



**Audit Report**

**Audit of the Global Fund**

# **Human Resources Key Processes**

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GF-OIG-25-009  
11 June 2025  
Geneva, Switzerland

# What is the Office of the Inspector General?

The Office of the Inspector General (OIG) safeguards the assets, investments, reputation, and sustainability of the Global Fund by ensuring that it takes the right action to end the epidemics of AIDS, tuberculosis, and malaria. Through audits, investigations, and advisory work, it promotes good practice, enhances risk management, and reports fully and transparently on abuse.

The OIG is an independent yet integral part of the Global Fund. It is accountable to the Board through its Audit and Finance Committee and serves the interests of all Global Fund stakeholders.

## Email:

hotline@theglobalfund.org

## Free Telephone Reporting Service:

+1 704 541 6918

Service available in English, French, Spanish, Russian, Chinese and Arabic

## Telephone Message - 24-hour secure voicemail:

+41 22 341 5258



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# 1. Executive Summary

## 1.1 Opinion

Human Resources (HR) processes are crucial to the Global Fund's ability to attract, retain, and manage talent effectively, and to align workforce capabilities with strategic goals.

As of 31 December 2023, 1,140 staff (2022: 1,075) were employed by the Global Fund.<sup>1</sup> Workforce costs, which include the regular human resources cost and compensation for individual and agency consultants, were US\$245m in 2023, up from US\$215m in 2022.<sup>2</sup> Employee lifecycle processes adhere to recently updated process descriptions and core HR processes, including recruitment, contract extensions, and separations. To continue to strengthen the recruitment process, there are opportunities to further standardize job description preparation and establish mechanisms, to ensure compliance with existing recruitment process controls, such as required background checks.

Controls over staff benefits require significant improvement. Administering Global Fund staff benefits integrates multiple components, such as salary items, benefits, expatriate premiums, education grant, child and relocation allowances, health insurance and provident fund<sup>3</sup> contributions. The Global Fund has outsourced management of some of the above benefits to external providers. Significant weaknesses exist in the oversight of these providers, with tax equalization allowances being paid to employees without sufficient supporting documentation. Between January 2021 and June 2024, there were payments of benefits totalling CHF 1m (US\$ 1.1m<sup>4</sup>) without sufficient supporting documentation to 12 staff who were eligible for tax equalization.<sup>5</sup>

Although control mechanisms exist to ensure no payment is made without the required documentation, the reliance on employee self-certification process for child allowance and education grant is not sufficient to ensure benefits are not claimed from another source. The reliance on employee self-certification without confirmation that similar benefits are not received by other members of the family should be strengthened. Controls over employee lifecycle processes, including benefits and oversight over external service providers **need significant improvement**, especially to ensure that benefits are only paid to employees who have continuously demonstrated their eligibility.

The HR department is working on several projects to enhance the quality of its data, and to automate data processing where possible, which has contributed to enhancing data accuracy and reliability. The HR data management process is well-supported by a Data Catalogue, and adheres to the principles established by the Global Fund Data Governance Committee.

However, the audit identified instances where data management practices did not comply with GF record management and retention regulations. Background check results, and some recruitment documentation and data consent forms, were found stored on individual HR staff members' work computers and professional emails. Inappropriate storage practices expose the Global Fund to the risk that when an HR staff member leaves the organization, this data cannot be retrieved and/or

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<sup>1</sup> 2023 Annual Financial Report and External audit results page 62

<sup>2</sup> *ibid*

<sup>3</sup> The Global Fund Provident Fund is the Global Fund's employee savings scheme. It has been established to provide retirement, death and disability benefits for employees and their qualifying dependents and beneficiaries.

<sup>4</sup> Exchange rate used is the average of the average exchange rate CHF/US\$ in the 2021, 2022 and 2023 Audited Financial Statements

<sup>5</sup> Tax allowances paid between January 2021 and June 2024 totaled CHF16.8m (US\$ 18.3m)

verified. This also exposes the Global Fund to legal and reputational risks, if unable to reproduce this data.

The effectiveness of ongoing projects cannot yet be confirmed but their design is adequate. Controls over HR data management are **partially effective**.

## **1.2 Key Achievements and Good Practices**

### **Several ongoing data projects to enhance data quality and automation**

Several data projects are underway or were recently completed, which are expected to improve data quality and simplify future reporting processes. These include the Data Quality Improvement Project, completed in June 2024, and projects on position management data linking individual employee data with budgeted positions (aligning HR and finance data and terminology) and preparing and strengthening dashboards in the HR system Workday. The HR data management process is well-supported by a Data Catalogue, and adheres to the principles established by the Global Fund Data Governance Committee.

### **Employee lifecycle processes generally follow well-designed process descriptions**

Employee lifecycle processes documents (recruitment, hiring, changing jobs and separations) have been recently reviewed and updated. Comprehensive and detailed, they ensure effective implementation, with actual processes aligning well with documented procedures.

### **Functional payroll process controls**

The payroll process effectively integrates multiple components, including various salary items, benefits, deductions, allowances, and other benefits administered by third parties. Despite a high reliance on manual steps and multiple excel spreadsheets, the process incorporates control mechanisms at both the Global Fund level and at the service provider executing the payroll, using an encrypted platform to share documentation. Clear segregation of duties and adherence to the payroll process description and calendar ensure procedural compliance and effective payroll operations.

## **1.3 Key Issues and Risks**

**Inadequate management and oversight over outsourced benefits led to payments of tax equalization benefits without sufficient supporting documentation that remained undetected for four years. Insufficient controls to detect possible duplicate claims of child allowance and education grants expose the Global Fund to the risk of paying ineligible allowances.**

The management and oversight of staff benefits need significant improvement. For tax equalization services, the third party contracted to calculate and control staff payment failed to obtain necessary tax assessments for employees, resulting in substantial tax allowances paid to employees who have not submitted their tax filings, and in one case to an employee no longer eligible for the allowance. This issue went undetected by the Global Fund for over four years, due to a lack of monitoring and supervision of the third party, and the absence of internal control procedures to reconcile different data, to ensure only eligible employees received the benefit.

The process to ensure that child allowances and education grant benefits are not paid to employees who already receive it from another source is inconsistent. The process relies on self-certification of eligibility by the employee, and the Global Fund does not systematically verify information declared by employees.

**Retention of data processed outside of Workday is not compliant with data retention policies, which has led to some data loss.**

Employee records have been maintained in the HR system Workday since 2018, which provides robust security controls over sensitive data. While individual staff data remains securely stored in Workday, data is regularly extracted and processed for various HR activities, such as responding to data queries and preparing HR reports.

Once the data leaves Workday, its storage does not always align with the Global Fund data retention policies and protocols. The OIG found instances where the extracted and processed data was kept on staff work computers, without being appropriately backed up in a central repository. As a result, when certain HR personnel left the organization, some of this data became inaccessible, limiting the ability to verify the accuracy of the information contained in the 2022 HR reports to the Audit and Finance Committee. For 2023, most of the information was recomputed and accurately reported. However, the underlying risks linked with data retention and decentralized storage practices should be mitigated to avoid potential reputational, financial, and legal consequences for the Global Fund.

Certain recruitment process steps have been managed outside of Workday (e.g. screening and shortlisting of candidates, conflict of interests check, organizational fit assessments results) and the external sharing of employees' data to donor representatives and the collection of their consents was conducted exclusively via email. These data sets were not subsequently been backed up in a central repository, and some documents were lost. Without implementing proper data retention and storage practices, the Global Fund remains exposed to risks of data loss.

**Controls need strengthened to ensure compliance with standard and enhanced background checks, and job descriptions to ensure effectiveness and consistency.**

No mechanism exists to ensure all required background checks are performed for candidates recruited, to ensure they have not previously engaged in misconduct or unethical behaviour. While all background checks performed by the external service provider were completed, subsequent checks against OIG investigations history and enhanced due diligence checks for senior or sensitive roles, were not consistently performed.

While job descriptions undergo specific review process when requested by the manager (typically when reorganizations occur, or when the position is graded), there is no systematic process to ensure all related roles undergo periodic review, to ensure consistency across roles. As a result, job descriptions for existing roles that were not reviewed as part of ad hoc processes are not consistent, potentially leading to risk of adverse recruitment outcomes.

## 1.4 Objectives, Ratings and Scope

The overall objective of the audit is to provide reasonable assurance to the Global Fund Board on the design and effectiveness of key Global Fund Human Resources processes.

Specifically, the audit assessed the adequacy and effectiveness of:

Objectives	Rating	Scope
<b>Employee lifecycle:</b> Key HR processes throughout the employee lifecycle (recruitment, hiring, contract extension, payroll, compensation and benefit, separation).	<b>Needs significant improvement</b>	<b>Audit period</b> January 2022 to June 2024  <b>Scope exclusions</b> The audit did not cover HR-related processes HR1 and HR3 as these have been subject to, or were included as part of, other OIG assurance and advisory engagements during the audit period. This includes the audits of the “ <i>Effectiveness of Global Fund model in delivering the new strategy</i> ” (2024), the “ <i>Global Fund Country Team model and supporting functions</i> ” (2024), and the “ <i>Internal Justice Mechanism advisory</i> (2024)”.  These engagements included large parts of the corporate business processes HR1 <sup>6</sup> and HR3 <sup>7</sup> (see section 2.2. for an overview of these processes) in their respective scopes and were therefore scoped out of this review.
<b>HR data management:</b> controls and oversight of data governance and systems throughout the data lifecycle (data input, data processing, data reporting, information security and data output/reporting).	<b>Partially effective</b>	

The OIG interviewed stakeholders, and reviewed relevant documents and HR processes/controls for monitoring and oversight. The OIG also performed data analysis procedures on relevant HR datasets and reviewed the data management processes.

Details about the general audit rating classification can be found in **Annex A** of this report.

<sup>6</sup> Human Resources 1 (HR1) involves the following business corporate sub-processes: Definition, implementation, and monitoring of P&O progress, Delivery of culture programs (e.g., DEI, Health and Wellbeing), Talent management strategy, Performance and development, Learning, development and competency management, Workforce management

<sup>7</sup> Human Resources 3 (HR3) involves the following business corporate sub – processes: Policy frameworks, Employee Handbook, Employee relations, Investigation and disciplinary actions, Dispute resolution system

## 2. Background and Context

### 2.1 Overall Context

The HR department at the Global Fund follows the “Ulrich model”, which defines four main roles: *Strategic Partner*, *Change Agent*, *Admin Expert*, and *Employee Champion*. This structure aims to create strategic value for the organization. The department consists of 54 positions, including staff and consultants, and is led by the Chief Human Resources Officer (CHRO).

The department is divided into four main teams:

1. **Operational Services:** Manages HR operations, including recruiting, payroll, and HR information system and data management.
2. **Rewards & Staff Relations:** Manages employee relations, grievances, disputes, compensation & benefits, and recognition.
3. **Culture, Talent, and Development:** Focuses on organizational culture, talent management, and employee development.
4. **HR Business Partnering:** Works with other departments to align HR strategies with organizational goals.

Additionally, a Project Management Office supports the CHRO with projects, strategic initiatives, and reporting.

#### **Overview of HR expenditure administered through HR processes.**

The Global Fund’s workforce costs encompass regular human resources expenses and compensation for individual and agency consultants. Consultants are engaged in specific projects or provide surge capacity, supporting the delivery of the Global Fund’s mission.

As of 31 December 2023,<sup>8</sup> the Global Fund employed 1,140 staff, an increase from 1,075 in 2022. The Global Fund paid US\$245 million in salaries and benefits to its staff in 2023, up from US\$215 million in 2022.

### 2.2 Overview of HR processes

There are three Global Fund corporate business processes related to Human Resources, and for which the HR department is responsible:

**HR1: Manage People and Organization Development.** This process encompasses the People and Organization Ambition and strategic initiatives to enable its delivery.

**HR2: Manage HR Operations.** This involves the management of HR operations to deliver efficient and effective services, from recruiting to separation. It also includes the management of HR-related data, systems, reporting, and payroll.

**HR3: Manage HR Policy and Framework.** This process involves the development and maintenance of HR policies and frameworks in alignment with organizational strategy, needs, and decisions of governing bodies. It also includes the management of employee relations, grievances, and disputes.

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<sup>8</sup> [The Global Fund Annual Financial Report 2023](#), accessed on 25 March 2025

The Global Fund ensures that HR programmes support the organization to achieve its objectives efficiently and effectively through the organization-wide People & Organization Ambition, while HR Operations aims to manage the employee lifecycle and data management, which includes recruitment, HR systems and workforce data. Combined, these processes provide a comprehensive overview of the responsibilities of the Global Fund HR department.

## **2.3 HR strategy: People & Organization Ambition 2023-2028**

Launched in 2023, this strategy supports the Global Fund's 2023-2028 Strategy.<sup>9</sup> It focuses on creating a continuously agile organization, fostering an inclusive culture of care and candor, ensuring the right talent for current and future needs, promoting strong leadership, and elevating HR delivery. Key achievements in 2023 include the completion of organizational changes, successful recruitment pilots, and initiatives to improve psychological safety and employee well-being. The HR department also achieved high customer satisfaction (87%) with its front-desk services, and made considerable progress in optimizing HR processes (including contract automation, salary determination, document management process mapping).

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<sup>9</sup> Global Fund Strategy (2023-2028), <https://www.theglobalfund.org/en/strategy/> (accessed on 25 March 2025)



### **3. Findings**

#### **3.1 Inadequate oversight over outsourced processing has led to payment of tax equalization benefits without sufficient supporting documentation**

**The Global Fund is exposed to financial loss due to lack of oversight over outsourced benefits management services. Controls to prevent duplicate payments of child allowance and education grant are insufficient to deter and detect instances where employees may be claiming it from multiple sources.**

Employees at the Global Fund may be eligible for several benefits. These include tax equalization allowance, child allowance, and education grants. The Global Fund Code of Conduct and its Employee Handbook require employees to request these benefits and submit documentation based on accurate information. However, the existing controls over the submitted documents do not detect changes in the continued eligibility for those benefits, which has resulted in payments of tax equalization allowances without the verification of proper documentation. Additionally, although no payments are made to staff without proper documentation, self-certification may not be sufficient to mitigate the risk of paying child allowances and education grants to employees who also receive these from another source.

**Lack of oversight and monitoring of outsourced services has led to payments of tax equalization allowances without sufficient supporting documentation.**

US citizens/green card holders filing US tax returns, and employees residing in France or Switzerland and employed before 2009, are eligible for a tax equalization allowance, subject to defined fiscal criteria. The allowance is meant to compensate the tax liabilities arising due to their income from Global Fund employment.<sup>10</sup> The total expenditure on these amounts between 2021 and June 2024 totalled CHF16.8m (US\$18.3m).

The calculation of tax allowances, and reconciliation of final tax payments, is outsourced to a specialist third party. Employees are required to submit their tax assessment to the external service provider at the beginning of each year. Based on this information, the external service provider calculates a tax allowance,<sup>11</sup> which is communicated to the Global Fund's HR department and paid to the employee through the staff payroll every month. Contractually, the external service provider is required to calculate the tax allowances based on an updated tax assessment. This mechanism ensures the service provider only determines the tax allowance to be paid for eligible employees who have submitted their assessments on a timely basis, and that tax equalization allowance paid is equal to the taxes paid by the employee. The service provider is expected to inform the Global Fund of anything that affects eligibility for, or the amount of, tax equalization allowances for employees. The Global Fund itself may also be informed of events that affect eligibility (e.g. address change for French tax equalized employees) through its regular employee data maintenance process.

The OIG analysed tax equalization allowances paid, and found that between January 2021 and June 2024, the Global Fund paid CHF1m (US\$1.1m) tax allowances to 12 tax equalized employees who

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<sup>10</sup> Amended and Restated Global Fund Human Resources Policy Framework, latest amendment July 2023

<sup>11</sup> Paid monthly to eligible employees residing in France and Switzerland and quarterly for US citizens/green card holder

did not provide updated information about their tax liability.<sup>12</sup> Among the 12 cases identified, three had not submitted a tax assessment since 2019, meaning tax allowances paid to these employees in 2020 were also not verified, and one had not submitted required documentation since 2018, which means that their 2019 tax equalization allowances were similarly not based on updated supporting documentation. Given the current controls gaps identified, and the fact that OIG could not test transactions before January 2021 due to a change in external provider, it was not possible to determine whether older tax equalization allowances were paid without the appropriate documentation being submitted to the external provider.

This issue remained undetected due to the absence of oversight mechanisms over the external service provider. The external service provider continued to communicate monthly tax allowances, which the Global Fund in turn paid, for employees who did not submit their tax assessments or tax statements. Up until September 2024, the provider determined the amounts to be paid using the last tax filings submitted by the employees.

The Global Fund did not request the service provider to communicate regularly, as per contract, on the status of tax assessments, or the eligibility of the employee. The Global Fund did not validate employees' eligibility with available employee data. For example, the eligibility for tax equalization allowance for some employees is linked to their residency status in France. If an employee updated their home address information in Workday from an address in France to one in Switzerland, HR salary personnel would not receive an alert, or have any mechanism that would trigger tax equalization payments to be stopped. In one case, an employee notified the Global Fund of a change of address to Switzerland, but the Global Fund did not investigate the implications this would have, on their eligibility for the allowance, and continued to pay the allowance for three years, totalling more than CHF200,000 (US\$217,320). Under the current mechanism, payments would only cease upon an explicit request from the relevant employee, or notice from the external service provider.

Following the communication of these findings, the HR Department has stopped all payments since October 2024 to ineligible employees, or those who have outstanding tax assessments or statements, while they work to strengthen the controls over such benefits and clear all outstanding liabilities.

Past audits highlighted oversight issues with other external service providers who provide HR-related services. In its 'Comprehensive Auditor's report' for the year ended 31 December 2023, the Global Fund's external auditor raised a control deficiency about inadequate documentation over sick leaves covered by insurance.<sup>13</sup> The report highlighted, among others, risks of decentralized documentation management, and lack of clarity in the roles and responsibilities within the process that involved an external service provider.

**Self-certification process is not sufficient to ensure that employees are not claiming child allowance and education grant benefits from another source.**

Employees with children may be eligible for an education grant, as well as a child allowance. In 2023, the total amount of benefits paid to employees was CHF3.4 million (US\$3.7m) for child allowance and CHF11 million (US\$12m) for education grants. According to the Employee Handbook, these shall not be paid if the employee, a spouse/partner, or dependent child receives an allowance from another source for the same purpose. The Employee Handbook requires employees to provide *"satisfactory supporting documentation to demonstrate eligibility for benefits or allowances."*

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<sup>12</sup> As of June 2024, the number of tax equalized employees receiving monthly tax allowances through TGF payroll was 148 and the total amount of tax equalization allowances paid in the period January 2021 to June 2024 was CHF 16.8m (US\$ 18.3m)

<sup>13</sup> Comprehensive Auditor's report for the year ended 31 December 2023 – page 36

The level of documentation that has been requested from employees varies, from simple self-certification to a certificate from the spouse's employer that no such allowance is paid. There is no systematic process to corroborate the self-certification given by the employee that the benefit is not received from another source.

Given the significant financial expenditure by the organization, a stronger mechanism to reduce the risk that these benefits were already received by the employee from another source without being detected by the Global Fund needs to be strengthened.

### **Agreed Management Action 1**

The Secretariat will:

- Establish a structured process to confirm and update ongoing eligibility for tax equalization on an annual basis.
- Develop a framework to better integrate data and overall coordination and communication between providers and various HR teams regarding the application of the tax equalization policy.
- Strengthen the language in Employee Handbook as well as policies and develop communication materials to enable improved understanding and management of tax equalization benefits, requirements, and processes.
- Enhance the robustness of the self-certification process used to confirm non-duplication of benefits.

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OWNER: Chief Human Resources Officer

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DUE DATE: 30 June 2026

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### **3.2 Non-compliance with GF record management and retention regulations exposes the organization to risks of data loss.**

The OIG identified instances where HR data has been stored on employees' work computers and emails, rather than a centralized repository. Traceability and retrieval of these documents is impaired, leading to potential legal and reputational implications. Some documents have been lost when employees managing the files have left the organization.

The HR department processes substantial amounts of confidential and sensitive data, for both individual employees (e.g. personal data) and the overall organization (e.g. headcount data, recruitment records including personal data of unsuccessful candidates, payroll data) in its day-to-day operations. Data is also used to report to various stakeholders, including to donors through ad-hoc requests, semi-annually to the Audit and Finance Committee (AFC), and through the annual HR Report to the broader Global Fund.

The HR department uses Workday<sup>14</sup> as the main repository for individual employee data, which provides adequate access and retention controls, compliant with Global Fund data retention regulations. Payroll data is also stored in a secure location and is compliant with Global Fund data retention protocols.

The OIG identified instances where data was stored on individual staff members' work on computers and emails. As a result, when those employees left the organization, the working files were unretrievable. While the final reports and source data remain available, the inability to access the processed data and calculations limits the organization's capacity to validate or re-verify reported figures.

**Employee data shared with donors, and consent forms to share personal data, was stored on HR staff work computers and emails, and was lost when the employee left the organization.**

Donor countries may ask the Global Fund to provide information about their nationals employed at the Global Fund. This includes personally identifiable information, and to do so the Global Fund requests employees' consent. According to the Global Fund Record Management and Retention Regulations, this information is classified as "confidential" or "highly confidential."

The information shared with donors, as well as the consent forms from employees permitting their data to be shared, were stored on an individual HR staff member's Global Fund computer and in their email inboxes, rather than an access-controlled central repository. The data could not be retrieved during OIG review as the employee had left the organization and the data had been lost.

This exposes the organization to legal risks if employees make claims that their personal information has been shared without their consent, and the Global Fund cannot retrieve the information communicated and the consent received.

**Data contained in the HR reports sent to governance bodies is inadequately stored and could only be partially verified.**

HR Reports sent to governance bodies or posted on the organization's intranet Engage (i.e. HR Annual Report and AFC HR Report) are prepared by extracting raw data from several sources (e.g. Workday, iLearn, Loyapps, Employee Relation system and Service now). The resulting analyses

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<sup>14</sup> Workday is an enterprise software with systems for, among others, HR, finance and industry planning. The Global Fund is using the Human Capital Management system for HR operations.

inform the reports used to support and inform decision-making at senior management level, and to provide updates and transparency on the Global Fund workforce.

The guidelines describing the process to produce HR data contained in the AFC HR Report and the Annual HR report are not sufficiently detailed, lacking among other things the data manipulation and checks that should be performed to obtain the final data reported. Furthermore, the files containing the analyses are not systematically stored in a secure and access-controlled location.

The working files used to complete the 2022 report were unretrievable, because the consolidated data was stored on individual staff work computers. Therefore, the OIG could not verify the accuracy of certain information reported in 2022 due to unavailability of underlying working data. While for the 2023 report, data was found to be largely accurate, this conclusion required extensive work, as there was no clear documentation of the computation methodology, and limited access to source files, mostly those linked with prior year comparison.

Improvements to retention practices, and the establishment of a structured methodology, are needed to ensure HR reports remain verifiable and support effective decision making.

**Recruitment process documentation that is managed offline was not systematically stored in secure and access-controlled locations, which led to some of it being lost.**

According to HR's recruitment operational procedure, each recruitment process undergoes a meticulous assessment to ensure that the candidate selected is the most suitable for the job. This process includes various steps, starting with posting the job requisitions on Workday until candidates are onboarded.<sup>15</sup> The documentation supporting the execution of each step was not systematically stored on Workday or another central repository. On a sample of 12 recruitments involving multiple steps, the OIG observed 22 instances where documentation supporting the execution of each step was not available in the recruitment files and had to be subsequently requested for review.

Of the missing documents, 15 referred to background check results from both the external service provider HORUS and the OIG (see finding 3.3 for further details on Background checks at the Global Fund). According to internal procedures, the results of the HORUS background checks should be stored and retained in Workday, but were not for any of the 12 recruitments reviewed by the OIG. Storage and retention of results from OIG background checks is not defined, but should also be integrated in Workday.

In addition, seven remaining documents (e.g. screening and shortlisting of candidate, conflict of interests check, organizational fit assessments results) were lost as they were only stored on the work computer of the HR staff who managed the recruitment (3 recruitments out of 12 analyzed) and could not be recovered.

While the missing documentation did not impair the OIG's ability to review and confirm compliance with the recruitment process, the lack of structured and compliant storage and retention processes for data processed by HR exposes the organization to the risk of losing critical data. Its inability to retrieve critical recruitment documentation may expose it to reputational and legal risks.

**HR data security checks are critical in ensuring HR employees to sensitive information is controlled, but are not effective in ensuring integrity of data contained in Workday.**

The HR data management process is well supported by a Data Catalogue and adheres to the principles established by the Global Fund Data Governance Committee, ensuring identification of roles and responsibilities through data owner and data stewardship. The Global Fund has

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<sup>15</sup> As defined in the HR recruitment process

established several regulations to formalize its data governance, data security, and data integrity principles.<sup>16</sup>

The data lifecycle within Workday is addressed through various channels, such as controls and review steps implemented within a business process for any data entry or change, “four-eye” reviews for all changes, and different dashboards to ensure data consistency, completeness, and accuracy.

Regular checks, called “security audits,” are conducted bi-annually by the HR Operations team to ensure HR employees access sensitive data on a need-to-know basis. These checks include user password changes, benefits, and compensation changes, hire and leaver transfers, monthly full-time employee reports, address changes, integration exceptions, and business process security policy changes, and user activities (e.g. logins, attempted logins, transactions executed, etc.).

There is an opportunity to expand the list of activities of these security audits to include dedicated checks over data integrity and accuracy, to complement the other processes already in place to address this area. Other improvements can be made to this security exercise, as they are currently inadequately documented, rely heavily on manual processes, and lack clear and well-defined pass/fail criteria and follow-up procedures. The exercise could benefit from structured follow-up actions, corrective measures, and assessments for instances of failed verification.

There are no documented procedures or instructions for performing these security audits, including clear steps for conducting the audits, determining outcomes, and outlining the follow-up process for addressing findings. Audit steps have been added based on requests from various stakeholders, without proper analysis of their added value.

Consequently, HR department staff engage in activities that require substantial level of effort, straining the capacity of the team. The purpose of these audits should be reviewed to include data integrity and security. This would ensure the Organization can fully rely on the assurances provided by these reviews, and further minimize the risk of undetected incidents or data misuse, as well as compromised data integrity and security.

## Agreed Management Action 2

Reinforce discipline in data management within HR and traceability of data processing by HR.

Reinforce compliance with data retention protocols, ensuring all confidential/highly confidential information or any documentation which retention is critical to be able to recompute HR processing of information is stored in secured locations with access controls.

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OWNER: Chief Human Resources Officer

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DUE DATE: 31 December 2025

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<sup>16</sup> Information and Data Regulations; Information Classification Handling Regulations policy; Personal Data Protection Regulation

### **Agreed Management Action 3**

Ensure data processed for the creation of HR reports adheres to well-established guidelines and protocols

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OWNER: Chief Human Resources Officer

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DUE DATE: 28 February 2026

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### **Agreed Management Action 4**

Enhance the security audit framework by establishing clear pass/fail criteria for each audit test to ensure consistent evaluation standards.

Review and enhance the scope of the security audits to ensure standard evaluation and add levels of Workday data accuracy. .

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OWNER: Chief Human Resources Officer

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DUE DATE: 31 December 2025

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### **3.3 Effective execution of controls to ensure completion of background checks is needed to strengthen hiring processes**

Recruitment processes at the Global Fund are guided by internal guidelines. The recently updated recruitment and hiring processes are comprehensive, detailed, and easy to follow. OIG testing did not highlight significant issues regarding adherence to these processes. There are however opportunities to strengthen them, to increase the effectiveness of the Global Fund's recruitment processes.

The OIG reviewed a sample of 45 recruitments, from the initial definition of the job description up to the onboarding of the candidate. Recruitment processes in the Global Fund generally comply with the recruitment operational procedures which require candidates to undergo meticulous scrutiny, to ensure they are the most suitable candidate for the position and for the organization. Some control deficiencies were identified, as well as opportunities to strengthen the recruitment process.

**Controls to ensure all candidates undergo the required checks are not always followed before onboarding new staff, meaning that there is a risk that relevant information may not be considered during the hiring process.**

The recruitment process requires candidates to undergo defined background checks, depending on the role they will take, and whether they are internal or external candidates. This includes checks performed by:

- HORUS: an external provider performs a pre-employment screening, to verify that the candidate is ethically suitable for a role within the organization.
- Office of the Inspector General (OIG): All external candidates must be checked against OIG data to verify whether the candidate has been the subject of an OIG investigation.
- Ethics Office: For senior or sensitive positions,<sup>17</sup> an 'enhanced integrity due diligence review' is performed to assess integrity and potential ethical risks from the candidate's background.

The HR recruitment team is responsible for requesting the above verifications, and ensuring these are finalized and documented before a contract is prepared.

HORUS pre-employment screening is systematically completed, although results are not appropriately stored as per guidelines (see Finding 3.2). However, out of ten recruitments of external candidates reviewed, two OIG background checks were not completed,<sup>18</sup> and the 'enhanced due diligence review, integrated into the guidelines in 2023, was not completed for the two positions requiring it.<sup>19</sup>

There is no built-in control in the HR system (Workday) to ensure that all three required background checks and reviews are conducted, before completing the recruitment process. Consequently, recruitments have at times been, and may continue to be, completed without all required background checks, meaning that the Global Fund may not have had all the necessary information before finalizing the recruitment process.

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<sup>17</sup> According to the "Recruitment and Selection HR Process Mapping and Description," these are external candidates of grade E (manager level) or above for positions in Grant Management Division, Information Technology department, Human Resources department and the Sourcing department

<sup>18</sup> Subsequent verification confirmed that the 2 candidates had not been subjected to OIG investigation

<sup>19</sup> HR in cooperation with the ethics department is reviewing the approach to conducting EDD and considering limiting its scope



**There is a need to periodically review job descriptions both for new and existing roles, to avoid inconsistencies between job descriptions for similar roles.**

Recruitment processes in the Global Fund are effective to ensure the most suitable candidate for the position and for the organization is selected. Each candidate goes through a video interview meant to support the initial shortlisting. A panel interview to select the final candidate is then organized, with a representative from HR, the Hiring Manager, and an independent member who sits outside of the Hiring Manager's team.

Job descriptions are a critical control to ensure that candidates with adequate competences and qualifications are hired at the Global Fund. They also ensure clarity over tasks and responsibilities, and outline expectations to ensure effective performance evaluation processes. Job descriptions are prepared by the hiring manager, in cooperation with the HR Business Partner. Hiring managers may subsequently request to revise job descriptions when opening a job requisition (e.g. if they deem that the role has significantly changed over time). If the changes are substantial, an approval is required to ensure hiring managers do not materially modify job descriptions without appropriate oversight. Since 2012, an independent provider has been used to review job descriptions to ensure proper grading of the position across the organization.

The OIG reviewed 34 job descriptions used to recruit positions ranging from grade B to E. 24 effectively reflected the role and were appropriate for the grade of the position. However, the remaining 10 contained elements that may expose recruitment processes and performance evaluation to varying degrees of subjectivity.

For example, some job descriptions indicate years of experience as a *desirable* criterion instead of *essential*. Other did not indicate any requirements specific to the role, while others had criteria that required level of competency higher than those required for more senior roles (primarily relating to core competences and years of experience).

Regular reviews of job descriptions are essential to ensure they remain relevant, clear, and consistent, supporting the organization's strategic goals. Other than a request from a line manager or a departmental restructure, there is no systematic, periodic, and comprehensive process for reviewing job descriptions, to ensure they are aligned with the organization's evolving needs and priorities. Strengthening this process would help ensure that job descriptions accurately reflect the current requirements of each role, and contribute to improved performance evaluations and organizational effectiveness.

#### **Agreed Management Action 5**

Implement system-based process to ensure adherence to recruitment guidelines, background and enhanced due diligence checks' completion prior to contract signature.

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OWNER: Chief Human Resources Officer

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DUE DATE: 30 June 2026

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## Agreed Management Action 6

Implement checks to ensure consistency, clarity, and alignment of job descriptions with job contents.

Reviewed and updated job descriptions in case of material change in the role, or at key moments in the employment lifecycle (e.g., organizational restructuring).

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OWNER: Chief Human Resources Officer

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DUE DATE: 31 December 2026

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## Annex A. Audit Rating Classification and Methodology

<b>Effective</b>	No issues or few minor issues noted. Internal controls, governance and risk management processes are adequately designed, consistently well implemented, and effective to provide reasonable assurance that the objectives will be met.
<b>Partially Effective</b>	Moderate issues noted. Internal controls, governance and risk management practices are adequately designed, generally well implemented, but one or a limited number of issues were identified that may present a moderate risk to the achievement of the objectives.
<b>Needs significant improvement</b>	One or few significant issues noted. Internal controls, governance and risk management practices have some weaknesses in design or operating effectiveness such that, until they are addressed, there is not yet reasonable assurance that the objectives are likely to be met.
<b>Ineffective</b>	Multiple significant and/or (a) material issue(s) noted. Internal controls, governance and risk management processes are not adequately designed and/or are not generally effective. The nature of these issues is such that the achievement of objectives is seriously compromised.

The OIG audits in accordance with the Global Institute of Internal Auditors' definition of internal auditing, international standards for the professional practice of internal auditing and code of ethics. These standards help ensure the quality and professionalism of the OIG's work. The principles and details of the OIG's audit approach are described in its Charter, Audit Manual, Code of Conduct, and specific terms of reference for each engagement. These documents help safeguard the independence of the OIG's auditors and the integrity of its work.

The scope of OIG audits may be specific or broad, depending on the context, and covers risk management, governance, and internal controls. Audits test and evaluate supervisory and control systems to determine whether risk is managed appropriately. Detailed testing is used to provide specific assessments of these different areas. Other sources of evidence, such as the work of other auditors/assurance providers, are also used to support the conclusions.

OIG audits typically involve an examination of programs, operations, management systems and procedures of bodies and institutions that manage Global Fund funds, to assess whether they are achieving economy, efficiency, and effectiveness in the use of those resources. They may include a review of inputs (financial, human, material, organizational or regulatory means needed for the implementation of the program), outputs (deliverables of the program), results (immediate effects of the program on beneficiaries) and impacts (long-term changes in society that are attributable to Global Fund support).

Audits cover a wide range of topics with a particular focus on issues related to the Impact of Global Fund investments, procurement, and supply chain management, change management, and key financial and fiduciary controls.