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Future OIG Audits to Focus on a Single Business Process

The Office of the Inspector General (OIG) is changing the way it conducts audits. In future, audits will be smaller and more focused, and will rely less on the use of external consultants.

In each of the next three years (2013–2015), the OIG plans to conduct “thematic” audits in 6–8 countries, each focusing on a single business process (or “theme”) such as, for example, an audit of “value for money in procurement” or an audit on “equitable access to services by vulnerable populations.”

This information was contained in the OIG’s Progress Report for the period April–October 2012, which was presented to the Global Fund Board at its 28th meeting in Geneva in November. The progress report was completed prior to the Board’s decision to dismiss John Parsons from his Inspector General position.

The decision to change the way audits are done was made after assessments from two separate entities. Earlier this year, a team of reviewers from the Australia branch of the Institute of Internal Auditors (IIA) conducted a quality appraisal of the OIG’s Audit Unit. The team found that the Audit Unit had a high average audit cost, largely driven by the size and scope of country audits. It recommended that the OIG consider doing more focused audits which, it said, would be better aligned with the IIA’s risk-based approach and the Global Fund’s strategic objectives.

The review team stated that the Audit Unit’s high dependence on external contractors resulted in a significant proportion of organisational knowledge being lost to the Unit. Finally, the team said that the OIG should place greater reliance on the work of other assurance providers – i.e. entities conducting assessments similar to those of the Audit Unit.

The Board’s Audit and Ethics Committee, to whom the OIG reports, echoed the findings of the IIA review team, saying that it did not consider it appropriate for the OIG to continue doing “more of the same” – i.e.

detailed country-based audits.

The OIG said that in its audit plan for 2013–2015, it will allocate about a third of the resources of the Audit Unit to thematic country audits. During that time, the unit will conduct four other types of assessments, as follows:

- audits of internal Global Fund Secretariat business processes (26% of resources);
- reviews of the quality of work of other assurance providers (11%);
- testing the Global Fund’s risk model in several low- and medium-risk countries (13%); and
- advisory engagements (i.e. providing advice to the Secretariat on request) on the development of new systems and processes (9%).

Over the three year period, the OIG said, it will audit all “mission-critical” business processes at least once, and conduct brief focused audits in all 20 high-impact countries as well as over 50 high-risk countries.

The OIG’s Progress Report for the period April–October 2012 is available at www.theglobalfund.org/en/board/meetings/twentyeighth/documents. See Document GF/B28/07. See also separate article on the Progress Report [here](#).

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