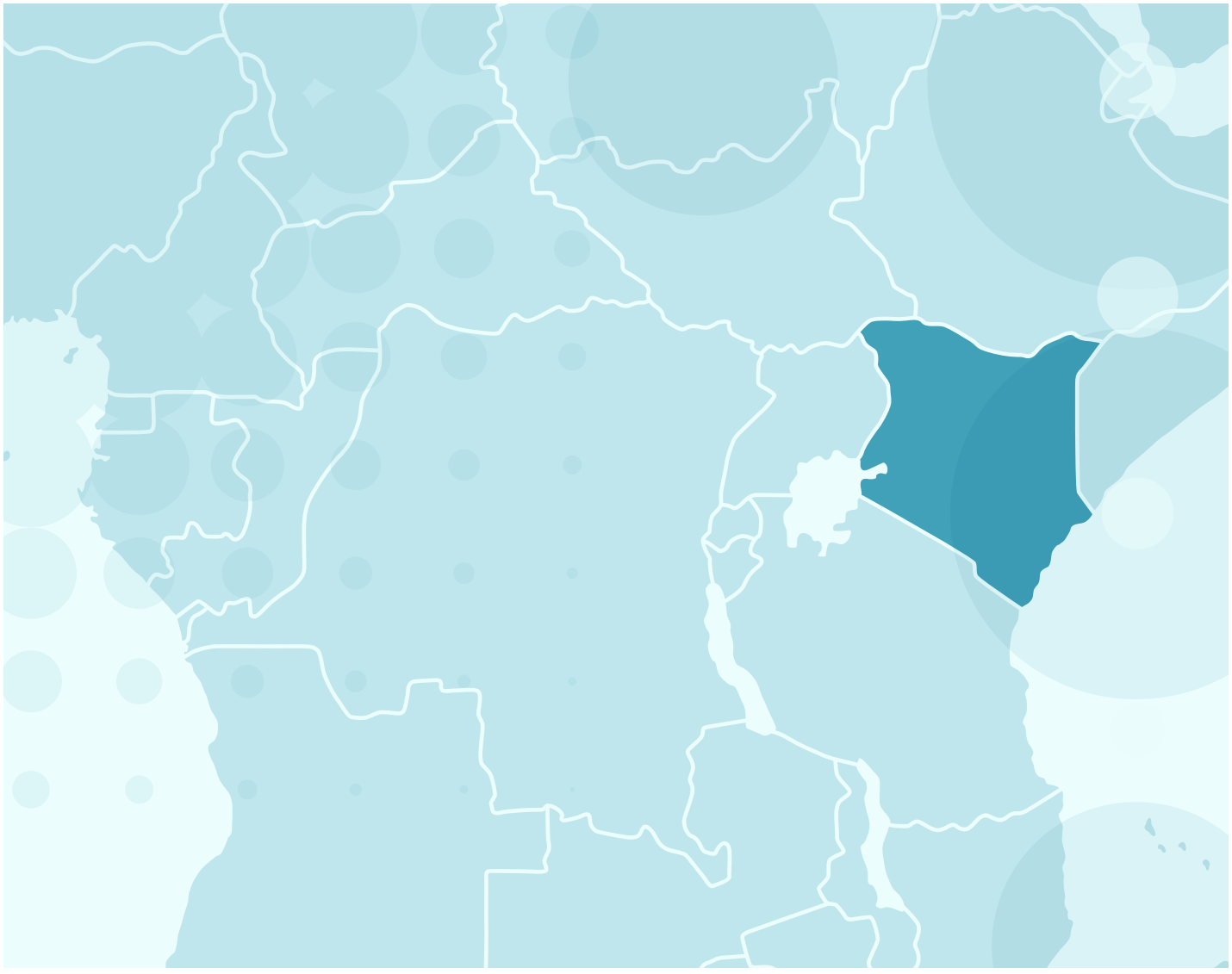
THE GLOBAL FUND
Office of the Inspector General

Rapid Assurance Review

Implementation of the Grant Revision process of GC7 grants for Kenya

GF-OIG-26-011
23 July 2026
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.

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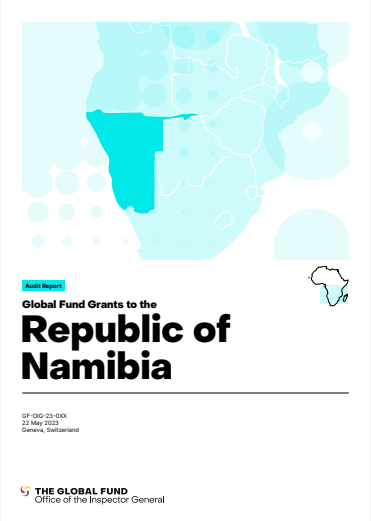

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What is an OIG Rapid Assurance Review?

An OIG rapid assurance review is a focused review that provides limited, timely, risk-based assurance on a subject matter or process while it is being designed and implemented. This type of review is particularly well-suited for 1) situations where major decisions must be made quickly, often with incomplete information, 2) where critical processes do not yet exist but are urgently needed, or 3) during organizational crises and emergency scenarios.

The primary purpose is to provide assurance in a fast-moving setting, facilitate early identification and resolution of governance, risk, and control issues, and support the development of an appropriate, fit-for-purpose process. It seeks to assure the Board that processes have been designed and materially implemented in an appropriate way, recognizing the evolving operating context.

As the context includes extraordinary circumstances and limited reliable or available data, the level of assurance the OIG provides through these reviews is more limited than standard OIG audits.

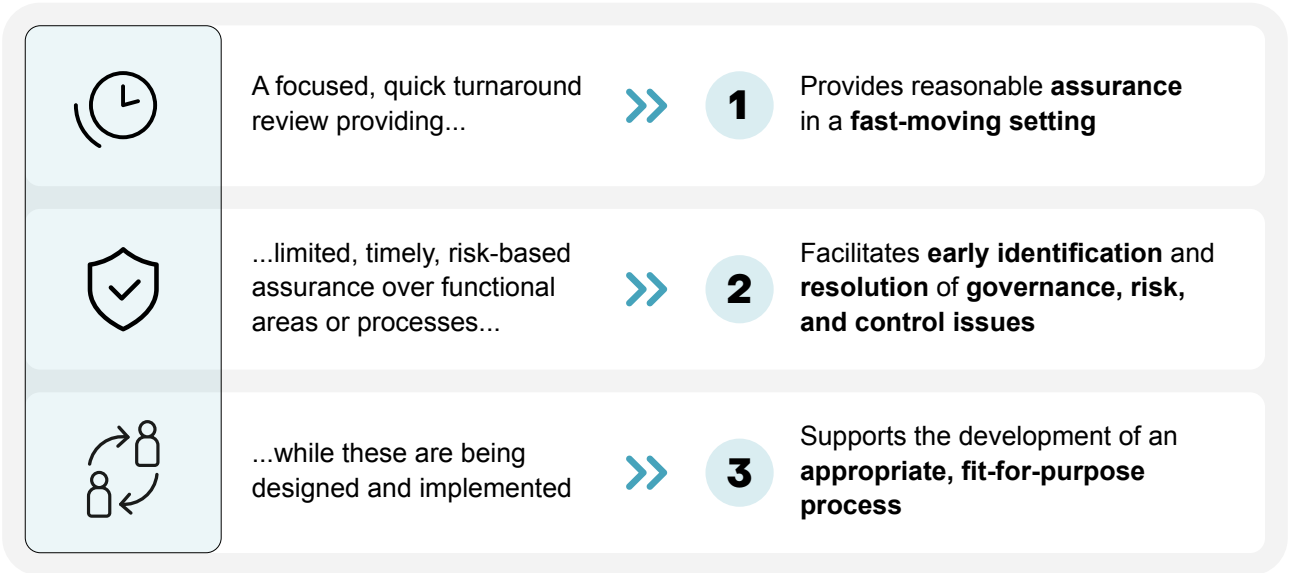
The OIG takes a variety of measures to mitigate two inherent risks with these types of reviews:

(i) Quality risks, due to the need to provide assurance within a short timeframe.

(ii) Independence risk, as interim, iterative feedback is provided to the management as a process is developed.

The OIG sought advice from industry experts to ensure the approach is aligned with internal audit standards. Quality checks have been built in to provide assurance regarding the quality of supervision and audit evidence.

The Global Fund Secretariat owns the process. The OIG provides insights to management to support decision-making, but does not make executive decisions.



1. Executive Summary

Background	**The funding landscape for global health programs has changed rapidly since the beginning of 2025. In response to uncertainty regarding external funding, exceptional mid-cycle adaptations and phased measures were needed. These measures included the reduction of Grant Cycle 7 (GC7) country funding envelopes and program reprioritization using a streamlined Grant Revision process. This was followed by a multi-phase process involving country stakeholders and the Global Fund Secretariat to reprioritize and revise GC7 grants to adapt to smaller country funding envelopes.**
Scope	The rapid assurance review assessed whether the GC7 Grant Revision process was implemented in line with Global Fund guidance. To support the review objective, the OIG assessed effects of changes in the health financing landscape on country programs implementation. To do this, the OIG relied on evaluations undertaken by national programs and other partners in the health sector and reported on both confirmed and potential disruptions. Limited-reliance review procedures were applied to these evaluations. The OIG did not opine on the design of the GC7 mid-cycle Grant Revision process, as it had previously provided rapid advice during development. The OIG did not opine on the impact of the Grant Revision process or on the effectiveness of country or partner adaptations, given the limited time since implementation.

Review questions and observations	**Review Questions**	**Observations**
	Was the communication of revised allocations by the Global Fund Secretariat to the Country Coordinating Mechanism (CCM) and Principal Recipients (PRs) accurate?	GC7 Grants in Kenya were **reduced by USD 54 million** as a result of the reprioritization process. **The revised allocations communicated to the Kenya Coordinating Mechanism (KCM) and Principal Recipients (PRs) were accurate. No discrepancies were identified** in the communication letter from the Global Fund Secretariat to the KCM and PRs. **The communication was issued in a timely manner**, consistent with the timelines outlined in the *Guidance on GC7 Mid-cycle Reprioritization and Revision*.

Review questions and observations	Review Questions	Observations
	Was the grant revision approach (i.e., budget or programmatic scope revision) appropriately classified and approved in line with Global Fund policies and guidance?	**The grant revision approach for Kenya GC 7 reprioritization was classified as a material budget revision**. A material Budget Revision required the Country Team to assess and consider whether budget allocation resulted in unapproved programmatic scope changes. The Country Team assessed whether budget reductions constituted a material shift in the grant's design, goals, or objectives. The OIG confirmed that the Kenya Country Team followed the required process, sought consultations as appropriate, and correctly classified the grant revision as a material Budget Revision. The Kenya Grant Revision process complied with the requirements of the Revised Grants OPN.[1]
	Were the engagement and support provided by the Secretariat of the Global Fund to the CCM and community stakeholders throughout the reprioritization and Grant Revision process sufficient and effective?	**The Global Fund Secretariat provided sufficient and appropriate engagement and support to the KCM and community stakeholders** during the reprioritization and Grant Revision process. **The Secretariat provided clear and well articulated guidance throughout the reprioritization process**. The Secretariat also supported community engagement through Technical Assistance provided under the Community engagement Strategic Initiative.

1 The Global Fund's Operational Policy Manual - *Accessed 5 March 2026*

Review questions and observations	Review Questions	Observations
	Were the Global Fund Secretariat processes adequate to ensure consistent, transparent, and timely review and approval of grant revisions?	The Secretariat process for the revisions was **structured and transparent**, following the deallocation decision. **Notification Letters confirming the reduced funding amounts were accurate and issued promptly**. The Country Team conducted a reprioritization process in line with the guidance and engaged with relevant stakeholders, both within the Secretariat and the country. Revisions were correctly classified in line with the GC7 reprioritization guidelines and formally approved by the **Head, High Impact Africa 2**, reflecting consistency and timely execution of procedures.
	Was the information provided through the Implementation Letter to finalize the Grant Revision process accurate and appropriately signed off?	Because all revisions were classified as Budget Revisions, no Implementation Letter was required for either of the grants. The Secretariat issued final reprioritization letters to all PRs, confirming the approved reduced budget amount. No discrepancies were noted. The letter was appropriately signed and copied to the KCM and LFA.
OIG Rating	**No Material Issues Noted**	

2. Country Context, Health Financing Shifts and Programmatic Implications

2.1 Kenya and the Three Diseases

Country context

56.4 million
Population (2024)

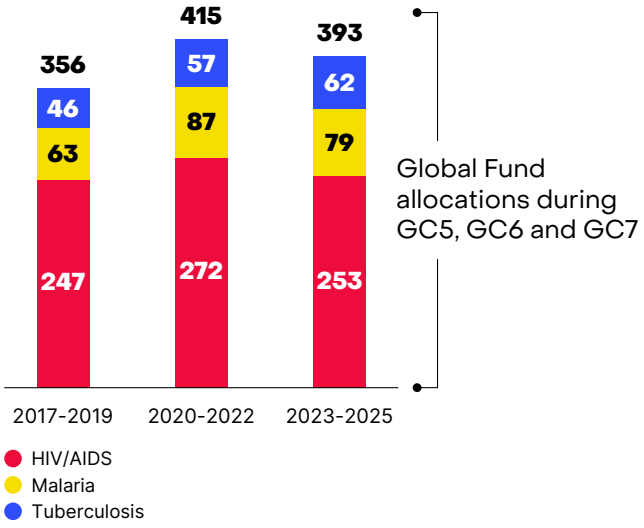
US$2,206
GDP per capita (2024)

2.0%
Domestic general Govt. health spending (% GDP) (2022)

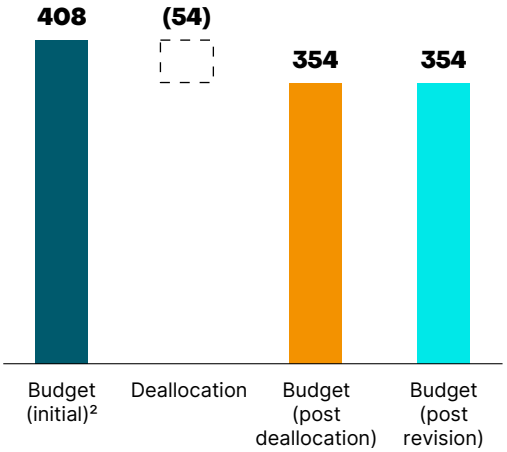
- ✓ High Impact (HI) portfolio
- Additional Safeguards Policy (ASP)
- Challenging Operating Environment (COE)

Global Fund allocation and grants

US$2.12 billion disbursed since 2003



US$393 million
Global Fund allocation (2023–2025)



US$354 million
Post revision budget split (2024–2026)

Component	Civil Society Organizations	Government
	14%	43%
	11%	13%
	4%	15%

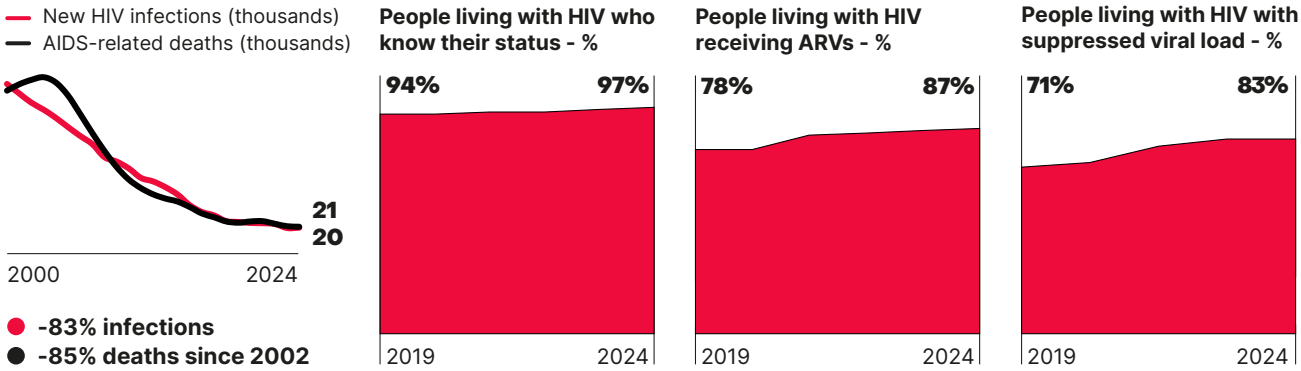
Sources: World Bank Open Data, Global Fund 2025 Results Report, Global Fund Data Explorer

2 Includes matching funds of US$ 15 million

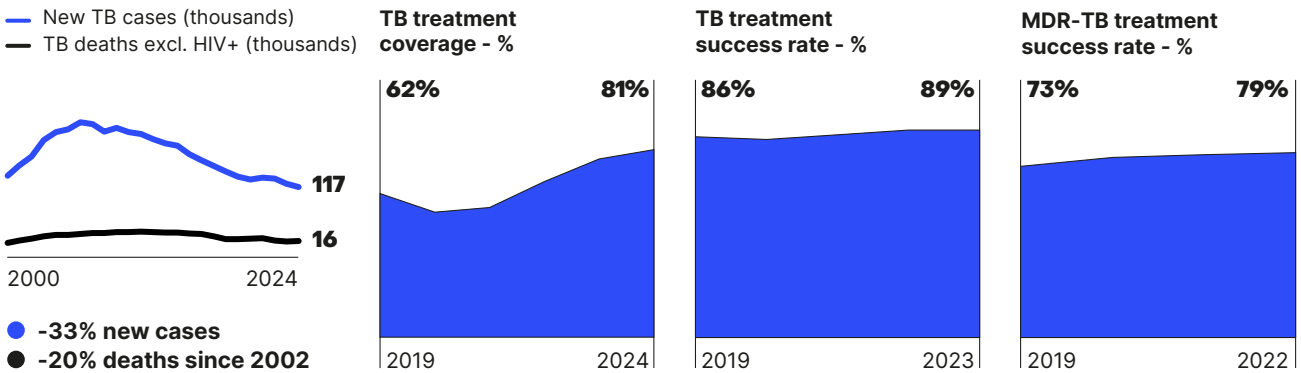
The Three Diseases

Over 1.3 million people are estimated to be living with HIV in Kenya. Of Global Fund supported countries, Kenya carries 4.35% of the HIV burden (ranked 6th among Global Fund portfolios), 1.97% of the malaria case burden (ranked 16th) and 1.16% of the TB disease burden (ranked 16th).

HIV/AIDS evolution

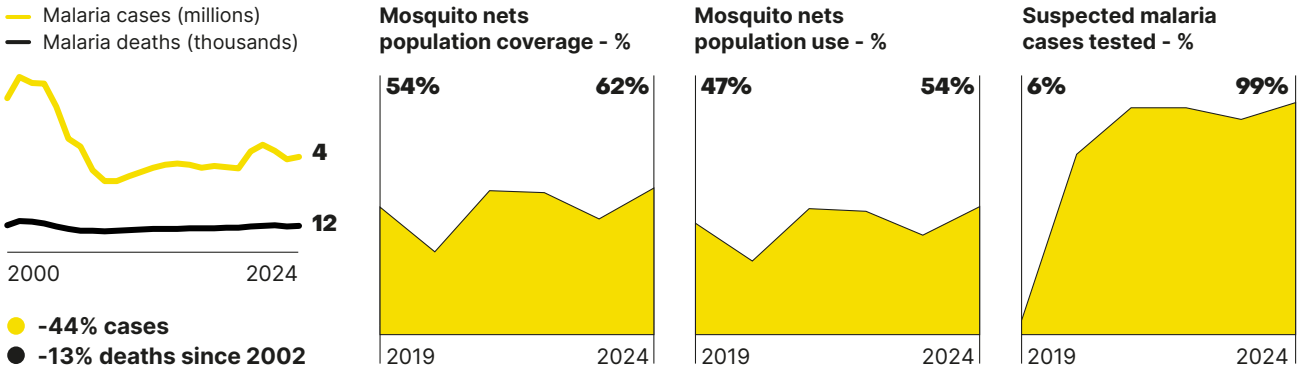


Tuberculosis evolution



Note: Under the WHO's cohort-based surveillance guidelines, TB treatment success indicators are by design lagging, as outcomes are reported only after all patients in a treatment cohort have completed therapy. Therefore, the WHO's reported treatment outcomes trail treatment initiation by one year for drug-sensitive TB and two years for MDR-TB.

Malaria evolution



Sources: World Bank Open Data, Global Fund 2025 Results Report, Global Fund Data Explorer, 2025 WHO reported data for TB and Malaria

2.2 Effects of changes to the health financing landscape

The following section relating to country-level disruption to HIV, TB and malaria programs relies on reported data and information from 3rd party sources including national disease programs and in-country partner reports.

Overall health financing landscape

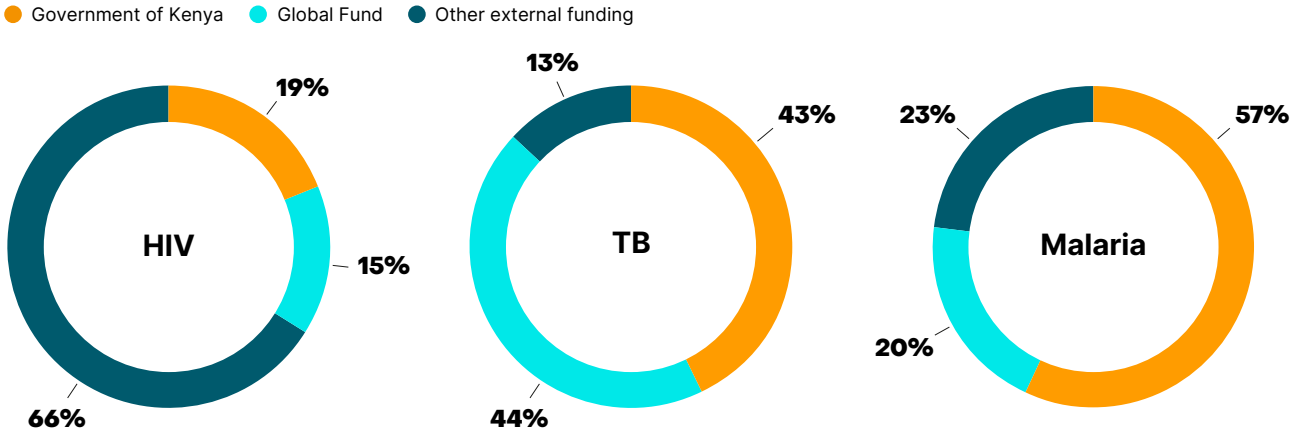
Kenya's health sector relies on both domestic and external financing, with foreign sources accounting for 20%[3] of total health expenditure.

Multiple donors contribute to the fight against HIV in Kenya. Deliberate task-sharing and joint support (geographically and programmatically) have created complementarity that is instrumental in sustaining nationwide coverage of services. In TB, the reliance on Global Fund funding is greater, but the partnership with the United States Government (USG) still plays a vital complementary role to strengthen and sustain the gains made. For malaria there is less reliance on donor external funding with the Government of Kenya providing the majority of funding for interventions. However, the Global Fund and US Government support important interventions like the ITN mass campaign distribution and routine net distribution respectively.

This interdependent framework under GC7 suggests that any major disruption in one donor's support (e.g., funding delays or reallocations) would have significant implications, underscoring the importance of continued coordination and co-financing to safeguard Global Fund grant implementation and results.

The Global Fund's investments across all three disease areas are closely aligned with those of the Government of Kenya and the USG. This strong collaboration has helped minimize disruptions to key systems and processes.

Figure 1: GC7 funding landscape data



3 WHO Global Health Repository - External health expenditure (EXT) as percentage of current health expenditure (CHE) (%) – *Accessed 5 March 2026*

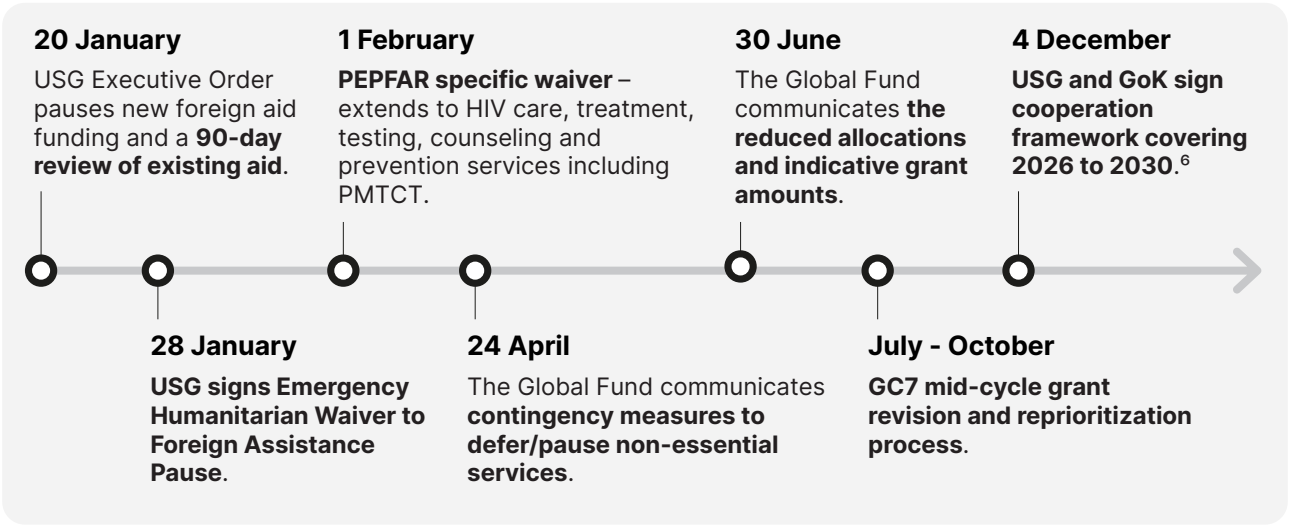
Changes in health financing landscape

In early 2025, Kenya faced foreign aid reduction estimated at 38%.[4] The country's HIV and TB programs under Grant Cycle 7 (GC7) rely heavily on external funding. Reliance on external funding is lower for malaria programs but still represents almost half the funding (43%).

In April 2025, the Global Fund announced a deferral of certain GC7 total funding, followed by reduced country funding allocations in June 2025.

Under the USG & Kenya Health Cooperation Framework for 2026-2030,[5] U.S. funding will support priority health programs including HIV/AIDS, tuberculosis, and malaria prevention, diagnosis, and treatment; maternal, newborn, and child health services; and polio eradication initiatives, alongside strengthened disease surveillance and infectious disease outbreak preparedness. The agreement also finances broad health strengthening measures, including health workforce development, laboratory and diagnostic capacity, health information and digital systems, supply chain and logistics systems, and institutional capacity within Kenya's public health sector.

Figure 2: Timeline of key changes to the health financing landscape – January to December 2025



4 This percentage is computed based on data available at foreignassistance.gov (accessed 5 March 2026). The Global Fund deallocated amount is not included.

5 Cooperation Framework- Kenya- U.S accessed 12 June 2026

6 Cooperation Framework- Kenya- U.S accessed 12 June 2026

Impact on HIV program implementation

Heath facility-based HIV care and treatment continued with minimal reported disruptions. ARVs were available and there were no reported stock-outs. However, community-based services such as prevention and differentiated testing were disrupted.

Community-based services such as prevention and differentiated testing declined significantly for the first semester in 2025 compared to the same period in 2024. This was the result of the closure of 16 drop-in-centers, which disrupted services to Key Vulnerable Populations (KVP) and the closure of centers supporting Adolescent Girls and Young Women (AGYW) in 7 high burden counties. Health facility-based HIV care and treatment[7] continued with minimal disruptions.

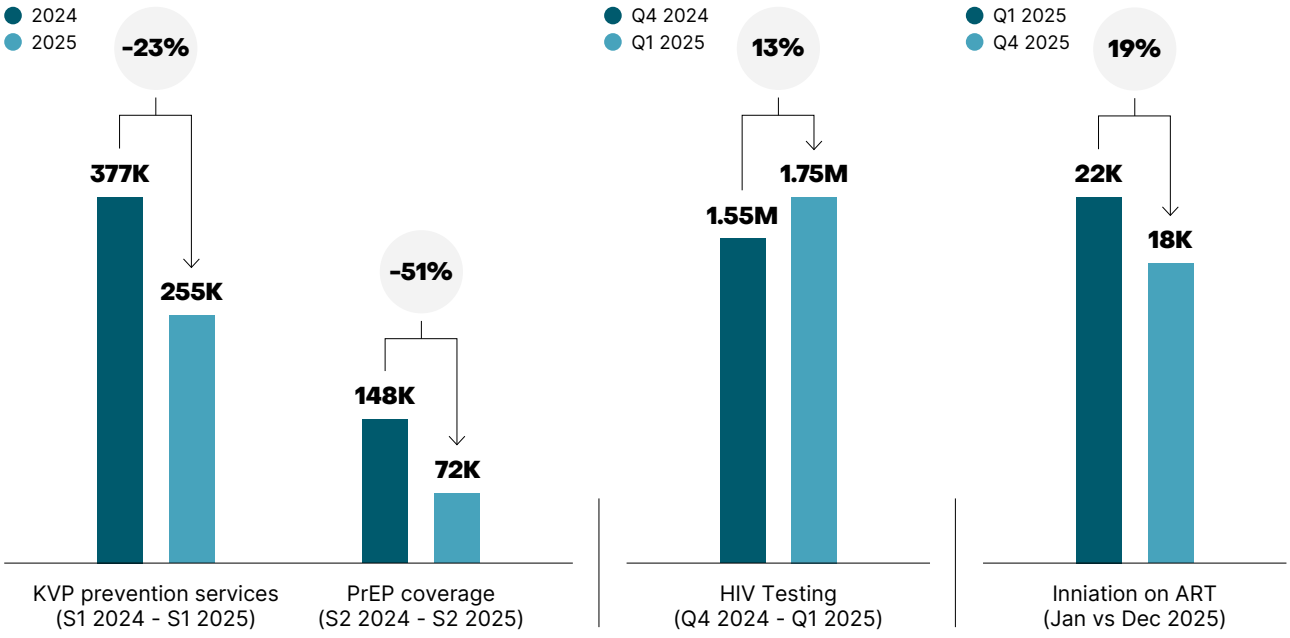
Following the reprioritization the HIV commodities budget was reduced by USD 29 million. The Global Fund has supported continuity through reallocation of Year 3 of Grant Cycle 7 commodities and reprioritization of grant activities to focus on high impact interventions. These actions have provided short term flexibility and mitigated immediate risks related to service disruption and commodity shortages. ARVs were available and there were no reported stockouts. There is, however, a need to fill this gap for year 3 of GC7.

The Government of Kenya started the integration of service for KVP into the outpatient department of existing health facilities. This has the potential to ensure continuity of service access to KVP if properly implemented.

The cooperation agreement with the USG[8] will fund some of the health service workers for 2026 and 2027 and the Government of Kenya will be expected to provide the funding thereafter progressively. The absence of an integrated policy and guidance means that the quality of service across health facilities may diverge.

The United States Government has provided bridge funding to prevent interruptions in critical services, such as delivery of Antiretroviral Therapy, clinical care and treatment, testing services and Prevention of Mother to Child Transmission services.

Figure 3: HIV indicators impacted by Aid cuts



Source: National HMIS data

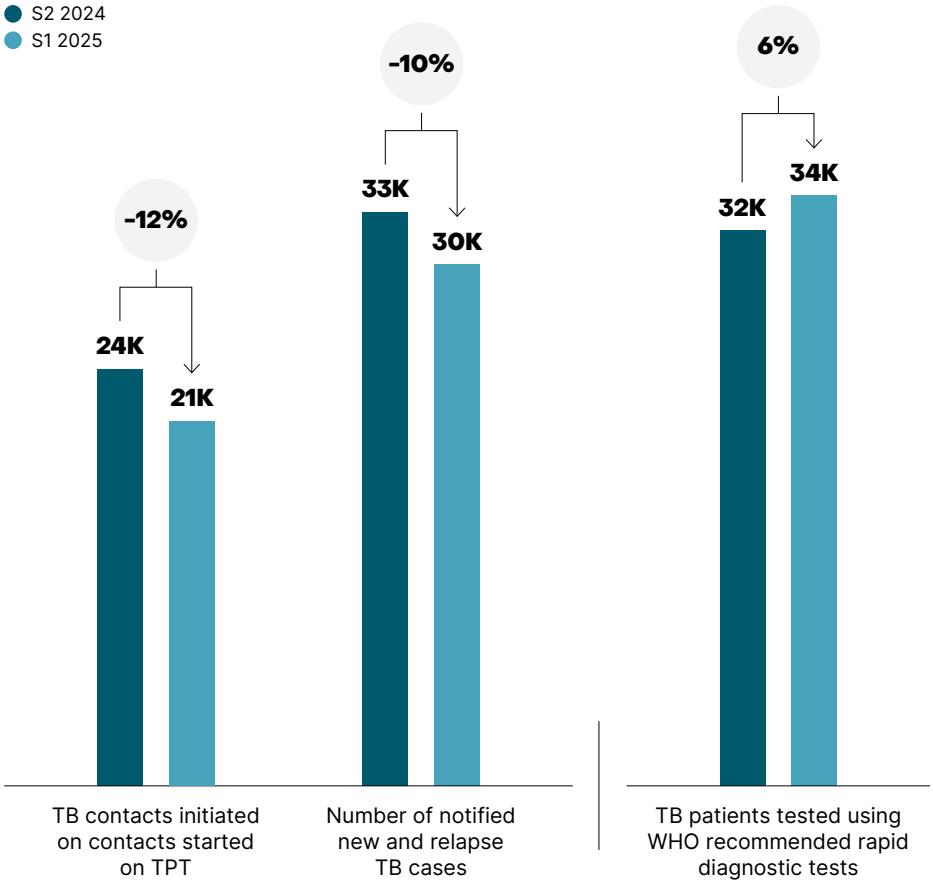
7 HIV treatment, care and support interventions that are delivered within formal health system settings, by trained health-care providers, using facility infrastructure, equipment and systems.

8 Cooperation Framework- Kenya- U.S accessed 12 June 2026

Impact on TB program implementation

The TB program remained relatively stable as TB care and treatment services at health facilities continued throughout 2025 with the support of the Global Fund and the Government who contribute to more than 80% of funding. However, there were disruptions, particularly on sample transportation at community-based interventions. The TB Preventive Treatment interventions dropped in the first semester (-12%) but afterwards improved (+65%) in the second semester of 2025, following actions taken by AMREF to continuously improve community interventions including leveraging existing activities to implement paused interventions, reallocating SR responsibilities to neighboring counties as endorsed by the KCM, intensifying awareness creation and case-finding activities, and increasing the use of digital tools for data collection and monitoring.

Figure 4: TB Indicators



Source: National HMIS data

Impact on Malaria program implementation

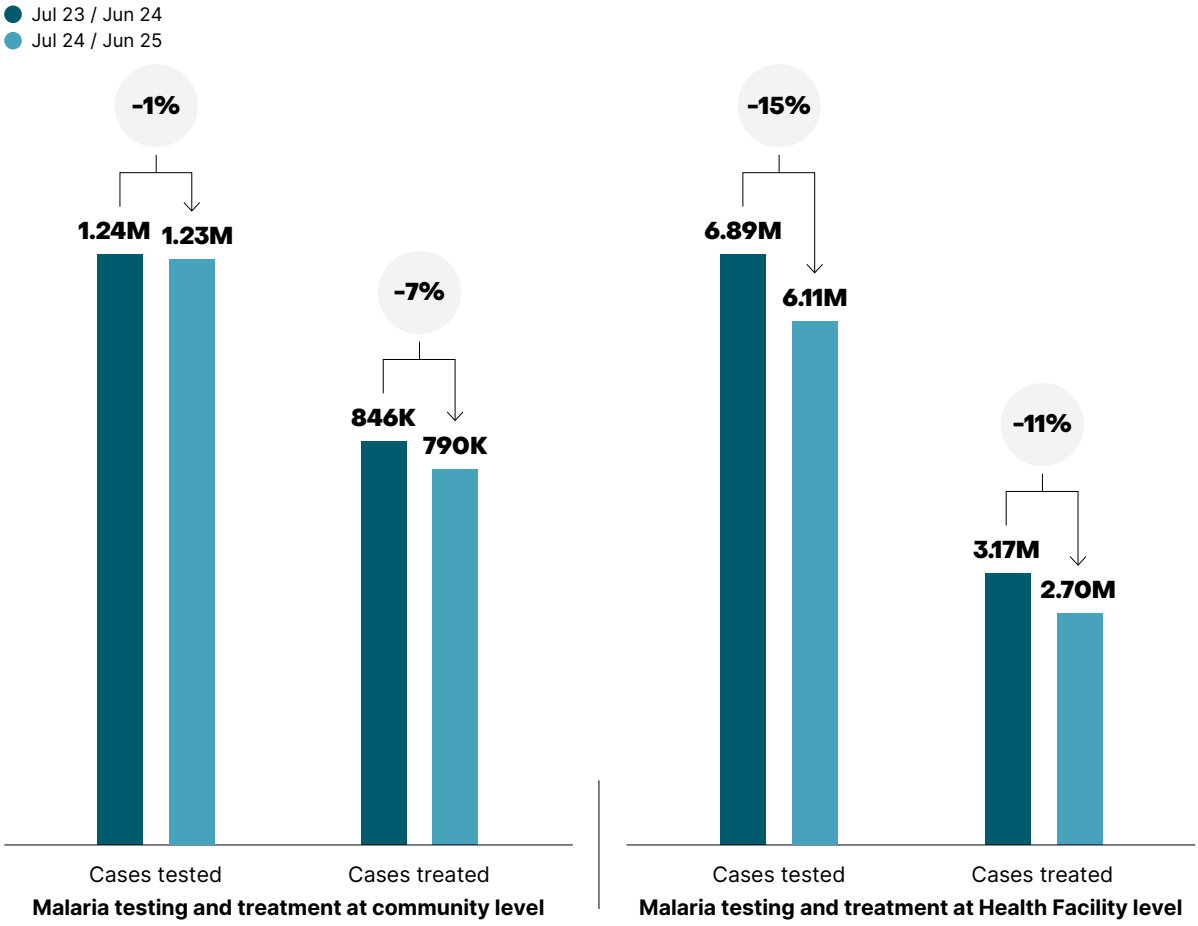
In Kenya, malaria activities include routine and mass LLIN distribution, IRS, case management, surveillance, and social and behaviour change communication, with funding shared across partners.

Despite funding reductions, case management at the health facilities and communities continued, and no stockout of medicines or test kits was reported.

However, it affected malaria testing and treatment, which decreased by 11% and 15%, respectively, between year 3 of GC6 (July 2023 to June 2024) and year 1 of GC7 (July 2024 to June 2025). The greatest gaps are seen during the first semester with 15% decline in tests conducted and 23% of people put under treatment. In community settings, tests conducted dropped slightly by 1% and cases treated dropped by 7% (see Figure 5).

The routine net distribution was delayed by several months. ITNs were to be procured by the USG and were therefore not available. Similarly, the ITN mass campaign distribution faces a shortage about 1.2 million nets, due funding constraint and will require target distribution

Figure 5: Malaria Indicators



Source: National HMIS data

Integrated Systems for health – health products management systems and human resources for health

The Kenya Health information system (KHIS) supported by PEPFAR and USAID experienced a temporary 2 month disruption. There were reporting data gaps for two months as electronic medical records became unavailable. Other systems such the Electronic Medical Records (EMR) for patient records and laboratory information systems experienced some functional down time.

The USG also supported several non-clinical staff and activities for data collection at facility and community level, including monitoring activities. Even though the completeness and timeliness of reporting was restored, there is potential risk to the quality of data.

The government of Kenya is now working on integrating the information system infrastructure to limit reliance on parallel systems and consolidate control over health data via a national information system.

These measures include increased reliance on national systems to reduce parallel donor arrangements, ongoing integration of disease services within broader health delivery platforms at facility and county levels, and the operationalization of the Commodities Security Committee to coordinate forecasting and allocation of health commodities. The Government has also signalled commitment to sustainability by indicating its intention to address funding gaps, particularly in Resilient and Sustainable Systems for Health (RSSH) and Human Resources for Health, reflecting increased national ownership of the programs.

2.3 High-level description of the adapted GC7 grant revisions process

Simplified GC7 mid-cycle grant revisions process

For multi-grant portfolios.
Adapted from the GC7 mid-cycle reprioritization and revision guidance.

Indicative timelines

End-June 2025

1

Communication of reduced allocations to CCMs and PRs

- The Global Fund informs Country Coordinating Mechanisms (CCMs) and Principal Recipients (PRs) of reduced allocations and indicative grant amounts.

2

CCM review of indicative grant amounts

- The CCM has two weeks to provide a no-objection, or request changes via the Grant Amounts Modification Form.
- If the CCM does not respond within two weeks, the indicative amounts are automatically confirmed as final.

3

Confirmation of reduced grant amounts

- CCM-proposed modifications are reviewed and assessed by the Global Fund Secretariat.
- The Global Fund confirms reduced grant amounts via Notification Letters sent to each multi-grant country PR.

Mid-July 2025

4

Determination of need for further revision and revision approach

- The Country Team (with Regional or Department Head approval) uses a Revision Decision Form to determine if a grant needs further revision, and the appropriate approach.
- This may be either a Budget Revision or a Programmatic Scope Revision.

End-August 2025

5

Revision of grant documents by PRs

- The PRs (in consultation with in-country stakeholders) complete necessary revisions based on the extent of changes to the grant.

September 2025

6

CCM review and PR submission of revised grant documents

- For programmatic scope changes, the CCM must review and endorse the PRs' revision and reprioritization proposals within two weeks of PR submission.
- For material Budget Revisions, CCM endorsement is not required, but the PR must inform the CCM before submission.

Mid-September 2025

7

Global Fund review and approval of revisions

- The Global Fund reviews and approves the revised grant documents to ensure alignment with agreed priorities and the GC7 Programmatic Reprioritization guidance.
- A programmatic revision may trigger a heightened review – which is an additional review by the Grants Approval Committee or Technical Review Panel - determined by the Global Fund Secretariat.

Mid-October 2025

8

Finalization of the revision

- For Programmatic Scope Revisions, the PR signs the Implementation Letter, which is then countersigned by the Global Fund.
- An Implementation Letter is not required for a Budget Revision.

3. Detailed assessment

3.1 Communication of revised allocation to the CCM and PRs

Question:

Was the communication of revised allocations by the Global Fund Secretariat to the Country Coordinating Mechanism (CCM) and Principal Recipients (PRs) accurate?

Key process reviewed:

- The Global Fund's communication of the reduced allocation and indicative grant amounts to CCMs and PRs.

Conclusion: The communication of revise allocations by the Global Fund Secretariat to the CCM and PRs was **accurate**.

Process sub-step	OIG opinion
The Global Fund communicated the reduced allocations and indicative grant amounts to the Kenya Coordinating Mechanism (KCM), the Principal Recipients (PRs) and other relevant in-country stakeholders on 30 June 2025.	The reduced allocation and indicative grant amounts were **accurately communicated to country stakeholders and aligned with the final approved figures**, including qualitative and other adjustments. The reduced allocation letter was addressed to the Cabinet Secretary, Ministry of Health, KCM Chair and Vice Chair and Civil Society Representative. The letter included a breakdown of the new indicative grant amounts compared to the original allocations to facilitate KCM review. Further email correspondence also included other relevant stakeholders including the various Heads of the PRs.

3.2 Determination of grant revision approach

Question:

Was the grant revision approach (i.e., budget or programmatic scope revision) appropriately classified and approved in line with Global Fund policies and guidance?

Key processes reviewed:

- The grant revision approach to determine the nature of the grant revision (budget or programmatic scope revision)
- The process and rationale for approving the grant revision approach, in line with the guidance on GC7 mid-cycle reprioritization.
- The classification of the grant revision decision for each of the reduced grants' budget

Key processes not reviewed:

- The process of adopting any corrective actions to mitigate any issues identified - Not applicable, as no issues were identified during the review of this process.

Conclusion: The grant revision approach was **appropriately classified, documented and approved** in line with Global Fund policies and guidance.

Process sub-step	OIG opinion
The Country Team (CT) completes a Revision Decision Form to determine whether a grant requires further revision, and to propose an appropriate approach. In determining the revision approach, CT evaluates several factors including: • *Whether programmatic or budgetary changes from the reprioritization exercise require a formal revision.* • *Whether there is any change in programmatic scope.* • *The impact on compliance with Matching Fund access or programmatic conditions.* • *Whether all outstanding Technical Review Panel (TRP) issues can still be addressed.* *The rationale for these decisions is documented for each grant, and submitted to the Regional Manager or Department Head for approval.*	**The OIG found that the Revision Decision form was properly used for all six grants, that they maintained their original programmatic scope and fulfilled all review and approval requirements set forth in the GC7 mid-cycle Reprioritization Guidance.** Each grant maintained their programme objectives and performance framework targets. All interventions were retained, with only minimal adjustments to activities within each intervention. The changes are not expected to significantly impact the achievement of programme objectives. The OIG confirmed that communications from the Global Fund's Operational Efficiency team to the Kenya Country Team dated 31 July and 3 September 2025 indicated the Department Head's approval of the revisions. The OIG also confirmed that the CT recommendations were approved by the Head of the High Impact Africa 2 Department on 31 July 2025 for five grants, and 3 September 2025 for the Malaria grant.

3.3 Engagement with CCM and community stakeholders

Question:

Were the engagement and support provided by the Secretariat of the Global Fund to the CCM and community stakeholders throughout the reprioritization and Grant Revision process sufficient and effective?

Key processes reviewed:

- CCM (KCM) involvement in conducting a review of the reduced allocations and indicative grant amounts, its response and timeline.
- Confirmation of whether the CCM (KCM) feedback was signed off by CCM leadership (Chair and vice-chair) with representation from both a government and the civil society representative.
- Confirmation of whether the PRs submitted the programmatic scope revision to the CCM (including presentation meeting highlighting the major shifts in modules and interventions including changes to implementation arrangements).
- Confirmation of whether the PRs informed the CCM prior to submission of material budget revisions to the Global Fund
- Extent of meaningful community/CSO engagement throughout the reprioritization process

Conclusion: The Global Fund Secretariat provided **sufficient and effective engagement** and support to the KCM and community stakeholders during the reprioritization and Grant Revision process.

Process sub-step	OIG opinion
Review of indicative grant amounts *For portfolios with multiple grants, the CCM reviews the indicative grant amounts communicated by the Global Fund and has two weeks to either provide a no-objection or request changes by submitting the Grant Amounts Modification Form.* *If the CCM does not respond within this timeframe, the indicative amounts are automatically confirmed as final.*	The OIG found that the **CCM's review and endorsement process was consultative, involving multiple stakeholders, including community and civil society representatives**. On July 8, 2025, the KCM Chair formally responded to the Head of Grants Management Division of the Global Fund within the two-week deadline, confirming that the revised allocation outlined in the June 30, 2025 letter had been reviewed and accepted following a full CCM Assembly resolution. The communication was signed by the KCM Chair, copied to the Cabinet Secretary of the Ministry of Health, Principal Secretary, the National Treasury and Economic Planning, the Principal Secretary of the State Department for Medical Services and all KCM members.

Process sub-step	OIG opinion
Review of revisions and reprioritization decisions *For programmatic scope changes, the CCM is required to review and endorse the PRs' revision and reprioritization proposals, including major shifts in modules, interventions, or implementation arrangements, within two weeks of PR submission to the Global Fund. Endorsement should be provided by the CCM Chair and the civil society representative if the Chair represents government, or vice versa.* *If the CCM does not respond within the two-week period, the Global Fund considers this as an endorsement and proceeds with the revisions review and approval process.* *For material budget revisions, CCM endorsement is not required, but the PR is required to inform the CCM prior to submission.*	The OIG found that the **revision and reprioritization process involved adequate engagement with the KCM and community stakeholders**. **There were no changes to the programmatic scope** across all Global Fund GC7 grants in Kenya. All grants underwent material budgetary revisions. These adjustments followed the established budget revisions process and were aligned with the reprioritization guidance. The KCM set up a GC7 grant reprioritization team including members from Principal Recipients, Programs, KEMSA and KCM constituencies Co-opted members. Meetings were held on 7 August 2025 to discuss the budget revisions and on 21 August 2025 to approve the budget revisions by the KCM. The Global Fund supported the KCM with funding to organise working groups and participation of various civil society organisations during the reprioritization. Several working groups were set up in the form of sub committees for HIV, TB, Malaria and RSSH/CSS. During the period 8-14th July 2025 constituency dialogues were held to discuss stakeholder priorities. CSOs were included in plenary sessions and working groups, as well as validation meetings held on 7 and 21 August 2025. The Global Fund Country Team commended the KCM's engagement, coordination and oversight of the reprioritization process.

3.4 Secretariat processes for reviewing and approving grant revisions

Question:

Were the Global Fund Secretariat processes adequate to ensure consistent, transparent, and timely review and approval of grant revisions?

Key processes reviewed:

- Process of CCM requesting modifications to the indicative grant amounts
- Process followed by the CT in assessing CCM-proposed modifications to indicative grant amounts
- Review the documentation of the CT's assessment and approval by the Regional Manager/ Department Head.
- The process for determining the need for further revision

Conclusion: Secretariat processes were **adequate** for consistent, transparent and timely grant revision review and approval.

Process sub-step	OIG opinion
Review of proposed modification to program split and confirmation of reduced grant amount *In the event that the CCM proposes modifications to the indicative grant amounts, the Global Fund assesses the proposal against justification provided by the applicant, prior to issuance of a Notification Letter and confirming the reduced grant amount.*	**Not applicable**. The KCM formally accepted the proposed split without modifications.

Process sub-step	OIG opinion
Review and approval of PR revised grant documents *The Country Team reviews grant documents to ensure alignment with agreed priorities and reprioritization guidance.* *For programmatic scope revisions, approval authority depends on whether heightened review is required:* • *Without heightened review: Approved by the Regional Manager or Department Head (RM/DH) and Grant Finance Manager (GFM).* • *With heightened review: Requires either GAC review and approval or TRP review, followed by RM/DH and GFM approval.* *The CT, in consultation with SIID Advisors, determines if heightened review is necessary, and recommends GAC or TRP review based on defined triggers in the guidelines.*	The OIG found that the **Secretariat's review and approval process of the revised grant documents was conducted in accordance with the approved guidelines and procedures**. There were **no programmatic scope revisions**.

3.5 Implementation Letter to finalize the grant revisions

Question:

Was the information provided through the Implementation Letter to finalize the Grant Revision process accurate and appropriately signed off?

Key processes reviewed:

- The Global Fund communication of the final revised grant budget via Notification Letters to the PRs.
- The Global Fund communication of the final revised budget for the HIV/TB and Malaria grants via an Implementation Letter to PRs

Conclusion: The final communications of the grant's revisions were **accurate and appropriately signed off**.

Process sub-step	OIG opinion
For programmatic scope changes, the Global Fund issues an Implementation Letter to the PR for signature. Once signed by the PR, the Global Fund countersigns and finalizes the revision in the Grants Operating System (GOS). The Implementation Letter includes: • *The revised Grant Confirmation table.* • *The revised Summary Budget.* • *The revised Performance Framework (in exceptional cases).* • *Any additional or amended grant requirements related to the revision.* *The fully signed Implementation Letter formalizes the approved revisions and enables implementation.* *Budget revisions do not require an Implementation Letter.*	The OIG found that the **revised grant amount, summary budget, and amended grant requirements were accurately captured in the final communications** of the revised grants. The Global Fund formally notified the PR of the approved revised budgets to the respective PRs through six different Notification Letters issued in October 2025. **The Notification Letters were duly signed by the Senior Fund Portfolio Manager, with the KCM Chair, KCM Coordinator, and the Local Fund Agent (LFA) copied.** An Implementation Letter is not required for Budget Revisions.

Definitions

Programmatic Scope Revision: A Programmatic Scope Revision is a formal change to the design, goals, or objectives of a GC7 grant when reprioritization results in significant programmatic adjustments. It is required when changes go beyond financial reallocations and involve material shifts in the grant's scope.

Budget Revisions: A formal adjustment to the financial structure of a GC7 grant following the mid-cycle reprioritization exercise. It occurs after the Global Fund issues a Notification Letter reducing the overall grant amount, and is required when changes to the grant's financial allocations are significant enough to warrant documentation and approval.

Programmatic reprioritization: The process of reordering and adjusting planned activities and investments within GC7 grants to ensure that limited resources are directed toward the most critical, lifesaving interventions.

Notification Letter: Secretariat communication confirming reduced amounts (and completion of Budget Revisions for non-scope changes).

Implementation Letter: Formal instrument to finalize programmatic scope changes (and special cases like grant mergers); includes revised Grant Confirmation, Summary Budget, PF, and requirements.

Guidance on GC7 Mid-cycle Reprioritization and Revision: Secretariat guidance (published 8 July 2025; updated 25 September 2025) governing classification and approvals.

Principal Recipient (PR): Organization legally responsible for grant implementation and fiduciary management.

Department Head: Secretariat approvers of revision approach.

Annex 1: Rapid Assurance Review Rating and Methodology

Rapid Assurance Reviews conducted by the OIG follow the principles of internal auditing as defined by the Global Institute of Internal Auditors. These reviews are guided by international standards for the professional practice of internal auditing, and by the IIA Code of Ethics, ensuring the quality, consistency, and professionalism of the OIG's work. The OIG has developed a methodology for Rapid Assurance Reviews which provides guidelines for the conduct and management of such reviews. The methodology is further supported by the OIG's Charter, Audit Manual, Code of Conduct, and the specific terms of reference for each engagement, which collectively safeguard auditor independence and uphold the integrity of the review process.

Rapid assurance reviews provide limited, timely, risk-based assurance on a subject matter or process while they are being designed and implemented. They assess the adequacy and effectiveness of governance, risk management, and internal control processes, with a particular emphasis on early identification of issues, and support the development of an appropriate, fit-for-purpose process. These reviews may rely on a combination of targeted testing, interviews, documentation reviews, and triangulation with other assurance sources to form a balanced and evidence-based conclusion.

The rating methodology used in Rapid Assurance Reviews reflects the degree to which governance, risk, and control processes are designed and operating effectively to support the achievement of intended objectives. Ratings are assigned based on the nature and severity of issues identified, the reliability of available evidence, and the context in which the review is conducted.

Rapid Assurance Review Rating Classification

Rating	Definition
No material issues noted	No issues or few minor issues noted. Internal controls, governance and risk management processes were reasonably designed and implemented, given the context, and materially effective to support the achievement of intended objectives.
Some concerns noted	Moderate issues noted. Internal controls, governance and risk management processes were reasonably designed and implemented, given the context, but one or a limited number of issues were identified that may present a moderate risk to the achievement of intended objectives.
Significant issues noted	Multiple significant and/or 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 intended objectives is seriously compromised.
Not able to conclude	A conclusion could not be reached due to insufficient, incomplete, or unreliable information. The design and/or implementation of internal controls, governance, and risk management processes could not be adequately assessed, and the effectiveness of these processes remains undetermined.