



Independent observer  
of the Global Fund

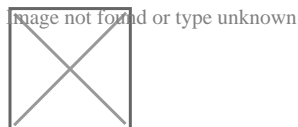
## GLOBAL FUND IS MOVING UP THE OIG MATURITY SCALE

Although most of the OIG's 2016 annual report was devoted to a discussion of five strategic themes (see separate GFO articles in this issue [here](#) and [here](#), the report covered several other topics. This article provides highlights.

### Organizational maturity

The OIG said that in the past three years, the Global Fund has moved steadily up the OIG maturity scale, finishing 2016 closer to the "embedded" level than ever before. This means that internal controls, governance and risk management processes are being defined and progressively embedded in everyday management practice. However, the OIG said, there are still gaps in the active management of these processes and they are not consistently performed and reliably monitored. As a result, the OIG opinion is that the Global Fund overall maturity level is still between "initiated" and "embedded" (see Figure 1).

Figure 1: Where the Global Fund is positioned on the organizational maturity rating



Source: Office of the Inspector General 2016 Annual Report

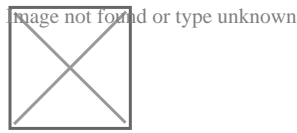
### Accomplishments in 2016

In 2016, the OIG completed 19 audits and advisories, and closed 59 investigations. It published 26 reports.

Between 2014 and 2016, the average cycle time for audits decreased from 33 weeks to 26 weeks; and the time for investigations decreased from 86 weeks to 51 weeks.

The OIG's investigation unit received 180 allegations of wrongdoing in 2016, compared to 157 in 2014. See Figure 2 for a breakdown of the allegations received in 2016.

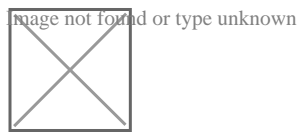
Figure 2: Breakdown of the 180 allegations received in 2016 per category of wrongdoing



Source: Office of the Inspector General 2016 Annual Report

The OIG has adopted an approach that analyses and classifies its investigation findings. Of the 159 investigation findings in 2016, the largest categories were local procurement, training and outreach, and financial controls. See Figure 3.

Figure 3: Breakdown of 2016 investigation findings

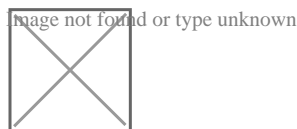


Source: Office of the Inspector General 2016 Annual Report

The most recent satisfaction survey for the OIG, conducted in 2016 among members of the Board and of the Finance and Audit Committee, reflects an overall satisfaction rate of 98%.

The OIG said that based on the feedback and lessons learned from the Phase I of the I Speak Out Now! campaign, it is "repositioning" the campaign and emphasizing the role of the Secretariat as a key player and the OIG as an advisor, using the spin-off slogan We Speak Together! This repositioning, together with new materials for both the Secretariat and implementers, will form the basis for Phase II of the initiative as the OIG moves from campaign mode to a sustain mode. The main thrust of Phase I was a pilot in three countries: Ukraine, Côte d'Ivoire and Malawi. Phase II is expected to be much broader.

Figure 4: Re-branding of the I speak Out Now! campaign



## Collaboration with UNDP

The OIG said that collaboration with the UNDP's Office of Audit and Investigations has been steadily improving since the revision of a memorandum of understanding between the Global Fund and UNDP in late 2015. The OIG said that in 2016 it supported the Secretariat's efforts to revise the contractual framework through which UNDP acts as an implementer of Global Fund grants. The main impetus for this revision, the OIG said, was the satisfactory resolution of issues raised through past OIG audit and investigation reports. As a result of this revision, access rights for the Global Fund as a whole, including the OIG, have been clarified without compromising the U.N.'s internal rules that require a single audit to assure all of the institution's activities. The revision establishes a constructive benchmark to develop accountable and transparent relationships with other U.N.-system bodies, the OIG stated.

## Plans for 2017

In 2017, the OIG plans to complete 25 audits and advisory engagements, and to close 62 investigations. The audit plan will cover:

- 10 country audits – South Africa, Ethiopia, Zambia, Bangladesh, Cambodia, Ukraine, Haiti, Mali, Burkina Faso and Guinea;
- two joint in-country follow-up audits and investigations – Nigeria and Tanzania;
- seven cross-cutting internal reviews on the following topics: data quality, grant monitoring, in-country assurance, wambo.org, contract management, use of consultants, and IT;
- two internal audit follow-up reviews, one on grant-making and one on sourcing processes; and
- four advisory engagements.

### Agreed management actions

In a separate paper prepared for the Board meeting, the OIG provided a progress report on agreed management actions (AMAs) from country audits and internal reviews.

In 2017, 26 AMAs were implemented (i.e. closed), while 19 new ones have been added. At the end of March 2017, there were 82 open AMAs, of which 45 were overdue. (See Figures 5 and 6.)

Figure 5: Open AMAs

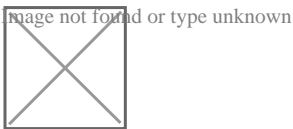
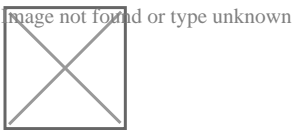


Figure 6: Overdue AMAs



Source: Progress Report on Agreed Management Actions

As of 31 March 2017, 15 long overdue AMAs remain open. (“Long overdue” is defined as more than 180 days late.) The paper contains a table that lists all 15 long overdue AMAs, showing, for each AMA, the source (e.g. a specific country audit), the due date and who in the Secretariat “owns” the AMA.

The paper also provides examples of AMAs for each of the five strategic themes identified in the OIG’s 2016 annual report.

The Office of the Inspector General 2016 Annual Report, Document GF-B37-12, and the Progress Update on Agreed Management Actions, Document GF-B37-13, should be available shortly at [www.theglobalfund.org/en/board/meetings/37](http://www.theglobalfund.org/en/board/meetings/37).

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