Alliance India Conducts Mock OIG Audit Exercise

In 2012, the India HIV/AIDS Alliance (Alliance India) conducted an exercise to prepare itself and its sub-recipients (SRs) and sub-sub-recipients (SSRs) for an audit by the Office of the Inspector General (OIG). Alliance India is the principal recipient (PR) for a Round 9 HIV grant worth about $25 million.

Pehch?n, the programme funded by the HIV grant, builds organisational and technical capacities of new and existing community-based organisations for men who have sex with men, transgender and Hijra communities, to enable them to be effective partners in the Government of India's HIV prevention initiatives. The programme includes six SRs and 200 SSRs spread out across 17 states. Started in October 2010, the grant was about to enter Phase 2 when the OIG announced plans to audit the Global Fund's grant portfolio in India.

Alliance India was informed in July 2012 that it would be included in the pending audit. Immediately, a task force comprised of senior staff members involved in the Pehch?n programme brainstormed on innovative ways to prepare for the upcoming audit visits. The task force decided to carry out mock OIG audit visits aimed at introducing to SRs the OIG's objectives and approach to audits, as well as helping the SRs prepare for the actual audit.

Mock visits were made to all six SRs even though it was anticipated that not all SRs would be audited. The rationale for including all six SRs was that the mock visits would constitute a good capacity building exercise.

Rajan Mani, Alliance India's Director of Finance and Operations, noted, "The mock audit was designed to test the effectiveness and reliability of our own internal controls, ensure our financial and programmatic management systems were compliant with Global Fund requirements, and make ready relevant information and documentation for the OIG audit."

The task force developed a Mock OIG Audit Visit Checklist to guide the process with the SRs. Each mock visit lasted two days. On the first day, a team from Alliance India provided an introduction to the OIG, described the audit objectives, and shared lessons learned and best practices from OIG reports on audits conducted in other countries. The team then reviewed documentation related to the grant in each of three functional areas: programme, finance and M&E.

The second day of the visit focused on guiding the compilation of required documentation at the SSR level. The visit concluded with a debrief involving the whole SR team that provided feedback on the mock visit. The SRs was asked to share lessons learned from the exercise. In addition, the Alliance India team made recommendations to be addressed prior to the actual OIG audit visit.

Dr Indumathi Ravi Shankar, Programme Director at South India AIDS Action Programme, one of the SRs, commented, "The well-prepared checklist from the PR gave us a clear picture of the OIG's expectations and emphasised the importance of accurate documentation and its systematic storage. Though all reports were available, the mock visit helped us rearrange our documentation to make it readily available for the OIG."

In order to share key lessons with other Global Fund grant implementers, a case study on the mock OIG audit exercise has been developed by the International HIV/AIDS Alliance. The Alliance said that the most innovative approach of this mock OIG audit was how Alliance India organised itself and its SRs to ensure that all relevant information was collated at PR and SR levels.

Pallav Patankar, Director of HIV Programs at the Humsafar Trust, another Pehchan SR, observed, "Under this Global Fund-supported programme, Humsafar sub-granted for the first time. This required defining new processes and policies. The mock OIG visit gave us an interim check of our systems that helped us fine-tune them to be OIG-ready and be as responsive as possible to the demands of our growing programme."

One of the lessons learned from this initiative was that given the nature of the exercise and the documentation required, the exercise provided an opportunity to build institutional capacity of SRs and to improve Alliance India's management of SRs.

Other lessons learned, and more details on the mock exercise are available in the case study prepared by the International HIV/AIDS Alliance (see news article about the case study here; and the case study itself here). The OIG audit of India's Global Fund portfolio took place in October–November 2012; the final report on the audit is expected to be issued later in 2013.

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