



MOORE STEPHENS

# Quality Assurance Review of the Investigation Function

## Report for the Global Fund

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## Acronyms and abbreviations

AEC	Audit and Ethics Committee
CCM	Country Coordinating Mechanisms
CMS	Case Management System
CSS	Case Screening System
FPM	Fund Portfolio Manager
HR	Human Resources
IG	Inspector General
JIATF	Joint Inter-Agency Task Force
LFA	Local Fund Agents
MoU	Memorandum of Understanding
OIG	Office of the Inspector General
OPN	Operational Policy Note
PR	Principal Recipients
QUART	Qualitative Risk Assessment, Action Planning and Tracking Tool
SoW	Statement of Work
T&Cs	Terms and Conditions
ToR	Terms of Reference

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# I. Executive Summary

As stated in the OIG Charter, the work practices of and functions provided by the Office of the Inspector General itself are subject to periodic independent reviews and assessments to confirm conformance with prevailing international standards and guidelines, and best practices. i.e. Uniform Guidelines for Investigations, 2nd Edition

Conference of International Investigators - As endorsed by the 10th Conference of International Investigators held on June 10-12, 2009, Jordan.

This review recognised that much has been done recently to improve the effectiveness and outputs of the team and is therefore based on 'as is' plus a realistic assessment of 'will be', rather than simply being retrospectively focussed and stating the well documented issues that have gone before.

With this in mind, the following table summarises the findings from the review in relation to the Uniform Guidelines for Investigations 'as is'. In addition to reviewing the performance of the Investigation Function against the guidelines, the review considered what progress has been made against the Self-Assessment Report and 2014 priorities. We have also made 12 recommendations based on the findings from the interviews and review of investigation files, strategies, policies, procedures and other documentation. Please see section 7 and *Appendix A* for recommendations and Management Actions.

Uniform Guidelines - Category and Rating	
General Principles	■ (Green)
Rights and Obligations	■ (Green)
Procedural Guidelines	■ (Green)
Investigative Activity	■ (Green)
Investigative Findings	■ (Green)
Referrals to National Authorities	■ (Green)
Overall Assessment	■ (Green)

The above findings were based on interviews held (see *Appendix B*) and documents reviewed (see *Appendix C*). As the Uniform Guidelines are very much (and correctly so) focussed on investigations, the review has also included a Strategic Assessment of the Investigation Function's activities. This is based on a model developed in the UK National Health Service and the Chartered Institute of Public Finance and Accountancy, and subsequently adopted as industry standard by the UK Government's National Fraud Authority. It is pleasing to see that this scored 90% 'Green' (see *Appendix D*).

The Investigation Function is now 'Fit for Purpose' and in a good position to build on investments made, moving to developing a more proactive approach. Without doubt, it is still handcuffed to legacy cases, although these are progressing. There has been a clear shift in culture and a significant upturn

in morale. The team is at full strength for the first time and the dependence upon contractors has diminished. The re-structure and creation of teams has brought benefits in terms of stability, clarity over line-management, consistency of approach and quality, and improved dialogue with the Secretariat and Local Fund Agents (LFAs) and other stakeholders. The creation of the Intelligence and Operational Excellence Unit will doubtless bear fruit, turning the team's approach from being reactive and 'fire-fighting' to a more professional, proactive (prevention and disruption) and collaborative (though still independent) one. This in turn should add significant value not only to investigations but also in facilitating risk-based and strategic decisions made on Funding. A phrase that came up time and time again during interviews was "*day and night*" in relation to the difference between the Investigation Function now, in comparison with how it was two (or less) years ago. There is a very positive energy in the team and unanimous agreement that the sea-change can be attributed to both Martin O'Malley's strategic direction and Katie Hodson's vision and leadership. There is also recognition that the team has matured swiftly and that the processes in place are scalable and robust enough to withstand the forthcoming change at IG level.

The OIG is hosting the 2015 International Investigators' Conference and the reviewer is satisfied that provided the legacy cases can be cleared, the Investigation Function will, by then, have developed and be in a strong position to showcase its strategic approach and operational procedures.

## II. Introduction

The Office of the Inspector General provides the Global Fund with independent and objective assurance over the design and effectiveness of controls and processes in place to manage the key risks impacting the Global Fund's programmes and operations, including the quality of such controls and processes.

The work practices of (and functions provided by) the Office of the Inspector General itself are subject to periodic independent reviews and assessments to confirm conformance with prevailing international standards and guidelines, and best practices. i.e. Uniform Guidelines for Investigations, 2nd Edition Conference of International Investigators - as endorsed by the 10th Conference of International Investigators held on June 10-12, 2009, Jordan (see *Appendix E*).

Following the self-assessment of the OIG in May 2013, the Audit and Ethics Committee (AEC) recognised the need for additional external assurance to be gained. The report, in summary, noted the need to finalise standard operational and administrative processes, procedures and manuals, improve communications with the Secretariat, reorganise the Investigation Function, improve training, standardise Case Management and reporting/referrals.

The 2013 Annual Report of the OIG listed (at Section 4.4) the following priorities for 2014:

- Completing the remaining legacy (2009 -2012) cases and 2013 cases;
- Embedding the OIG investigation team structure to develop regional and functional expertise;
- Devising and implementing an Information Management Strategy to maximise efficiency and impact. Develop an intelligence building capacity within the Investigation (and Audit) Units, expanding the body of knowledge, identifying trends, root causes, driving understanding and helping to develop measures for mitigation or prevention;
- Critically reviewing the form and style of the investigations report, ensuring clarity, conciseness, accuracy and timeliness. Review existing processes and procedures to maximise the effectiveness and impact of the investigation team;
- Working with the Secretariat to assist in loss determination and enable the timely recovery of misused funds;
- Actively promoting a stronger 'speak-up' culture, encouraging engagement both internally and externally, strengthening our ethical foundation;
- Conducting retrospective due diligence on all OIG investigation providers, to ensure compliance with Global Fund obligations to partner with entities that conduct business ethically; and
- Preparing operational procedures for allegations which go against the strategic objectives of the Global Fund Strategy Framework 2012-16 concerning Human Rights.

In August 2014 Moore Stephens LLP was commissioned to undertake a Quality Assessment Review of the Investigation Function.



### III. Scope and Objectives

The scope of the review was to determine whether the investigative activities are undertaken in conformity with the Charter of the Office of the Inspector General, the Terms of Reference of the Inspector General and the Uniform Guidelines for Investigations, and detail findings and recommendations for improvement, including value for money assessment.

The Global Fund has adopted guidelines and principles to be used in the conduct of investigations subject to the regulations, rules, policies and privileges and immunities applicable. The review considered each of the categories set out in the above guidance, viz;

- General Principles
- Rights and Obligations
- Procedural Guidelines
- Investigative Activity
- Investigative Findings
- Referrals to National Authorities

This report details findings and recommendations for improvement, including wider anti-fraud/corruption activities, skills-mix and value for money assessment. It also considers the viability of the structure and processes to ascertain whether or not it is fit for purpose and sustainable to deliver the 2015 (and future) work plans.



## IV. Methodology and Limitations

The review took place between 20/10/2014 and 31/10/2014, commencing with a telephone call with Mr. Graham Joscelyne, Chair AEG, followed by a visit by John Baker, Director of Counter Fraud and Bribery, Moore Stephens LLP to the OIG which took place from 27/10/2014 to 30/10/2014).

During the visit, meetings were held with a number of staff at various grades (see *Appendix B*) and hard copy and electronic documents/data reviewed *in situ*.

The reviewer was allowed full access to all documentation and systems requested, and a representative sample of nine investigations was selected (ensuring one legacy file and a review of two files from each Regional Team – Africa 1, Africa 2, Asia and LAC/MENA/EECA), with no limitations in respect of access.

Owing to significant changes in personnel and resultant initiatives and improvements, the review was forward-looking, focusing on existing rather than legacy cases (although a legacy case was reviewed to act as a comparator); this sensibly limits comment on retrospective arrangements that have since been (or are in the process of being) improved.

In addition to interviews and reviewing of policy and procedural documentation, findings from the review of cases sampled were correlated with the interviews held.

## V. Findings

Whilst 12 recommendations have been made, none of these are priority (to prevent immediate financial loss, reputational damage or loss of data). The findings are as follows:

### Position against the Self-Assessment Report

- Finalising the Investigations Manual - **cleared**. The manual is comprehensive, meets best practice and is totally bespoke to the OIG;
- Improved communication with the Secretariat – **cleared**. Regional meetings and Agreed Actions meetings are now taking place. Interviewees stated that the 'silo' mentality had been broken and there was more frequent and constructive dialogue taking place;
- Strengthening the Case Management System – **cleared**. The CMS is fit for purpose and easy to use. This is clearly evidenced in that investigators are using the system and recording key decisions. The search facility is good and will facilitate the move to a more intelligence-led approach.
- Improvement and Standardisation of reporting – **in progress**. There is a consistency in file structure and processes aligned to the Stakeholder Engagement Model. It has already been recognised that there is a need to improve reports by making them more concise and understandable and including root cause analysis (the review has noted significant improvements in recent cases) and this has been made a personal objective of the Head of Investigations;
- Empowerment of Team Leaders – **cleared**. The revised structure is working well and meetings with all of the Investigations Managers evidenced that there is a clear vision and direction, that there is sign-up and an ambition to ensure the processes now in place (and the energy within the OIG) are capitalised upon;
- Rationalised use of consultants – **cleared**. The team is now at full strength and the use of and reliance upon consultants has diminished. This is an important development in being able to stabilise the team and develop organisational memory, which in turn will add to the intelligence-led approach the team is embarking upon. It has also reduced spend to a degree where the team is now fully staffed and at a reduced cost;
- Reducing the backlog of cases and allegations - **in progress**. Significant effort is being made to clear these and, at the time of reporting, the team is on track to achieve the clearance targets;
- Improving recommendations from investigations - **in progress**. In September an Agreed Management Actions process was launched. This is co-ordinated through Team Central. The system is a significant improvement upon the previous Excel system in that it is easy to use, creates an auditable log and forces reminders. The process will be pivotal in ensuring that policy, control and/or system weaknesses identified through investigations and audits are not only captured but also implemented. There is an intention that this will become a public document which, in turn, will assist in driving forward the implementation and clearance times. Interviewees were critical that previously; recommendations were on the whole not implemented, leading to a repetition of investigations. This move will ensure lessons are learned and that the policy, procedural or systemic weaknesses that enabled the fraud is remedied.
- Investigation work planning - **cleared**. There is clear evidence within files to show that Investigation Plans are being completed and that they meet best practice. The plans ensure a lawful, necessary and proportionate targeted investigation and evidence collection, in turn ensuring value for money and better use of resources; and

- Staff time tracking and development - **cleared**. 'Tickspot' has been introduced to capture activity, which informs deployment of reactive and proactive resources and will contribute to being able to cost out investigations (which going forward will prove useful in being able to attach costs to recoveries). Staff development is good; there are Global Fund-wide training courses covering a range of topics from public-speaking, coaching skills and Human Rights to facilitation skills. In addition, fraud-related training is also given, both in-house (for example, OLAF was invited to deliver a session to the team) and externally (for example, a team member is being supported in his application to undertake studying for the Certified Fraud Examiner qualification).

#### Position against the OIG priorities for 2014

- Completing the remaining legacy (2009 -2012) cases and 2013 cases - **in progress** (see above);
- Embedding the OIG investigation team structure to develop regional and functional expertise - **cleared**. Regional teams are now in place and functioning well. This has improved communications with stakeholders and created a better working environment and clear reporting lines;
- Devising and implementing an Information Management Strategy to maximise efficiency and impact. Develop an intelligence building capacity within the OIG, expanding the body of knowledge, identifying trends, root causes, driving understanding and helping to develop measures for mitigation or prevention - **in progress**. The Intelligence and Operational Excellence team has been created and there are clear plans and ambitions to ensure the OIG moves from a traditional reactive role to a proactive one. This is critical in creating a nimble and responsive approach and being able to identify trends and emerging threats and risks, in turn contributing to a better informed approach to decisions on funding;
- Critically reviewing the format and style of the investigations report, ensuring clarity, conciseness, accuracy and timeliness. Review existing processes and procedures to maximise the effectiveness and impact of the investigation team - cleared. Investigation plans and reports have improved. Old-style reports (for example GF-OIG-13-018: 23 May 2013) were overly complicated and confusing to the reader. The more recent reports are now concise and also include not only what happened, but importantly, what needs to be done to correct the policy, control or system weakness(es) that led to the fraud/corruption. These are then progressed as Agreed Actions to ensure implementation;
- Working with the Secretariat to assist in loss determination and enable the timely recovery of misused funds; **cleared**. There is a clear drive and focus on loss to ensure misused/stolen funds are recovered. This is a critical factor in not only ensuring that monies are returned in order that they can be re-deployed to achieve the Global Fund's objectives, but are pivotal in being able to demonstrate a clear return on investment for the OIG; in addition, it adds to the deterrent effect. A member of the Investigation team sits as an observer to the Recoveries Committee.
- Actively promoting a stronger 'speak-up' culture, encouraging engagement both internally and externally, strengthening the ethical foundation - cleared. This is a clear objective and there is a policy in place and literature to develop and progress the culture. As an example, a team member is in Ukraine in the first week of November to meet the PR and will be distributing the whistleblowing fold-out and discussing the procedures and 'red flags';
- Conducting retrospective due diligence on all OIG investigation providers, to ensure compliance with Global Fund obligations to partner with entities that conduct business ethically – **in progress**.

The Intelligence and Operational Excellence team has been tasked to undertake this in Quarter 4 of this year's work plan; and

- Preparing operational procedures for allegations which go against the strategic objectives of the Global Fund Strategy Framework 2012-16 concerning Human Rights – **in progress**. Work is underway; as an example Katie Hodson delivered a presentation on 3/11/14 to the Management Executive Committee on the Human Rights Complaints Procedure.

## **Uniform Guidelines**

Without doubt, the creation of the Investigations Manual, a more concise Investigation Plan (and refined evidence collection plan), the Stakeholder Engagement Model (plus the eight Safeguards built within it) and the Agreed Management Actions (which has helped in building bridges with the Secretariat and obtaining early consensus across the stakeholders) go a long way to ensuring the Uniform Guidelines (2nd Edition, as endorsed by the 10th Conference of International Investigators June 2009) are being adhered to. Our findings with regard to the Uniform Guidelines are as follows:

### **General Principles**

**Fully compliant.** ■ (Green)

***1. The Investigative Office conducts and reports on any investigation work that is deemed appropriate and consistent with the Charter of the Office of the Inspector General's mandate.***

### **Specific Findings**

**Fully compliant.** The complaint/referral process categorises allegations as follows:

- Corruption
- Fraud
- Coercion
- Collusion
- Non-Compliance with laws/Grant agreements
- Human Rights violations
- Product issues.

All of the above (and their 24 sub-categories) are deemed to be relevant, appropriate and consistent with the Charter of the Office of the Inspector General's mandate, the Investigations Manual (s.5-6), Disclosure Reports and incorporated within the Stakeholder Engagement Model (1,5 & 9).

***2. Undertakes investigations of alleged fraud, abuse, misappropriation, corruption and mismanagement within Global Fund Financed programmes.***

### **Specific Findings**

**Fully compliant.** No instances were found where investigations had been undertaken or strayed outside of Global Fund financed programmes. Complaints/referrals now undergo a rigorous risk-based screening process to ensure cases unsuitable for progressing are taken out at an early stage. This ensures that those accepted are viable, ensuring good use of resources and a better focus. The

policy position on this can be found in the Allegation Categories List and the Charter of the OIG (para. 9.7) and checked within the Stakeholder Engagement Model (1 - 9).

***3. Undertakes its work according to a multi-year work plan/budget and in addition, respond to events that occur outside the approved plan to investigate allegations of fraud and abuse as they arise.***

**Specific Findings**

**Fully compliant.** The OIG submits an annual work plan to the Audit and Governance Committee for approval. The 2015 work plan takes a far more strategic and proactive stance, moving away from the more traditional reactive approach previously taken. This is an important improvement and moves the OIG forwards, both strategically and in extending the anti-fraud/corruption culture to the Secretariat and LFAs and PRs. In addition, this is set out in the Charter of the OIG (paras. 13 & 14).

***4. The purpose of an investigation by the Investigative Office is to examine and determine the veracity of allegations of corrupt or fraudulent practices as defined by each institution including with respect to, but not limited to, projects financed by the Organisation, and allegations of Misconduct on the part of the Global Fund staff members/recipients.***

**Specific Findings**

**Fully compliant.** This is set out in the Investigations Manual (s. 5-6), the Allegation Categories List, the Prioritisation Matrix and the Complaint Screening Form, incorporated within the Stakeholder Engagement Model (1 & 2) and evidenced in the CSS and investigation files reviewed.

***5. The Investigative Office shall maintain objectivity, impartiality, and fairness throughout the investigative process and conduct its activities competently and with the highest levels of integrity. In particular, the Investigative Office shall perform its duties independently from those responsible for or involved in operational activities and from staff members liable to be subject of investigations, and shall also be free from improper influence and fear of retaliation.***

**Specific Findings**

**Fully compliant.** This approach is clearly stated in the Charter of the OIG (paras. 1, 3 & 10) and the ToR for the IG (Scope). No evidence found or intelligence received suggested otherwise.

***6. The staff of the Investigative Office shall disclose to a supervisor in a timely fashion any actual or potential conflicts of interest he or she may have in an investigation in which he or she is participating, and the supervisor shall take appropriate action to remedy the conflict.***

**Specific Findings**

**Fully compliant.** This requirement is set out in the Ethics and Conflict of Interest for Global Fund Institutions (paras. 4 & 5) and the Code of Ethics and Professional Conduct for Employees and Suppliers. Declarations of Interest are required upon joining the Global Fund and are renewed annually. However, given the range of the different types of investigations, the people and organisations involved and the countries visited, it would be prudent to also undertake a case-by-case approach. **Recommendation 1. It is recommended that for each investigation, team members**

**who will be involved with the investigation should make a declaration of any conflict(s) of interest on the information available (and be reminded of their obligations to report should anything emerge).**

***7. Appropriate procedures shall be put in place to investigate allegations of Misconduct on the part of any staff member of an Investigative Office.***

**Specific Findings**

**Fully compliant.** These are set out in the Code of Ethics and Professional Conduct for Employees and Suppliers. Should a case ever arise, it would be dealt with by HR.

***8. The OIG shall publish the mandate and/or terms of reference of its Investigative Office as well as an annual report highlighting the integrity and anti-fraud and corruption activities of its Investigative Office in accordance with its policies on the disclosure of information.***

**Specific Findings**

**Fully compliant.** All funding policies are publicly available on the website. In addition, references are made in the Charter of the OIG (para. 15), the ToR for the IG (Duties and Responsibilities), OIG Progress and Annual Report 2013 and Disclosure Reports.

***9. The Investigative Office shall take reasonable measures to protect as confidential any non-public information associated with an investigation, including the identity of parties that are the subject of the investigation and of parties providing testimony or evidence. The manner in which all information is held and made available to parties within the OIG or parties outside of the OIG, including national authorities, is subject to the OIGs rules, policies and procedures.***

**Specific Findings**

**Fully compliant.** Measures to ensure these are detailed in the Investigations Manual and can be seen in practice in the Disclosure Reports.

Internal measures include:

- Separate server for OIG document storage
- Restricted access to Z:/ drive folders
- CMS and CSS – password log-on
- Hard copy documents locked in OIG offices
- Clear desk policy

External measures include MoU and sanitisation/redaction of names. It should be noted that there is, as far as the reviewer can ascertain, no Global Fund policy on data protection or information security; this was also echoed by one of the interviewees who also stated that a review of IT security should be undertaken. **No recommendation has been made as it is understood that an Information Security Policy is already in design.**

***10. Investigative findings shall be based on facts and related analysis, which may include reasonable inferences.***

**Specific Findings**

**Fully compliant.** Disclosed reports contain no opinion; they are fact-based (contain reasonable inferences where appropriate) and, where possible, evidence is gathered to a standard of 'beyond all reasonable doubt', albeit in most cases, a burden of proof to the 'balance of probability' would suffice. However, it is best practice to gather evidence to the highest standards to allow it to be used if it is progressed to law enforcement and criminal proceedings. This approach is laid out in the Investigation Manual (s. 17) and evidenced in the investigation files reviewed.

***11. The Investigative Office shall make recommendations, as appropriate, to the Global Fund management that are derived from its investigative findings.***

**Specific Findings**

**Fully compliant.** This is monitored through the Stakeholder Engagement Model, the Action Tracking processes and the Case Closure Memo, and evidenced in Disclosure Reports and in the CMS and investigation files reviewed.

***12. All investigations conducted by the Investigative Office are administrative in nature.***

**Specific Findings**

**Fully compliant.** The Investigative Function has no legal basis and therefore conducts all of its work on an administrative base. No surveillance or live monitoring of calls/data is undertaken. Where necessary, cases are referred to anti-corruption bodies/judicial and/or national authorities if required. Evidenced in the CMS and investigation files reviewed.

***13. Investigations staff members benefit from on-going professional development and have high quality development plans.***

**Specific Findings**

**Fully compliant.** This is outlined in the Employee Handbook and the ToR of the OIG (para. 19). There is also a Talent Management process within the Global Fund. Individual Development Plans are set annually (in Quarter 1) and recoded in the Dialogue System. Fraud/corruption-related training is also given, both in-house (for example, OLAF was invited to deliver a session to the team) and externally (for example, a team member is being supported in his application to undertake studying for the Certified Fraud Examiner qualification). One of the interviewees suggested that consideration should be given to creating a Grade 5/D level to act as a motivator and facilitate career progression, helping to develop skills, and improve retention of staff and a move to performance-related pay considered. We feel that this has merit. **Recommendation 2: To act as a motivator and facilitate career progression, consideration should be given to creating a Grade 5/D level.**

***14. Opportunities for other qualified Global Fund Staff to be seconded to the Investigative Office and vice-versa in accordance to the needs to support development of management talent in the Global Fund.***

**Specific Findings**

**Fully compliant.** This is outlined in the Employee Handbook and the ToR of the OIG (para. 19). There is also a Talent Management process within the Global Fund. Examples are Etienne Michaud



who was seconded from Legal to the OIG and the Joint Inter-Agency Task Force (JIATF) moved from the OIG to Sourcing/Procurement.

***15. The Investigative Office develops and administers a training programme for the prevention and detention of fraud and abuse within Global Fund financed programmes and operations, and other counter-fraud activities in line with best practice.***

**Specific Findings**

**Fully compliant.** The OIG arranged for training on data protection earlier this year for both OIG and Secretariat staff. Dr. Larine Laudati from OLAF was invited to present a training session. There is a wider programme evidenced by a number of PowerPoint presentations that have been delivered to different audiences. It is however recognised that more needs to be done to embed fraud awareness across the Global Fund and all who do business with it. This has been picked up in Recommendation 1.

**Rights and Obligations**

**Fully compliant.** ■ (Green)

***16. A staff member who qualifies as a ‘whistle-blower’ under the rules, policies and procedures of the Global Fund shall not be subjected to retaliation. The OIG will treat retaliation as a separate act of Misconduct.***

**Specific Findings**

**Fully compliant.** There are clear processes to ensure protected status where required for whistleblowers. These can be found in the Whistleblowing Policy and Procedures and the Code of Conduct.

***17. The Global Fund requires staff to report suspected acts of fraud, corruption, and other forms of Misconduct.***

**Specific Findings**

**Fully compliant.** This is required in the Code of Conduct, Whistleblowing Policy and Procedures, Standards of Conduct for Contacts with Members of the Global Fund involved in Funding Decisions, the Employee Handbook (s. 21) and the LFA Manual.

***18. The Global Fund shall require staff/grant recipients to cooperate with an investigation and to answer questions and comply with requests for information.***

**Specific Findings**

**Fully compliant.** Though not explicitly mentioned in the OIG Code of Ethics, this is referred to in the Standard Terms and Conditions (for Grants) (art. 13), the Code of Conduct for Recipients (para. 6) and the Code of Conduct for Suppliers (para. 17), and was evidenced in the CMS and investigation files reviewed.

**19. The Global Fund adopt rules, policies and procedures and includes in its contracts with third parties, provisions that parties involved in the investigative process shall cooperate with an investigation.**

**Specific Findings**

**Fully compliant.** This is referred to in the Standard Terms and Conditions (for Grants) (art. 13), the Code of Conduct for Recipients (para. 6) and the Code of Conduct for Suppliers (para. 17), MoU and the Employee Handbook (s. 20). Supplemental T&Cs are attached systematically to all Purchase Orders issued to OIG consultants for signing.

**20. As part of the investigative process, the subject of an investigation shall be given an opportunity to explain his or her conduct and present information on his or her behalf. The determination of when such opportunity is provided to the subject is regulated by the rules, policies and procedures of the OIG.**

**Specific Findings**

**Fully compliant.** This is stipulated in the Investigations Manual (s. 13), the Stakeholder Engagement Model (Stage 6) and at the Letter of Findings stage. The Letter of Findings provides a good opportunity and mechanism to ensure fact and accuracy are checked and help in reducing challenge. This is evidenced in the CMS and investigation files reviewed.

**21. The Investigative Office should conduct the investigation expeditiously within the constraints of available resources.**

**Specific Findings**

**Fully compliant.** This is driven by the Stakeholder Engagement Model (Stages 2 - 9), by line-management and in the Task Coordination process. The significant changes implemented will ensure more expeditious progress going forward. In addition, the team is now at full complement which has increased resources.

**22. The Investigative Office should examine both inculpatory and exculpatory information.**

**Specific Findings**

**Fully compliant.** This is detailed in the Investigations Manual (s. 2 & 12). A good example was seen where evidence of pricing (both inculpatory and exculpatory) has been sought and is clearly detailed and taken in to account in reaching final figures of overpayments.

**23. The Investigative Office shall maintain and keep secure an adequate record of the investigation and the information collected.**

**Specific Findings**

**Fully compliant.** This is clearly evidenced in the CSS, CMS, Z:/, X:/ and Y:/ drives and hard copy files. The Archive and Exhibits arrangements meet best practice and are impressive (and equivalent to those found in top accountancy/audit firms). Use of passwords and a separation of drives is good. The electronic file structures are robust and detailed and the Archiving system (developed in-house) deserves particular merit for its ease of use and detail. The security of keys and access to both the

Archive and Evidence Rooms is robust and compliant with best practice. The safes are both waterproof and fireproof and Master copies are kept separate to working copies. The CSS and CMS (developed in-house) are to be commended for ease of use and content. The chain of and continuity of evidence (particularly the movement of exhibits screen requiring both provider and receiver passwords) and record keeping is robust. The files reviewed (both electronically and hard-copy) are detailed, well ordered and meet with best practice. As the Intelligence function develops, it is recognised that it will need to map into the existing systems.

***24. The staff of the Investigative Office shall take appropriate measures to prevent unauthorised disclosure of investigative information.***

**Specific Findings**

**Fully compliant.** This is clearly stipulated in the Code of Conduct (s. C), the Code of Ethics and Professional Conduct for Employees and Suppliers (s. 6) and the Supplemental T&Cs for OIG contracts (para. 15). One of the interviewees stated that a review of IT security should be undertaken to bring it to best practice – a review of the IT Security policy is already underway. Reassuringly, FireZilla software is used to transfer files to and from clients rather than email.

***25. The Investigative Office shall document its investigative findings and conclusions.***

**Specific Findings**

**Fully compliant.** This is stipulated in the Stakeholder Engagement Model (Stages 2 – 8) and evidenced in Letters of Findings and Disclosure Reports, Case Closure Memos and Secretariat referrals reviewed.

***26. For purposes of conducting an investigation, the Investigative Office shall have full and complete access to all relevant information, records, personnel, and property of the Global Fund/Grant Recipients, in accordance with the rules, policies and procedures.***

**Specific Findings**

**Fully compliant.** This is required in the Charter of the OIG (a Letter of Authorisation is carried by Investigators on missions containing the relevant s.17 extract from the Charter), the Standards T&Cs (for Grants) and in the Employee Handbook (s. 20). Evidence has been seen in files and extends to e-recovery.

***27. The Investigative Office shall have the authority to examine and copy the relevant books and records of projects, executing agencies, individuals, or firms participating or seeking to participate in Global Fund-financed activities or any other entities participating in the disbursement of funds.***

**Specific Findings**

**Fully compliant.** This is required in the Charter of the OIG (a Letter of Authorisation is carried by Investigators on missions containing the relevant s.17 extract from the Charter) and the Standards T&Cs (for Grants) (art. 13). Authority can be extended when required by working with third parties

which are able to use their powers as and when required. Compliance was evidenced in the CMS and investigation files reviewed.

***28. The Investigative Office may consult and collaborate with other Organisations, international institutions, and other relevant parties to exchange ideas, practical experience, and insight on how best to address issues of mutual concern.***

**Specific Findings**

**Fully compliant.** The ToR of the IG and the various MoU detail this. The OIG has collaborated with bodies such as UNDP, the World Bank, National Crime Commissions and OLAF. The OIG is hosting the next Conference of International Investigators.

***29. The Investigative Office may provide assistance to and share information with other Investigative Offices.***

**Specific Findings**

**Fully compliant.** This is set out in the Investigation Manual and in the various MoU. The review of files has evidenced such assistance.

***30. The work practices of and functions provided by the Investigative Office is subject to periodic independent review and assessment to confirm conformance with prevailing international standards and guidelines, and best practice.***

**Specific Findings**

**Fully compliant.** Para. 10 of the Charter of the OIG details this as a requirement. There has been a self-assessment review which was completed in May 2013 and the current (this report) QAR was conducted in October 2014.

***31. The Investigative Office, part of the OIG, as an integral but independent unit of the Fund, applies the Global Fund standard policies and procedures, together with applicable professional standards of conduct.***

**Specific Findings**

**Fully compliant.** This is set out in the Charter of the OIG (paras. 10 & 11), the Code of Ethics and Professional Conduct for Employees and Suppliers and the Investigation Manual. The relationship with the Secretariat is developing well and becoming far more collaborative (yet still independent) than was previously the case. One interviewee also stated that there was greater liaison with Internal Audit in the IOG; the Investigation Unit is beginning to input into Audit plans and discussing control issues to include in CCM and Agreed Actions.

**Procedural Guidelines**

**Fully compliant.** ■ (Green)

***32. Mechanism for reporting potential fraud and abuse; intake procedures to evaluate incoming reports of potential misconduct within Global Fund financed programs and***

***operations and oversee the implementation of appropriate protections for Global Fund employees and others reporting concerns as well as those who are the subject of such reports; develop, provide and maintain capacity to identify the risk of fraud and abuse.***

**Specific Findings**

**Fully compliant.** This is detailed in the Investigations Manual (s. 5 & 6) and in the Stakeholder Engagement Model (Stage 1). There is clear evidence available (Hotline, Whistleblowing leaflet and Policy and Procedures). Statistics are recorded on CSS.

***33. Whistleblowing hotline: Maintain the Global Fund's whistleblowing hotline, and investigate whistleblowing complaints and allegations of misconduct consistent with the Charter of the Office of the Inspector General.***

**Specific Findings**

**Fully compliant.** The hotline and other reporting mechanisms are clearly advertised on the web and in literature. Evidence of referrals via NAVEX, Global Compliance and the OIG line/email was seen and recorded on CSS. They are also detailed in the Investigations Manual (s. 4, 5 & 6) and in the Stakeholder Engagement Model (Stage 1).

***34. Sources of Complaints - The Investigative Office shall accept all complaints irrespective of their source, including complaints from anonymous or confidential sources.***

**Specific Findings**

**Fully compliant.** The Investigations Manual (s. 5 & 6) and the Stakeholder Engagement Model (Stage 1) refers, plus there is provision in CSS to accept referrals from anonymous and/or confidential sources. The CSS allocates a Unique Reference Number which is then used to record and link evidence to the case. The CSS has a good keyword search facility.

***35. Where practicable, the Investigative Office will acknowledge receipt of all complaints.***

**Specific Findings**

**Fully compliant.** The Investigations Manual (s. 5 & 6) and the Stakeholder Engagement Model (Stage 1) refer, and this was confirmed in interviews and in file reviews.

***36. Receipt of Complaint - All complaints shall be registered and reviewed to determine whether they fall within the jurisdiction or authority of the Investigative Office.***

**Specific Findings**

**Fully compliant.** The Investigations Manual (s. 5 & 6) and the Stakeholder Engagement Model (Stage 1) refer. The decision forms part of the CSS process and uses the Allegation categories.

***37. Preliminary Evaluation - Once a complaint has been registered, it will be evaluated by the Investigative Office to determine its credibility, materiality, and verifiability. To this end, the complaint will be examined to determine whether there is a legitimate basis to warrant an investigation.***

### **Specific Findings**

**Fully compliant.** The Investigations Manual (s. 5 & 6) and the Stakeholder Engagement Model (Stages 1 & 2) refer. The decision forms part of the CSS process and utilises the prioritisation matrix. The findings from the initial evaluation form part of an intelligence pack that is given to the Investigator if the case is taken forward.

**38. Case Prioritisation - Decisions on which investigations should be pursued are made in accordance with the rules, policies and procedures of the Organisation; decisions on which Investigative Activities are to be utilised in a particular case rest with the Investigative Office.**

### **Specific Findings**

**Fully compliant.** The Charter of the OIG, the Investigations Manual and the Stakeholder Engagement Model (Stage 1) refer. A Prioritisation Matrix is used in reaching an informed, risk-based decision.

**39. The planning and conduct of an investigation and the resources allocated to it should take into account the gravity of the allegation and the possible outcome(s).**

### **Specific Findings**

**Fully compliant.** The Investigations Manual and the Stakeholder Engagement Model (Stages 1 & 2) refer. The recently introduced investigation plan (which forces a detailed and concise collection plan) will improve the planning and allocation of resources significantly, speeding the turnaround of cases.

### **Investigative Activity**

**Fully compliant.** ■ (Green)

**40. Investigative Activity - The Investigative Office shall, wherever possible, seek corroboration of the information in its possession.**

### **Specific Findings**

**Fully compliant.** The Stakeholder Engagement Model (Stages 2, 4, 5 & 6) and the Investigations Manual (s. 12 & 13) refer. This takes place at the CSS stage and throughout all the investigation stages. It should be noted that there is a clear separation between the CSS and CMS and this is best practice. Evidence was available in the CMS and investigation files reviewed.

**41. Investigative Activity includes the collection and analysis of documentary, video, audio, photographic, and electronic information or other material, interviews of witnesses, observations of investigators, and such other investigative techniques as are required to conduct the investigation.**

### **Specific Findings**

**Fully compliant.** The Stakeholder Engagement Model (Stages 2, 4 & 5) and the Investigations Manual (s. 12 & 17) refer. Evidence of on-site visits, verification of documentation/data, interviews, photographs, document collection and e-recovery were seen.

***42. Investigative Activity and critical decisions should be documented in writing and reviewed with managers of the Investigative Office.***

**Specific Findings**

**Fully compliant.** The CMS was reviewed and logs of activity and key decisions seen. Evidence of discussions with and approvals from line managers was verified. The Stakeholder Engagement Model (Stages 2, 3, 5 & 7) and the Investigations Manual (s. 8, 9, 12 17 & 19) refer. It should be noted that there is a clear separation between the CSS and CMS in accordance with best practice, plus differing levels of access for security purposes. The CMS is also exportable to Excel to allow analysis and when working remotely. There is good use of version control for documents both in CMS, Z:/ and hard copy. Links to the documents in the drives are mapped in the CMS. Developments are underway to allow documents to be dropped straight into the CMS which is a good improvement and will speed searching and ensure accuracy.

***43. If, at any time during the Investigation, the Investigative Office considers that it would be prudent, as a precautionary measure or to safeguard information, to temporarily exclude a staff member that is the subject of an investigation from access to his or her files or office or to recommend that he or she be suspended from duty, with or without pay and benefits, or to recommend placement of such other limits on his or her official activities, the Investigative Office shall refer the matter to the relevant Department in the Global Fund for appropriate action.***

**Specific Findings**

**Fully compliant.** Guidance is given in the Investigations Manual (s. 13) and the Employee Handbook. No examples could be provided – it is clear that HR and line management would be involved in any such instances should they arise.

***44. To the extent possible, interviews conducted by the Investigative Office should be conducted by two persons.***

**Specific Findings**

**Fully compliant.** The Investigations Manual (s. 13) refers. Interviews with Investigators and review of files supported the fact that, on the whole, two persons conduct interviews. This is best practice to ensure that the Lead Interviewer can focus on the questions and answers, reduces the chance of being accused of wrongdoing in the interview and increases Health and Safety. Evidence has been seen of records of conversations being signed by all parties to verify they are a true representation of the interview.

***45. Subject to the discretion of the Investigative Office, interviews may be conducted in the language of the person being interviewed, where appropriate using interpreters.***

**Specific Findings**

**Fully compliant.** The Investigations Manual (s. 13) refers. Effort is made (usually involving the relevant LFA) to ensure an objective and impartial translator is available. This was evidenced in the CMS and investigation files reviewed.



**46. The Investigative Office will not pay a witness or a subject for information. The Investigative Office may assume responsibility for reasonable expenses incurred by witnesses or other sources of information to meet with the Investigative Office.**

**Specific Findings**

**Fully compliant.** The Investigations Manual (s. 13) refers. There is no evidence or suggestion of any payments being made to witnesses, subjects or informants (other than to cover reasonable and approved expenses).

**47. The Investigative Office may engage external parties to assist in its investigations.**

**Specific Findings**

**Fully compliant.** The Investigations Manual (s. 11), the Charter of the OIG, MoU and Supplemental T&Cs for OIG contracts refer. Such external parties have ranged from translators, law enforcement and other funding bodies through to contractors specialising in procurement.

**48. The Investigative office manages the work of external parties it engages. Puts in place, monitors systems to assure that external parties meet the service standards of the Office of the Inspector General during their work**

**Specific Findings**

**Fully compliant.** The Investigations Manual (s. 11) refers to the use of external resources. Evidence has been seen of a Statement of Work (SoW) for a third-party consultancy firm to undertake due diligence. The SoW clearly stated the requirements, scope/objectives, tasks, deliverable, timelines and budget. Evidence was also seen of the work being monitored by the Investigator and chasing up on timelines to ensure completion.

**Investigative Findings**

**Fully compliant. ■ (Green)**

**49. If the Investigative Office does not find sufficient information during the investigation to substantiate the complaint, it will document such findings, close the investigation, and notify the relevant parties, as appropriate.**

**Specific Findings**

**Fully compliant.** The Stakeholder Engagement Model (Stage 3) and the Investigations Manual (s. 19 and 20) refer. Not all allegations received and investigated result in the publication of a final report on the Global Fund website. Such cases are closed with a Case Closure Memorandum when the OIG has determined that:

- Upon assessment a full investigation is not warranted (this is determined by applying the OIG's prioritisation matrix);
- Interim findings do not justify the commitment of further resources; or
- The investigation concludes there is insufficient information to substantiate the complaint.

The CCM summarises the allegations received, the steps undertaken to substantiate the allegations and the rationale in closing the case. If during this phase any policy, system or control weaknesses are identified, they are included as Management Actions. Once approved by the Head of Investigations, the complainant (including the Secretariat) and, where appropriate, the subject(s) are notified through a case closure notification. This approach and the prioritisation matrix are consistent with Uniform Guidelines and best practice.

***50. If the Investigative Office finds sufficient information to substantiate the complaint, it will document its investigative findings and refer the findings to the relevant department within the Global Fund, consistent with the OIG's policies and procedures.***

**Specific Findings**

**Fully compliant.** The Stakeholder Engagement Model (Stages 5 - 10) and the Investigations Manual (s. 19) and Operational Policy Note – Supplier Misconduct refer. Findings and recommended actions are discussed and form Agreed Actions which are monitored by Team Central. There is now a focus on loss and recoveries, and these details appear on the cover of new reports.

***51. Where the Investigative Office's investigative findings indicate that a complaint was knowingly false, the Investigative Office shall, where appropriate, refer the matter to the relevant Department in the Global Fund.***

**Specific Findings**

**Fully compliant.** The Stakeholder Engagement Model (Stage 3) and the Investigations Manual (s. 19) refer. Details will also be included in the Case Closure Memorandum.

***52. Where the Investigative Office's investigative findings indicate that there was a failure to comply with an obligation existing under the investigative process by a witness or subject, the Investigative Office may refer the matter to the relevant Department in the Global Fund.***

**Specific Findings**

**Fully compliant.** This is enshrined in the Investigations Manual (s.12), the Charter of the OIG (para. 17), Standard T&Cs (p.8, para 13[g]), the Code of Conduct for Recipients (paras. 6.1 & 8.2), the Code of Conduct for Suppliers (paras. 17 & 18) and the Sanctions Panel Procedures relating to the Code of Conduct for Suppliers (paras. 19, 21 & 25). Details will also be included in the Case Closure Memorandum.

***53. Final investigations reports are posted on the Global Fund's public internet site in accordance with the Board-approved "Policy for Disclosure of Reports" issued by the Inspector General***

**Specific Findings**

**Fully compliant.** This is referred to in the Stakeholder Engagement Model (Stage 9) and Disclosure Reports are posted on the website.

**54. *The Investigative Office identifies systematic weaknesses providing opportunities for fraud and abuse in Global Fund financed programs and operations, and makes recommendation to the Global Fund on changes that it can make to its grant management practice to address them.***

**Specific Findings**

**Fully compliant.** The 'Preventing and detecting possible misuse of funds (subsection 'Learning from OIG Audits and Investigations')', 'OIG Products and their Objectives (bullet points 2,3, & 6)' and the Investigations Manual (s. 2 and 19)' refer. Weaknesses and enablers are reported as Agreed Actions and monitored by Team Central to ensure implementation. OIG Progress Report – June to October 2013 (2.1) identified an issue regarding limited assurance (conflicts of interest) over Country Coordinating Mechanisms; this has been taken up as part of the Governance Committee and Ethics Initiative.

**55. *Implement best international practices for the detection, investigation and prevention of fraud and abuse and for fostering an ethical work environment.***

**Specific Findings**

**Fully compliant.** The OIG is hosting the Conference of International Investigators in 2015. External speakers (such as OLAF) as invited to team meetings and staff are encouraged to study for relevant qualifications (such as Certified Fraud Examiner *via* the Association of Certified Fraud Examiners) which all add value to the wider team in bringing best practices to the table.

**Referrals to National Authorities**

**Fully compliant.** ■ (Green)

**56. *The Investigative Office may consider whether it is appropriate to refer information relating to the complaint to the appropriate national authorities, and the Investigative Office will seek the necessary internal authorisation to do so in cases where it finds a referral is warranted.***

**Specific Findings**

**Fully compliant.** Stage 10 of the Stakeholder Engagement Model, Code of Conduct for Recipients (s. 8.3 & 8.4) and the Investigations Manual (s. 2) refer. Evidence of this has been seen in the file review.

**Other Observations**

**The Charter of the Inspector General**

The Charter of the Inspector General (9.7) states that the OIG must, amongst other activities, 'undertake investigations of alleged fraud, abuse, misappropriation, corruption and mismanagement...' This activity is being undertaken to professional standards and compliant with Uniform Guidelines, evidenced by investigations being opened, undertaken and closed appropriately with due consideration being given to proportionality, lawfulness and jurisdiction.

At 9.8 of the Charter it is stated that the OIG must 'create mechanisms for reporting potential fraud and abuse...create intake procedures to evaluate incoming reports...develop, provide and maintain capacity to identify the risk of fraud and abuse'. This activity is being undertaken to professional standards and compliant with Uniform Guidelines, evidenced by the Case Screening System and supporting processes, Case Closure Memorandum, Whistleblowing and 'Speak Up' procedures and initiatives.

At 9.9 it is stated that the OIG must 'identify systemic weaknesses...make recommendations...to its grant management practices to address them'. This activity is being undertaken to professional standards and compliant with Uniform Guidelines, evidenced by the inclusion of root cause analysis as part of the investigation and subsequent Management Actions and follow-up.

At 9.9 it is also stated that the OIG must 'develop and administer a training program for the prevention and detection of fraud and abuse...' This activity is being undertaken to professional standards and compliant with Uniform Guidelines, evidenced by a number of PowerPoint presentations that have been delivered to different audiences. It is however recognised that more needs to be done to embed fraud awareness across the Global Fund and all who do business with it. **Recommendation 3: It is recommended that a programme of fraud awareness events/initiatives is drafted to ensure intentions do not slip due to operational/investigation pressures.**

The 2013 Annual Report of the OIG states that, in broad terms, the KPIs have been met with the exception of legacy cases. Such cases have since received attention and have either been closed or are progressing satisfactorily and sincere efforts are being made (given the time lapse and issues with regard to people having left the organisation and the lack of detailed file notes in a number of cases) to reach a conclusion. It is recognised by all those interviewed that the closure of the legacy cases is pivotal in ensuring the team can become more proactive and forward-looking in its approach.

Investigations are conducted in full compliance with all applicable laws and regulations, including all civil and criminal laws, as applicable in the countries in which they are progressed.

The OIG is addressing the issue of developing an anti-fraud/-bribery culture into the Secretariat and suppliers through a number of mechanisms including the raising of awareness on whistleblowing and seeking to improve the 'speak-up' culture, plus increasing the drive on recoveries through the Recoveries and Sanctions Panels and Procedures which, in turn, feed into deterrence.

#### Terms of Reference for the Inspector General

The Investigation team is operating in line with the Terms of Reference (ToR) for the Inspector General at both Strategic (for instance in supporting the Global Fund in building, and continually improving, strong and effective risk awareness and control consciousness) and Operational (for instance in maintaining and developing the Whistleblowing culture and investigating complaints) levels.

### Code of Conduct

It is encouraging to see evidence of Codes of Conduct. However, it is important that these are kept up-to-date and there is consistency. **Recommendation 4: The investigation team should follow up with the Legal division to initiate a review of the 'Code of Conduct for Suppliers' ensure it is up-to-date, mirrors the 'Staff Code of Conduct' and has a review date and owner. Consideration should be given to combining a Code of Conduct for both staff and suppliers in the same way the (joint) 'Code of Ethics' has.**

### Sanctions Panel Procedures

Whilst the Sanctions Panel Procedures refer [33(a) (b) and (c)] to 'Reprimand', 'Conditional Continued Engagement' and 'Debarment', 33(d) 'Other' should include 'Criminal, Civil, Disciplinary and Regulatory' sanctions as being potentially available. **Recommendation 5: To increase deterrence, 33 (d) of the 'Sanctions Panel Procedures' the investigations team should explore with the Legal Division to include 'criminal prosecution, financial recoveries, disciplinary proceedings and informing the relevant professional/regulatory (i.e. accountancy, medical, legal etc.) bodies' as being potentially available.**

### Standard Terms and Conditions

Whilst the Standard Terms and Conditions state 'No Corruption' and refer to the Codes of Conduct for Suppliers and recipients, it would help increase the deterrence effect if reference is made to the Sanctions that will be considered where cases of fraud, corruption and/or abuse are proven. **Recommendation 6: To improve deterrence, the investigations team should explore with the Legal Division that all available sanctions are referenced in the 'Standard Terms and Conditions'.**

### Standards of Conduct for Contacts with Members of the Global Fund involved in Funding decisions

As above, it would help increase the deterrence effect if reference is made to the Sanctions that will be considered where cases of fraud, corruption and/or abuse are proven. **Recommendation 7: To improve deterrence, the investigations team should explore with the Legal Division that the 'Standards of Conduct for Contacts with Members of the Global Fund involved in Funding decisions' should reference all available sanctions.**

### Operational Policy Note 11 June 2014 – Supplier Misconduct

As above, it would help increase the deterrence effect if reference is made to the Sanctions that will be considered where cases of fraud, corruption and/or abuse are proven. **Recommendation 8: To improve deterrence, the investigations team should explore with the Legal Division to ensure that the 'Operational Policy Note 11 June 2014 – Supplier Misconduct' should reference all available sanctions.**

### Investigation Files and Reports

A sample (both in hard copy and electronic and including one legacy) of files was examined as part of the review to test compliance with the Uniform Guidelines and correlate with the information given in interviews. The current/recent files are detailed, and evidence to support the findings is kept in accordance with best practice; this will assist in ensuring investigations are robust against challenge.

It is clear from the files reviewed that there has been significant improvement made. There is still some variance in the structure of electronic files and this should be rectified to ensure consistency and assist in succession planning. **Recommendation 9: The Intelligence and Operational Excellence should be tasked to design a model investigation file structure for electronic filing to assist in ensuring consistency and succession planning.** In addition, Katie Hodson has a personal objective to ensure report-writing skills across the team are strong and consistent.

#### OIG Stakeholder Engagement Model

The OIG Stakeholder Engagement Model should be noted as best practice. There are eight Safeguard checks built in to ensure stages are not missed or instigated/completed at the wrong time and the clear process forces compliance, increases understanding in roles and responsibilities, prevents deviations and forces timelines. A number of those interviewed stated that it was hard to ensure legacy cases stayed within the timescales, in the main due to a lack of historical knowledge as people had left and the evidence and fieldwork needed to be gone over again to make it more structured and in a position to be analysed and interpreted. Everyone interviewed agreed that the SEM was a good thing, although it was also felt by some investigators that there should be a caveat in that cases cannot always be controlled due to the unpredictability of investigations (provided that the Investigation Managers and the Head of Investigations was satisfied that everything was being done and that the case was not stalling as a result of inaction by the investigator).

#### Whistleblowing and 'Speaking Up'

The Whistleblowing Policy and Procedures are clear and the 'Say NO to wrongdoing' fold-out is clear, concise and in a format that allows it to be carried easily. Whilst both clearly state what to do, it is best practice to also outline what not to do, for example:

##### DO NOT

- Confront the individual with your suspicions.
- Try to investigate the matter yourself.
- Contact the police directly.
- Convey your suspicions to anyone other than those with proper authority to investigate.
- Do nothing thinking someone else will report it.

**Recommendation 10: It is recommended that both the Whistleblowing Policy and Procedures and the 'Say NO to wrongdoing' fold-out are amended to include what not to do as well as what to do.**

There are clear ambitions within the whole team and at all levels to drive the 'Speak Up' campaign harder across the Secretariat and down through the CCM, LFA, PR and beneficiary chains. It is recognised that whistleblowing plays an important role in generating complaints and driving forward a robust anti-fraud/corruption culture, and to keep in line with technological developments, it would be prudent to encourage use of the web-interface for reporting. **Recommendation 11: It is recommended that actions are taken to encourage whistle-blowers to use the web-interface.**

### Fraud Awareness

The Fraud Awareness, Synergy, FPM and the PWC LFA PowerPoint presentations content is good and tailored to suit the differing audiences. It is also recognised that Fraud Awareness needs to be driven harder at all levels in the Global Fund and all those who interact with it. **Recommendation 12: To measure progress and feed into deterrence, it is recommended that an annual/bi-annual survey seeking opinions/scoring on Investigation Function activity across the Global Fund Secretariat, CCM, LFA and PRs is undertaken.**

### The Team

The Team is now fully staffed and has been restructured according to geographical regions and a clear line-management structure is in place. All staff interviewed have welcomed this as a very positive move. The introduction of the Intelligence and Operational Excellence function is also very much welcomed by all, recognising its pivotal role in moving the Investigation Function from purely reactive to a proactive, intelligence and risk-based one. Those interviewed saw it as instrumental in 'joining the dots' and a critical move to a professional approach to sharing of intelligence (whereas previously intelligence was only shared in an informal and unstructured way, more often by chance). The website states that 'In some cases, individuals found to have engaged in misuse of Global Fund grants have had a prior history of misuse...the Global Fund is beginning to pilot integrity due diligence...' The Intelligence and Operational Excellence function will be a fundamental part of this process driving an intelligence-led, risk-based approach (including taking into account allegations that did not go forward and other intelligence) to impact change, improve Agreed Actions and be able to identify patterns and emerging threats, (including organised crime).

The skills mix and experience of the team is impressive and places the Global Fund in a strong position to move forward (having finalised the legacy cases which are inhibiting the speed of growth and progress, albeit they need to be completed). The team-spirit and morale is good and has developed a long way from the culture a year ago. There is a fortnightly Innovation and Ideas team meeting and all team members attend to discuss ideas and ensure all are on-board. This professionalism and enthusiasm is pivotal in ensuring the OIG embeds itself into the wider Global Fund. New starters now receive an induction and welcome emails are issued by Katie Hodson (and continue when she is absent) to ensure a swift integration.



## VI. Conclusion

The OIG's Vision is 'to be a role model for the international aid community' and its purpose is 'to expose the abuse of grant funds and influence change that safeguards the Global Fund and the lives affected by AIDS, Tuberculosis and Malaria'. This review has found that the OIG is making a difference and going forward is in a strong position to become a role model for the international aid community.

It is clear that significant progress has been made in 2014 and the OIG can clearly demonstrate improvements (a 49% increase, compared to the same period last year, of screened complaints and a forecast 92% closure of legacy cases). There is notable good practice at both strategic and operational levels and a strategic investigation work plan themed as:

- Knowledge Resource
- Intelligence Capability
- Carry Forward Investigations
- Complaint-led investigations
- Human Rights
- Continuous Improvement

The 2015 work plan heralds a more strategic and proactive (prevention, disruption, deterrence, detection, investigations and sanctions) approach to reducing losses due to fraud and corruption; a positive move from the previous reactive response focusing mainly on investigations. All staff interviewed recognised the need for the team to be seen as a help and not a hindrance and for it to become nimbler and more trusted to ensure it is the absolute first port of call. This should help prevent 'mini' investigations being undertaken by the Secretariat and others, and continue to move away from the former perception of it being a 'black hole' and it being alienated from the broader set of stakeholders.

All vacancies have now been filled and the reliance on consultants has diminished; this is a positive move that contributes to stability and ensuring that corporate intelligence builds. Attention has been given to, and investment made in, building a team aligned geographically and with a good mix of complementary skills and experience.

The OIG's performance in the Global Fund Employee Engagement Survey 2014 is pleasing and very encouraging. Of particular note is the OIG Investigations Unit's scores in staff understanding their roles and responsibilities and how their work plan objectives feed into the overall Global Fund's strategy, the cooperation and teamwork and feedback from and confidence in line management. There is an impressive positive 100% score to the question 'I am proud to be part of the Global Fund'.

Without exception, all staff in the Investigations Function stated that they felt they had reached a 'tipping point' and once the legacy cases were finalised, there was a very clear opportunity to capitalise on the investments and improvements made to bring about a totally different approach and

deliverables in 2015. At no point did the reviewer feel these ambitions were unrealistic or unachievable. There is a clear and positive feeling of enthusiasm within the team and in ensuring complacency does not creep (recognising the legacy cases will soon be cleared leaving (as one interviewee stated) “nothing to hide behind” by continually seeking and implementing improvements. There is also a clear desire to work closer with the Secretariat and work in collaboration to drive forward fraud risk management processes.

Even with the impending changes at IG level, it is felt by staff and the reviewer that the team will gather pace and as successes build, develop into a professional and nimble team that will ensure the aims and objectives of the Global Fund can be achieved despite the constant and ever-changing threats of fraud and corruption.

## VII. Recommendations and Management Action Plan

Reference	Recommendation	Risk Level	Management response, responsible officer and implementation date
Page 13	<b>Recommendation 1:</b> It is recommended that for each investigation, team members who will be involved with the investigation should make a declaration of any conflict(s) of interest on the information available (and be reminded of their obligations to report should anything emerge).	3	<p>Management Response: Agreed.</p> <p>Action to be taken: Form to be designed. This will form part of the case management file. When an investigator is allocated the hard-copy file, following screening.</p> <p>Responsible officer: Kathryn Hodson</p> <p>Date for implementation: 30 Jan 2015</p>
Page 15	<b>Recommendation 2:</b> To act as a motivator and facilitate career progression, consideration should be given to creating a Grade 5/D level.	3	<p>Management Response: Agreed.</p> <p>Action to be taken: Head of Investigations to work with Human Resources to draw up a role profile.</p> <p>Responsible officer: Kathryn Hodson</p> <p>Date for implementation: 30 Jan 2015</p>
Page 26	<b>Recommendation 3:</b> It is recommended that a programme of fraud awareness events/initiatives is drafted to ensure intentions do not slip due to operational/investigation pressures.	3	<p>Management Response: Agreed.</p> <p>Action to be taken: Training materials to be revised following consultation with the Secretariat concerning focus and content.</p> <p>Responsible officer: Kathryn Hodson</p> <p>Date for implementation: 31 March 2015</p>

Reference	Recommendation	Risk Level	Management response, responsible officer and implementation date
Page 27	<b>Recommendation 4:</b> The investigation team should follow up with the Legal division to initiate a review of the 'Code of Conduct for Suppliers' to ensure it is up-to-date, mirrors the 'Staff Code of Conduct' and has a review date and owner. Consideration should be given to combining a Code of Conduct for both staff and suppliers in the same way the (joint) 'Code of Ethics' has.	3	<p>Management Response: Agreed.</p> <p>Action to be taken: The Legal Division has indicated that as part of the implementation of the Ethics and Integrity Initiative, there are plans to potentially revise such documents. OIG will be invited to participate in future reviews.</p> <p>Responsible officer: Kathryn Hodson</p> <p>Date for implementation: 31 July 2015</p>
Page 27	<b>Recommendation 5:</b> To increase deterrence, 33 (d) of the 'Sanctions Panel Procedures' the investigations team should explore with the Legal Division to include 'criminal prosecution, financial recoveries, disciplinary proceedings and informing the relevant professional/regulatory (i.e. accountancy, medical, legal etc.) bodies' as being potentially available.	3	<p>Management Response: Agreed.</p> <p>Action to be taken: The Sanctions Panel Procedures were updated earlier this year. However, the OIG will raise this issue with Legal when reviewing the other Codes.</p> <p>Responsible officer: Kathryn Hodson</p> <p>Date for implementation: 31 Oct 2015</p>
Page 27	<b>Recommendation 6:</b> To improve deterrence, the investigations team should explore with the Legal Division that all available sanctions are referenced in the 'Standard Terms and Conditions'.	3	<p>Management Response: Agreed.</p> <p>Action to be taken: The Legal Division has indicated that as part of the implementation of the Ethics and Integrity Initiative, there are plans to potentially revise such documents. OIG will be invited to participate in future reviews.</p>






Reference	Recommendation	Risk Level	Management response, responsible officer and implementation date
			<p>Responsible officer: Kathryn Hodson</p> <p>Date for implementation: 31 July 2015</p>
Page 27	<b>Recommendation 7:</b> To improve deterrence, the investigations team should explore with the Legal Division that the 'Standards of Conduct for Contacts with Members of the Global Fund involved in Funding decisions' should reference all available sanctions.	3	<p>Management Response: Agreed.</p> <p>Action to be taken: The Legal Division has indicated that as part of the implementation of the Ethics and Integrity Initiative, there are plans to potentially revise such documents. OIG will be invited to participate in future reviews.</p> <p>Responsible officer: Kathryn Hodson</p> <p>Date for implementation: 31 July 2015</p>
Page 27	<b>Recommendation 8:</b> To improve deterrence, the investigations team should explore with the Legal Division to ensure that the 'Operational Policy Note 11 June 2014 – Supplier Misconduct' should reference all available sanctions.	3	<p>Management Response: Agreed.</p> <p>Action to be taken: The Legal Division has indicated that as part of the implementation of the Ethics and Integrity Initiative, there are plans to potentially revise such documents. OIG will be invited to participate in future reviews.</p> <p>Responsible officer: Kathryn Hodson</p> <p>Date for implementation: 31 July 2015</p>

Reference	Recommendation	Risk Level	Management response, responsible officer and implementation date
Page 28	<b>Recommendation 9:</b> The Intelligence and Operational Excellence should be tasked to design a model investigation file structure for electronic filing to assist in ensuring consistency and succession planning.	3	<p>Management Response: Agreed</p> <p>Action to be taken: A data management review, will be undertaken to identify gaps and maximize file storage and retrieval.</p> <p>Responsible officer: Kathryn Hodson</p> <p>Date for implementation: 31 December 2015</p>
Page 28	<b>Recommendation 10:</b> It is recommended that both the Whistleblowing Policy and Procedures and the 'Say NO to wrongdoing' fold-out are amended to include what not to do as well as what to do.	3	<p>Management Response: Agreed</p> <p>Action to be taken: As part of the 2015 work plan the development of a communication strategy concerning the Whistleblowing Policy and Procedures is planned. This will incorporate promotion material such as posters, leaflets, and advertising.</p> <p>Responsible officer: Kathryn Hodson</p> <p>Date for implementation: 31 October 2015</p>
Page 28	<b>Recommendation 11:</b> It is recommended that actions are taken to encourage whistle-blowers to use the web-interface.	3	<p>Management Response: Agreed.</p> <p>Action to be taken: As part of the 2015 work plan the development of a communication strategy concerning the Whistleblowing Policy and Procedures is planned. This will</p>

Reference	Recommendation	Risk Level	Management response, responsible officer and implementation date
			<p>incorporate promotion material such as posters, leaflets, advertising of the various reporting channels.</p> <p>Responsible officer: Kathryn Hodson</p> <p>Date for implementation:</p>
Page 29	<p><b>Recommendation 12:</b> To measure progress and feed into deterrence, it is recommended that an annual/bi-annual survey seeking opinions/scoring on Investigation Function activity across the Global Fund Secretariat, CCM, LFA and PRs is undertaken.</p>	3	<p>Management Response: Agreed.</p> <p>Action to be taken: In addition to the Global fund staff engagement survey external stakeholders will be canvassed for views on OIG Communication, Collaboration and Operating Efficiency.</p> <p>Responsible officer: Kathryn Hodson</p> <p>Date for implementation: 31 December 2015</p>



## Appendix A: Definitions

Opinion/conclusion	
 (Green)	Overall, there is a sound framework in place to achieve objectives. There may be some weaknesses but these are relatively small or relate to attaining higher or best practice standards.
 (Amber-Green)	Minor weaknesses have been identified which may put achievement of objectives at risk.
 (Amber)	Weaknesses have been identified which put achievement of objectives at risk. Some remedial action will be required.
 (Amber-Red)	Significant weaknesses have been identified which put achievement of objectives at risk. Remedial action should be taken promptly.
 (Red)	Fundamental weaknesses have been identified leaving the systems open to error or abuse. Remedial action is required as a priority.

Risk and significance categories	
Priority ranking 1:	There is serious potential for financial loss, damage to reputation or loss of information. The recommendation should be actioned immediately.
Priority ranking 2:	The recommendation should be implemented within three months as there are implications for the achievement of business objectives.
Priority ranking 3:	The recommendation should be implemented to achieve best practice.

## Appendix B: Staff interviewed during the review

Name:	Job title
[REDACTED]	Junior Analyst, Intelligence and Operational Excellence
[REDACTED]	Investigator, Asia
[REDACTED]	Head of Investigations
[REDACTED]	Case Administrator, Computer Forensics
[REDACTED]	Chair, Audit and Ethics Committee
[REDACTED]	Investigator, Africa 2
[REDACTED]	Investigations Manager, Africa 2
[REDACTED]	Investigations Manager, LAC/MENA/EECA
[REDACTED]	Senior Manager, Policy and Strategy
[REDACTED]	Inspector General
[REDACTED]	Investigations Manager, Asia
[REDACTED]	Computer Forensic Expert
[REDACTED]	Investigator, LAC/MENA/EECA
[REDACTED]	Investigator, Africa 1
[REDACTED]	Manager, Intelligence and Operational Excellence
[REDACTED]	Investigations Manager, Africa 1

Moore Stephens LLP would like to thank everyone for their kind co-operation provided during the completion of this review, including staff who were not interviewed but ensured the reviewer received all the assistance and support required to complete the work.









## Appendix C: Documents/data reviewed

Annual Report of the OIG 2013  
Charter of the Office of the OIG  
Code of Conduct for Recipients  
Code of Conduct for Suppliers  
Code of Conduct for the Global Fund  
Code of Ethics and Professional Conduct for Employers and Suppliers in the OIG  
Complaint Screening Form  
Declaration of Interest Form  
Disclosure of Reports Issued by the OIG  
Employee Engagement Survey 2014  
Employee Handbook  
Ethics and Conflict of Interest for Global Fund Institutions  
Global Fund Governance (Oversight and regulatory environment of the OIG)  
Global Fund Strategy (2012 -2016 OIG General Induction 2014/15)  
Induction (Global Fund new starters) Pack  
Induction (OIG new starters) Pack  
Investigations Manual  
Investigation Files (hard copies and Z:/, X:/ & Y:/ drives)  
Investigations Unit Organogram  
Investigations Unit Plan for 2014  
Investigations Unit Work Plan for 2015  
Investigations Unit Self-Assessment Summary (Full Report)  
Investigations Unit Self-Assessment Summary  
Job Descriptions

- Head of Investigations (G8)
- Intelligence and Operational Excellence Manager (G6)
- Manager, Investigations (G6)
- Investigator (G4)
- Lead Investigations Analyst (G4)
- Computer Forensic Associate Specialist (G4)
- Junior Investigator (G3)
- Junior Analyst (G3)

OIG Products and their Objectives  
Prioritisation Matrix  
Preventing and detecting possible misuse of funds  
Progress Report Jun-Oct 2013 (OIG to Board)  
Sanctions Panel Procedures relating to the Code of Conduct for Suppliers  
Standard Terms and Conditions (for Grants) – Principal Recipient  
Standards of Conduct for Contacts with Members of the Global Fund involved in Funding Decisions  
Stakeholder Engagement Model OIG Investigations  
Terms of Reference for the Inspector General  
The Global Fund website  
Uniform Guidelines for Investigations  
Whistleblowing Leaflet  
Whistleblowing Policy and Procedures  
Operational Policy Note (OPN) – Supplier Misconduct  
Supplemental Terms and Conditions for OIG contracts  
Staffing list  
Audit and Ethics Committee Report to the Board (GF/B31/16 (March 2014))

## Appendix D: Strategic Assessment

Strategic
<p>Does the organisation have a counter fraud and corruption policy/strategy that can be clearly linked to the organisation's overall strategic objectives?</p> <p> (Green)</p>
<p>Are there effective links between 'policy' work (to develop an anti-fraud and corruption and 'zero tolerance' culture, create a strong deterrent effect and prevent fraud and corruption by designing and redesigning policies and systems) and 'operational' work (to detect and investigate fraud and corruption and seek to apply sanctions and recover losses where it is found)?</p> <p> (Green)</p>
<p>Is the full range of integrated action being taken forward rather than the organisation adopting a 'pick and choose' approach?</p> <p> (Green)</p>
<p>Does the organisation focus on outcomes (i.e. reduced losses) and not just activity (i.e. the number of investigations, prosecutions, etc.)?</p> <p> (Green)</p>
<p>Has the policy/strategy been directly agreed by those with political and executive authority for the organisation?</p> <p> (Green)</p>
Measuring fraud losses
<p>Are fraud and corruption risks considered as part of the organisation's strategic risk management arrangements?</p> <p> (Green)</p>
<p>Is the organisation seeking to identify accurately the nature and scale of losses to fraud and corruption?</p> <p> (Green)</p>
<p>Does the organisation use accurate estimates of losses to make informed judgments about levels of budgetary investment in work to counter fraud and corruption?</p> <p>The application of resources is informed by fraud risk including financial loss and savings.</p> <p> (Amber) - <b>A more accurate estimate of unreported losses could assist in ensuring the team remains fully resourced.</b></p>

### Having the necessary authority and support

Do those tasked with countering fraud and corruption have the appropriate authority needed to pursue their remit effectively, linked to the organisation's counter fraud and corruption strategy?

■ (Green)

Is there strong political and executive support for work to counter fraud and corruption?

■ (Green)

Is there a level of financial investment in work to counter fraud and corruption that is proportionate to the risk that has been identified?

■ (Green)

### Specialist training and accreditation

Are all those working as in the Unit professionally trained to perform the role?

■ (Green)

Do those employees who are trained and accredited formally review their skills base and attend regular refresher courses to ensure they are abreast of new developments and legislation?

■ (Green)

Are all those working to counter fraud and corruption undertaking this work in accordance with a clear ethical framework and standards of personal conduct?

■ (Green)

### Propriety checks

Is an effective propriety checking process in place (implemented by appropriately trained staff and including appropriate action where individuals fail the check)?

■ (Green)

Does the organisation regularly review its propriety checking and are random checks carried out to ensure that it is implemented?

■ (Green)

### Developing effective relationships

Are there framework agreements in place to work with others?








■ (Green)

Are agreements focused on the practicalities of common work?


■ (Green)

Are there regular meetings to implement and update these agreements?


■ (Green)

Culture
Does the organisation have a clear work plan attempting to create a real anti-fraud and corruption and zero tolerance culture (including strong arrangements to facilitate whistle blowing)?  (Green)
Are there clear goals for this work (to maximise the percentage of staff and public who recognise their responsibilities to protect the organisation and its resources)?  (Green)
Is this programme of work being effectively implemented?  (Green)
Are there arrangements in place to evaluate the extent to which a real anti-fraud and corruption culture exists or is developing throughout the organisation?  (Amber) - An annual survey across the Global Fund would assist.
Are agreements in place with stakeholder representatives to work together to counter fraud and corruption?  (Green)
Have arrangements been made to ensure that stakeholder representatives benefit from successful counter fraud and corruption work?  (Green)
Deterrence
Does the organisation have a clear work plan in place to create a strong deterrent effect?  (Green)
Has the organisation successfully publicised work in this area?  (Green)
Has the publicity been targeted at the areas of greatest fraud losses?  (Green)
Prevention
Does the organisation seek to design fraud and corruption out of new policies and systems and to revise existing ones to remove apparent weaknesses?  (Green)
Do concluding reports on investigations include a specific section on identified policy and systems weaknesses that allowed the fraud and corruption to take place?  (Green)
Is there a system for considering and prioritising action to remove these identified weaknesses?  (Green)
Detection
Are there effective whistle blowing arrangements in place and are these cross referenced to the Counter Fraud Policy?  (Green)


Are analytical intelligence techniques used to identify potential fraud and corruption?

 (Amber) – In design.


Are there effective arrangements for collating, sharing and analysing intelligence?

 (Green)


Are there arrangements in place to ensure that suspected cases of fraud or corruption are reported promptly to the appropriate person for further investigation?

 (Green)


Are there arrangements in place to ensure that identified potential cases are promptly and appropriately investigated?

 (Green)

Are proactive exercises undertaken in key areas of fraud risks or known systems weaknesses?


 (Green)

Does the organisation participate in risk measurement exercises?


 (Amber) – In design.

### Investigation

Is the organisation's investigation work effective and is it carried out in accordance with guidance?

 (Green)


Do those undertaking investigations have the necessary powers, both in law, where necessary, and within the organisation?

 (Green) (although access is in collaboration with law enforcement)

Are referrals handled and investigations undertaken in a timely manner?


 (Green)

Does the organisation have arrangements in place for assessing the effectiveness of the investigations?

 (Green)

### Sanction and Redress

Does the organisation have a clear & consistent policy on the application of sanctions where fraud or corruption is proven to be present?

 (Green)

### Overall Assessment

 (Green)



## Appendix E: Uniform Guidelines and Principles

### 1. General Principles

1. The Investigative Office conducts and reports on any investigation work that is deemed appropriate and consistent with the Charter of the Office of the Inspector General's mandate.
2. Undertakes investigations of alleged fraud, abuse, misappropriation, corruption and mismanagement within Global Fund Financed programmes.
3. Undertakes its work according to a multi-year work plan/budget and in addition, respond to events that occur outside the approved plan to investigate allegations of fraud and abuse as they arise.
4. The purpose of an investigation by the Investigative Office is to examine and determine the veracity of allegations of corrupt or fraudulent practices as defined by each institution including with respect to, but not limited to, projects financed by the Organisation, and allegations of Misconduct on the part of the Global Fund staff members/recipients.
5. The Investigative Office shall maintain objectivity, impartiality, and fairness throughout the investigative process and conduct its activities competently and with the highest levels of integrity. In particular, the Investigative Office shall perform its duties independently from those responsible for or involved in operational activities and from staff members liable to be subject of investigations and shall also be free from improper influence and fear of retaliation.
6. The staff of the Investigative Office shall disclose to a supervisor in a timely fashion any actual or potential conflicts of interest he or she may have in an investigation in which he or she is participating, and the supervisor shall take appropriate action to remedy the conflict.
7. Appropriate procedures shall be put in place to investigate allegations of Misconduct on the part of any staff member of an Investigative Office.
8. The OIG shall publish the mandate and/or terms of reference of its Investigative Office as well as an annual report highlighting the integrity and anti-fraud and corruption activities of its Investigative Office in accordance with its policies on the disclosure of information.
9. The Investigative Office shall take reasonable measures to protect as confidential any non-public information associated with an investigation, including the identity of parties that are the subject of the investigation and of parties providing testimony or evidence. The manner in which all information is held and made available to parties within the OIG or parties outside of the OIG, including national authorities, is subject to the OIGs rules, policies and procedures.
10. Investigative findings shall be based on facts and related analysis, which may include reasonable inferences.
11. The Investigative Office shall make recommendations, as appropriate, to the Global Fund management that are derived from its investigative findings.
12. All investigations conducted by the Investigative Office are administrative in nature
13. Investigations staff members benefit from on-going professional development and have high quality development plans.
14. Opportunities for other qualified Global Fund Staff to be seconded to the Investigative Office and *vice-versa* in accordance to the needs to support development of management talent in the Global Fund.
15. The Investigative Office develops and administers a training programme for the prevention and detention of fraud and abuse within Global Fund financed programmes and operations, and other counter-fraud activities in line with best practice.

## **2. Rights and Obligations**

16. A staff member who qualifies as a 'whistle-blower' under the rules, policies and procedures of the Global Fund shall not be subjected to retaliation. The OIG will treat retaliation as a separate act of Misconduct.

17. The Global Fund requires staff to report suspected acts of fraud, corruption, and other forms of Misconduct.

18. The Global Fund shall require staff/grant recipients to cooperate with an investigation and to answer questions and comply with requests for information.

19. The Global Fund adopt rules, policies and procedures and includes in its contracts with third parties, provisions that parties involved in the investigative process shall cooperate with an investigation.

20. As part of the investigative process, the subject of an investigation shall be given an opportunity to explain his or her conduct and present information on his or her behalf. The determination of when such opportunity is provided to the subject is regulated by the rules, policies and procedures of the OIG.

21. The Investigative Office should conduct the investigation expeditiously within the constraints of available resources.

22. The Investigative Office should examine both inculpatory and exculpatory information.

23. The Investigative Office shall maintain and keep secure an adequate record of the investigation and the information collected.

24. The staff of the Investigative Office shall take appropriate measures to prevent unauthorised disclosure of investigative information.

25. The Investigative Office shall document its investigative findings and conclusions.

26. For purposes of conducting an investigation, the Investigative Office shall have full and complete access to all relevant information, records, personnel, and property of the Global Fund/Grant Recipients, in accordance with the rules, policies and procedures.

27. The Investigative Office shall have the authority to examine and copy the relevant books and records of projects, executing agencies, individuals, or firms participating or seeking to participate in Global Fund-financed activities or any other entities participating in the disbursement of funds.

28. The Investigative Office may consult and collaborate with other Organisations, international institutions, and other relevant parties to exchange ideas, practical experience, and insight on how best to address issues of mutual concern.

29. The Investigative Office may provide assistance to and share information with other Investigative Offices.

30. The work practices of and functions provided by the Investigative Office is subject to periodic independent review and assessment to confirm conformance with prevailing international standards and guidelines, and best practice.

31. The Investigative Office, part of the OIG, as an integral but independent unit of the Fund, applies the Global Fund standard policies and procedures, together with applicable professional standards of conduct.

## **3. Procedural Guidelines**

32. Mechanism for reporting potential fraud and abuse; intake procedures to evaluate incoming reports of potential misconduct within Global Fund financed programs and operations and oversee the implementation of appropriate protections for Global Fund employees and others reporting concerns as well as those who are the subject of such reports; develop, provide and maintain capacity to identify the risk of fraud and abuse

33. Whistleblowing hotline: Maintain the Global Fund's whistleblowing hotline, and investigate whistleblowing complaints and allegations of misconduct consistent with the Charter of the Office of the Inspector General

34. Sources of Complaints - The Investigative Office shall accept all complaints irrespective of their source, including complaints from anonymous or confidential sources.

35. Where practicable, the Investigative Office will acknowledge receipt of all complaints.

36. Receipt of Complaint - All complaints shall be registered and reviewed to determine whether they fall within the jurisdiction or authority of the Investigative Office.

37. Preliminary Evaluation - Once a complaint has been registered, it will be evaluated by the Investigative Office to determine its credibility, materiality, and verifiability. To this end, the complaint will be examined to determine whether there is a legitimate basis to warrant an investigation.

38. Case Prioritisation - Decisions on which investigations should be pursued are made in accordance with the rules, policies and procedures of the Organisation; decisions on which Investigative Activities are to be utilised in a particular case rest with the Investigative Office.

39. The planning and conduct of an investigation and the resources allocated to it should take into account the gravity of the allegation and the possible outcome (s).

#### **4. Investigative Activity**

40. Investigative Activity - The Investigative Office shall, wherever possible, seek corroboration of the information in its possession.

41. Investigative Activity includes the collection and analysis of documentary, video, audio, photographic, and electronic information or other material, interviews of witnesses, observations of investigators, and such other investigative techniques as are required to conduct the investigation.

42. Investigative Activity and critical decisions should be documented in writing and reviewed with managers of the Investigative Office.

43. If, at any time during the Investigation, the Investigative Office considers that it would be prudent, as a precautionary measure or to safeguard information, to temporarily exclude a staff member that is the subject of an investigation from access to his or her files or office or to recommend that he or she be suspended from duty, with or without pay and benefits, or to recommend placement of such other limits on his or her official activities, the Investigative Office shall refer the matter to the relevant Department in the Global Fund for appropriate action.

44. To the extent possible, interviews conducted by the Investigative Office should be conducted by two persons.

45. Subject to the discretion of the Investigative Office, interviews may be conducted in the language of the person being interviewed, where appropriate using interpreters.

46. The Investigative Office will not pay a witness or a subject for information. The Investigative Office may assume responsibility for reasonable expenses incurred by witnesses or other sources of information to meet with the Investigative Office.

47. The Investigative Office may engage external parties to assist in its investigations.

48. The Investigative office manages the work of external parties it engages. Puts in place, monitors systems to assure that external parties meet the service standards of the Office of the Inspector General during their work

## **5. Investigative Findings**

49. If the Investigative Office does not find sufficient information during the investigation to substantiate the complaint, it will document such findings, close the investigation, and notify the relevant parties, as appropriate.

50. If the Investigative Office finds sufficient information to substantiate the complaint, it will document its investigative findings and refer the findings to the relevant department within the Global Fund, consistent with the OIG's policies and procedures.

51. Where the Investigative Office's investigative findings indicate that a complaint was knowingly false, the Investigative Office shall, where appropriate, refer the matter to the relevant Department in the Global Fund.

52. Where the Investigative Office's investigative findings indicate that there was a failure to comply with an obligation existing under the investigative process by a witness or subject, the Investigative Office may refer the matter to the relevant Department in the Global Fund.

53. Final investigations reports are posted on the Global Fund's public internet site in accordance with the Board-approved "Policy for Disclosure of Reports" issued by the Inspector General

54. The Investigative Office identifies systematic weaknesses providing opportunities for fraud and abuse in Global Fund financed programs and operations, and makes recommendation to the Global Fund on changes that it can make to its grant management practice to address them.

55. Implement best international practices for the detection, investigation and prevention of fraud and abuse and for fostering an ethical work environment.

## **6. Referrals to National Authorities**

56. The Investigative Office may consider whether it is appropriate to refer information relating to the complaint to the appropriate national authorities, and the Investigative Office will seek the necessary internal authorisation to do so in cases where it finds a referral is warranted.

## Appendix F: Biography of Reviewer – John Baker, Moore Stephens LLP

**Education:** MA (Public Sector Policy and Management) - York University  
Accredited Counter Fraud Specialist - Portsmouth University

**Number of years of experience in the field of fraud/corruption:** 20+ years

**Specialisation:** Preventing and Investigating fraud and corruption in the UK and overseas (experience in Public, Not-for-Profit and Corporate sectors).

### Relevant Skills

John has worked with a host of organisations to develop and embed counter-fraud and corruption strategies, undertake investigations, design and deliver training and undertake fraud and bribery risk and institutional assessments. He has been employed in anti-fraud/corruption roles in central government, the UK National Health Service, the Chartered Institute of Public Finance and Accountancy and three out of the Top 10 consultancy firms.

He has undertaken a host of investigations in central and local government, charities, sport, pharmaceuticals and healthcare, financial services, recruitment, shipping and education. He is a regular speaker at events both in the UK and overseas. His most recent engagement was a major fraud and corruption humanitarian aid-related investigation in Uganda.

Prior to joining Moore Stephens, he led (at Partner level) a Fraud team of 40+ investigators and in 2013 had oversight responsibility for 360+ investigations, deploying staff in over 120 organisations and in hostile environments including Afghanistan, Kenya and Sierra Leone. Whilst with KPMG Forensics, he was also a trainer for the Accredited Counter Fraud Specialist qualification and is a certified Facilitator.

John sits on the Advisory Panel of Portsmouth University's Centre for Counter Fraud Studies, on the Editorial Board for 'Fraud Intelligence' (Informa) magazine and is Vice Chair of the London Audit Group's Fraud Sub-Group. Until recently he was a Director of the London Fraud Forum, an Executive Member of the Institute of Counter Fraud Specialists and sat on the 'Fighting Fraud Locally' Steering Committee (then National Fraud Authority).

In 2007 John was the Project Lead for the UK Government Attorney General's Fraud Review Fraud Loss Measurement Unit's Working Group and prior to this he was the Vice Chair of a Parliamentary data-sharing and identity fraud group. John has made considerable contributions to a number of key documents including the Chartered Institute of Public Finance and Accountancy (CIPFA) 'Taking Action to Reduce Fraud' and he has written a number of articles on fraud for Public Finance, Fraud Intelligence, Accounting, Local Government Chronicle etc.

**Security Clearance:** Cleared to SC level.