entities will collaborate on audits, diagnostic reviews and investigations

Process and timelines for audits spelled out

The Global Fund Secretariat and the Global Fund's Office of the Inspector General (OIG) have agreed on a new protocol that describes how the two entities will work together. The protocol covers communications between the Secretariat and the OIG, and outlines how the two entities will collaborate on audits, diagnostic reviews and investigations conducted by the OIG. The protocol also describes the steps involved in conducting audits and diagnostic reviews, complete with timelines.

(A diagnostic review is less extensive than an audit; for example, the accounts of sub-recipients [SRs] are routinely examined in an audit, but are usually not included in a diagnostic review.)

According to the protocol, the Executive Director and the Inspector General will meet every two weeks or more often if needed. Focal points have been identified to handle day-to-day communications. The focal points are:

- on the OIG side: the directors of the Audit and Investigations units; and
- on the Secretariat side: the Director of the Country Programs Cluster for grant-related audits, reviews and investigations; and the Director of the Corporate Services Cluster for internal audits.

Audits and diagnostic reviews

The protocol describes the steps involved in preparing for an audit or review, conducting the audit or review, finalising the report, organising debriefing sessions and publishing the final report. The following is a partial list of the steps:

- Two months prior to the start of an audit or review, the OIG sends notification letters to all parties involved.
- Six weeks before the start of an audit or review, the Secretariat, CCM and principal recipients (PRs) provide the OIG with information concerning shortcomings, potential irregularities and risks of which they are aware.
- At least four weeks before the audit or review starts, the OIG calls a planning meeting with the Secretariat in which the Secretariat shares any concerns or issues that it believes should be pursued.
- The OIG provides the Secretariat with preliminary key findings and recommendations of an audit at least two days before the OIG's debriefing meeting with in-country officials (or, in the case of a diagnostic review, at least one day before).
- Within 12 weeks following the finalisation of OIG field work, the OIG provides the Secretariat with a first draft of the report. The Secretariat has 15 working days to provide comments.
- Following integration by the OIG of the comments from the Secretariat, the Secretariat shares the revised draft with the subjects of the audit or review, requesting them to submit comments within 15 working days.
- Following integration by the OIG of these latest comments, the OIG shares the latest draft of the report with the Secretariat, which has 10 days to comment.
- A meeting is then held between the OIG and the Secretariat to resolve any outstanding issues.

The final report will note any remaining areas of disagreement between the OIG and the Secretariat and between the OIG and the subjects of the audit.

The protocol notes that if the above timelines are met, the OIG will strive to produce audit reports within six months of the completion of field work. Less time will be required for reports on diagnostic reviews.

As mentioned above, the OIG holds debriefing meetings with stakeholders – e.g., CCMs, PRs, SRs, relevant governmental entities – once its draft report is ready. The protocol says that the OIG will give consideration to meeting first with a limited number of key stakeholders in order to collect information on possible misunderstandings or misrepresentations before debriefing a wider audience. In addition, the protocol says that findings about the Secretariat and LFA should not be presented at the debriefing meeting with CCMs.

The protocol says that the Secretariat, CCM and PRs will receive an advance copy of the final report from the OIG before it is publicly released.

Investigations

With respect to investigations, the protocol says that allegations concerning PRs or SRs received by the OIG directly from whistle-blowers will not be disclosed to the Secretariat (in order to protect the whistle-blowers). In addition, according to the protocol, unlike as is done for audits and diagnostic reviews, the OIG does not provide a country debriefing following the completion of field work for an investigation. This is due to concerns about confidentiality and due process.

To ensure due process, the subject of the investigation is given an opportunity to provide its perspective once the investigation is complete, and prior to the finalisation and release of the report. However, when cases are referred to law enforcement agencies and not immediately published, subjects are not notified of the OIG's investigation outcomes, so that the investigations by these agencies are not compromised.

The protocol says that once the OIG has prepared its draft investigation report, the Secretariat has 15 working days to provide comments. After integrating these comments, the OIG seeks comments from in-country partners and the subjects of the investigation. The OIG integrates these latest comments into the report, noting any remaining disagreement, unless disclosure of these comments would prejudice law enforcement efforts.

Once an investigation report is deemed final by the OIG, the report goes first to the Board's Audit and Ethics Committee and then to the Board. When it is sent to the Board, copies are sent to the Secretariat and in-country stakeholders. All of these steps occur before the report is publicly released.

Recommendations

With respect to recommendations made by the OIG as a result of an audit, diagnostic review or investigation, according to the protocol the Secretariat provides the OIG with an action plan and a timeline for the implementation of the recommendations prior to the release of a final report. The Secretariat provides an explanation for recommendations it does not accept; the protocol says that the OIG and the Secretariat will normally share this explanation with the Board.

Internal audits

With respect to audits of internal Secretariat procedures, the OIG provides detailed reports to the Global Fund's Executive Director. The detailed reports are not provided to the Board and are not published. However, a redacted summary report is sent to the Board and is published. ("Redacted" means that some sensitive information, such as the names of persons under suspicion, are blacked out.)

Grant management following preliminary evidence of misuse

The protocol says that the OIG "normally" informs the Secretariat, preferably through a confidential verbal briefing, of preliminary evidence of misappropriation of grant funds identified in the course of an audit or investigation, so that the Secretariat can make appropriate grant management decisions. However, because any action taken by the Secretariat as a result of receiving this information can have significant repercussions for the OIG's continuing work on the case in question, the OIG may decide not to inform the Secretariat, or may decide to provide only partial information, depending upon the circumstances of the audit or the investigation, and whether actions based on any disclosure would "interrupt investigation efforts and cause due process issues."

The protocol says that in instances where the OIG makes a preliminary disclosure that is acted upon by the Secretariat before the completion of the OIG's work, the Secretariat should ensure that this action does not impede the pursuit of the audit or investigation effort.

Noting that the full or partial denial of access by the OIG to the documentation it needs to undertake an audit, review or investigation constitutes a breach of the grant agreement, the protocol says that the Secretariat shall support the OIG when it encounters a lack of cooperation from the subjects of its enquiries.

The undated protocol between the OIG and the Secretariat is not yet available on the Global Fund website. We have posted a copy on the Aidspan website; it is available for direct download [here](#).

