



Investing in our future

The Global Fund

To Fight AIDS, Tuberculosis and Malaria

Thirteenth Board Meeting
Geneva, 27 - 28 April 2006

GF/B13/10

REPORT OF THE AD HOC OVERSIGHT COMMITTEE (INCLUDES MANAGEMENT ACTION PLAN)

Outline: The report of the Ad Hoc Oversight Committee outlines the role this committee has played in ensuring that issues related to systems and processes for personal and institutional accountability were enforced with regard to the Report of the Office of Internal Oversight.

Decision Points:

1. The Board endorses the findings of the ad hoc Oversight Committee with respect to

(a) the management action plan prepared in response to the report of the WHO Office of Internal Oversight Services (the "IOS Report"); and

(b) work carried out to date by the Global Fund's Deputy Executive Director and the Legal Counsel with respect to determination of accountability for adverse findings described in the IOS Report and the protection of whistleblowers.

The Board accordingly dissolves the ad hoc Oversight Committee and requests the Secretariat to continue to carry out the processes referred to in points (a) and (b) of this decision, with continued attention to the protection of whistleblowers. The Board requests the Inspector General to continue to oversee the work of the Secretariat in this area and report back to the Board as part of his normal periodic reports to the Board.

Ad hoc Oversight Committee (ahOC)

1. The ad hoc Oversight Committee was established by the Board at the 12th Board Meeting to oversee the implementation of the Board's decision Point "Report of the Office of Internal Oversight Services", to ensure appropriate follow-on measures and ensure that systems and processes for personal and institutional accountability are enforced with regard to the Report of the Office of Internal Oversight Services (see annex 1).
2. Members of the ahOC are: Sigrun Mogedal (Point Seven), Bill Steiger (USA), Broto Wasisto (SEAR) and Peter van Rooijen (Developed Country NGO's).
3. The ahOC met once with the ED, the assistant to the ED, the DED, the Legal Counsel and discussed progress over several conference calls. The Inspector General was involved in all stages of this process, participated in most discussions (all but one) and advised Management as well as the ahOC on several issues at hand.
4. The ahOC reviewed and approved the Management Action Plan (MAP). This MAP includes the proposed actions on the adverse findings in the IOS report and provides detailed follow up with regards to contracts, finance (payments), Log of Exceptions, Human resources (recruitment) and the involvement of Family Members. The MAP is attached as annex 2.
5. Management and ahOC agreed – as suggested by the Inspector General – that the MAP needs to be understood (and developed accordingly) as an important step in the process of developing a Global Fund Accountability Framework. Management agreed that this Framework could be finalized in 2006.
6. Management presented the MAP to the Ethics Committee (EC) in order to review the proposed actions with regards to the involvement of family members of Global Fund staff. The EC will address this as part of its periodic reports to the Board. In this the Ethics Committee will also address the Board's request to review and make recommendations to strengthen the Global Fund's Conflict of Interest Policy.
7. The ahOC extensively discussed with the Deputy Executive Director and the Fund's Legal Counsel, their work on providing employees with respect to whom adverse findings were identified in the IOS report, with excerpts from the IOS report. The purpose of this process – that is almost completed - is to establish accountability and for the ED, taking into account the responses of the employees, to determine on appropriate actions.
8. ahOC, DED and Legal Counsel - with support of the IG - also discussed the protection of whistleblowers. Global Fund employees, who are staff members of WHO, are covered by whistleblower protection provided under WHO's Financial Rules.

The issue of whistle blowing has arisen with respect to two employees. The ahOC and the IG have been informed extensively about the content and process that takes place with respect to both cases and based on this ahOC noted that Management has taken appropriate steps that appear to be consistent with the whistleblowers protection policy.
9. The Chair reassured the ad hoc Oversight Committee that the evaluation of the ED's performance will take into account the findings of the IOS report, as they are addressed in the MAP.
10. In conclusion, the ahOC finds that Management has worked proactively and seriously on the development and implementation of a solid Management Action Plan. The ahOC would like to acknowledge the hard work done by the Management and staff in an open and constructive way, with a clear focus on taking lessons learned into account and improving the management systems.

The MAP goes beyond the strict findings in the IOS report and will therefore be a substantial contribution to the development of a Global Fund Accountability Framework. Given the progress made and the current stage of implementation, ahOC, Management and IG agreed that further implementation of the MAP is part of the responsibility of Management and the oversight of this process falls within the Inspector General's mandate and periodic reports to the Board.

This document is part of an internal deliberative process of the Global Fund and as such cannot be made public.

Please refer to the Global Fund's documents policy for further guidance.

Decision Point from Twelfth Board Meeting:

Report of the Office of Internal Oversight Services

1. On contracts, payments, and recruitment
 - The Board finds the proposed actions in the Response of the Management appropriate
 - The Board requests that the management present an action plan to the Oversight Committee of the Board for review and approval
 - The Board requests that the Oversight Committee report to the 13th Board meeting
 - The Board requests that the Oversight Committee involve the Fund's Inspector General in this process
2. On involvement of family members of Fund staff
 - The Board finds the proposed action in the Response of the Management appropriate
 - The Board requests that the management present an action plan to the Board's Ethics Committee
 - The Board requests that the Ethics Committee review the action plan and report to the 13th Board meeting
3. Furthermore, the Board requests that the Ethics Committee review and make recommendations to strengthen the Fund's conflict of interest policy in light of the deliberations of the 12th Board meeting.
4. The Board requests the Fund's Deputy Executive Director, together with the Fund's Legal Counsel, to prepare appropriate excerpts from the IOS report to be presented to relevant employees with respect to whom there have been adverse findings in the report. Taking into account their responses, Fund management should take measures to determine who is responsible for any improprieties in order to document accountability. In this process, protection of whistleblowers is also essential.
5. The Board requests the Chair and Vice Chair of the Board to ensure that the IOS report as a whole and the Response of the Management are taken into account in the annual performance evaluation of the Fund's Executive Director.
6. The Board directs the Executive Director to provide a full report at the 13th Board meeting on steps taken to improve oversight of compliance with existing Global Fund and WHO policies and procedures, including those already developed in response to the Report.
7. The Board decides that the mandate of the Fund's Inspector General includes oversight of the implementation of this decision point. The Board further requests that, in advance of the 13th Board meeting, the Inspector General and the Oversight Committee report to the Board about progress in preparations and implementation called for in this decision point.