

Our Reference / Subject Line: **Communication to the Principal Recipients on the necessary diligence expected from the Grant External Auditors in relation to the review of the Internal Control Framework.**

29 March 2021

Dear Principal Recipients,

The audit of grants continues to be a core component of the Global Fund's ability to safeguard our investments in the countries we support.

In preparation for 2020 audits, we would appreciate if you could share the attached letter with your external auditors.

Whereas auditors are expected to continue to follow the [Guidelines for Annual Audit of Grants issued in November 2019](#), additional considerations should be taken into account in light of the COVID-19 pandemic as financial controls may have been impacted as a result. In addition, cyber security threats have increased in 2020 affecting some grant implementers.

External Auditors should consider these events as Key Audit Matters and undertake the necessary diligence as part of the review of the internal controls of the Principal Recipient and key sub-recipients¹ and capture the appropriate disclosures in the management letter submitted with the audit report.

Principal Recipients should ensure these risks are considered in audit plans that auditors will share with both Principal Recipients and Global Fund Country Teams.

If you need further information, please consult with your Country Team.

¹ As specified in the Term of Reference of the audit, these sub-recipients at those identified by the Global Fund Country team in consultation with the Principal Recipient