Member States information session

Oversight and Accountability

15 May 2024

Today's agenda

- 1. **Oversight and audit (*11h30-12h30*):**
  a. Presentation by IEOAC Chair
  b. Presentation by External Auditor
  b. Presentation by IOS
  c. Q&A session with Member States

- 2. **Investigations (*12h30-13h00*):**
  a.   Presentation by IOS (5 minutes)
  b.   Q&A session with MS (25 minutes)

Part I

IEOAC report

Main recommendations (March meeting) – 1/2

External Audit report

- Secretariat and External Audit to review timeline and process for Financial Statements finalisation to **accelerate** their completion.

PRSEAH (cultural change)

- Prepare (and socialise) an **Action Plan for cultural change**, based on the existing conceptual paper.

- Appoint a **cultural champion** to sponsor the change.

- Establish a **reward** and **recognition** mechanism for exemplary achievements in cultural change.

- Launch a biennial **staff survey** (and **short pulse surveys**) that include pertinent questions on PRSEAH and harassment to feed the culture change strategy.
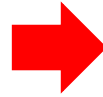
Evaluation

- Prepare an **action plan** to address gaps identified through the comparative study (quick wins to be presented in June).

- Conduct a **suvey** to identify evaluations being carried out across the three levels.

# Main recommendations (March meeting) - 2/2

Ethics ➡️
- Consider that the ethics function should be fully **independent**, a stand-alone office **reporting directly to the Director-General**

Risk Management ➡️
- Prepare a comprehensive detailed **project plan** to fully reach the "**established**" level of maturity and a high-level road map towards the "**advanced**" level.
- Establish **dual reporting lines** (i.e. within each region and the Office of Compliance, Risk Management and Ethics) for regional **risk officers**.
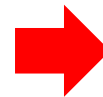
BMS ➡️
- Include in the **project plan** for BMS the implementation of any process changes to meet the **new IPSAS standards.**
- Ensure **continued attention** by the leadership and **prioritization** over the next 18 months to ensure the success of the BMS programme.
- Ensure that BMS Go-live is based on the availability for deployment of a **minimum set of pre-agreed functionalities**.

Other key messages. The Committee appreciated…:

- The **quality and timeliness of the Financial Statements** produced and the **unmodified audit opinion**.

  - That the independent reviews of the audit and investigative functions confirmed the **high standards** of the Internal Auditor's office general performance.

    - The significant progress made in the **PRSEAH area** and implementation rate of the relevant recommendations (91%)

External Auditor report

The Report of the External Auditor

Mandate

- The report of the External Auditor on the audit of the financial statements and operations of the World Health Organization (WHO) is issued pursuant to Regulation XIV of the Financial Regulations of WHO and is transmitted through the Executive Board to the Seventy-Seventh World Health Assembly.

- We carry out the External Audit of WHO and of the five hosted entities, namely, the Joint United Nations Programme on HIV/AIDS (UNAIDS); the United Nations International Computing Centre (ICC); the International Agency for Research on Cancer (IARC); UNITAID; and the Staff Health Insurance (SHI) Fund.

- Separate reports on these entities are issued to their governing bodies.

Objective

- The general objective of the audit is to:
- Provide an independent assurance to Member States
- Increase transparency and accountability and help increase operational effectiveness in the Organization
- Support the Organization in achieving its organisational objectives.

Opinion

- We have issued an unqualified opinion, on WHO's financial statements, for the year ended 31st December 2023.

Scope

- In the current audit cycle, the areas covered as a part of the audit carried out for WHO, include:

  - Compliance and Performance audit of WHO

  - Performance Audit of Supply Chain with focus on LTAs, Shipping and Transport Management System (TMS)

  - Performance Audit of Data management and governance

  - Performance Audit of Emergency Response and Preparedness.

- The focus of External Audit has always been to be able to add value to WHO's endeavor in achieving its objectives effectively and efficiently.

- Apart from the Financial and Performance Audits, audits of a selected Region and country offices are also carried out each year.

  - This year the African Region and country offices of Nigeria and Republic of Congo were audited.

Financial and Compliance Audit

Area of Examination	Recommendation
Ensuring compliance to IPSAS	Suggestion accepted and adopted by WHO.
Accounting Policies and Practises	Suggestion to carry out review of useful life of assets accepted.
Monitoring of Accruals	A recommendation has been made to monitor timely creation of accruals by the various offices.
Bank Reconciliation	Based on our examination, a recommendation has been made for inclusion of details in statements.
Inventory	A recommendation has been made to expedite disposal, by following a graded approach.
Resource Mobilisation	Enhancing Donor Reporting Efficiency has been emphasized while also recommending that the WHO Foundation must adhere to the procedures of the Affiliation Agreement.
Grant Management and Direct Implementation:	Ensuring that the Budget Centers carry out continuous monitoring, to enable timely refunds and completion of activities has been recommended.
Procurement of Materials and Supplies	Owing to cases of delays noticed, it has been recommended that WHO should develop a mechanism to monitor the purchase orders placed on UNICEF.

Accountability Functions

Status of Investigative Function

- On examining the Investigations being carried out, it has been recommended that WHO may prioritize cases where PR deadlines are not met, establishing both priority levels and risk scores for cases received post-SOP issuance.

- A mechanism should be formulated to link allegation pendency with staff separation process.

Enterprise Risk Management

- While examining the framework of engagement of Non-State Actors, it has been recommended that WHO should adhere to due diligence, risk assessment, and risk management requirements outlined in FENSA for engagements with non-State actors.

- Also, WHO should consider upgrading the Register of non-State actors by uploading information on all non-State actors engaging with WHO.

Performance Audit of Supply Chain with focus on LTAs, Shipping and Transport Management System (TMS)

Supply Chain Transformation Initiative

- We recommend that the projects should be closely monitored to ensure timely completion as per realistic target timelines.

Quality Assurance

- We recommend increase organisational capacity and development of SOPs for quality assurance of medical procurement.

Procurement Planning

- A recommendation has been made to prepare long term centralized plans based on assessments of requirements carried out across the organization.

Delay in award of LTAs

- Development of a criteria and timeline, with benchmarks, for concluding the agreements in a timely manner is a recommendation being made.

Performance Monitoring of freight forwarders

- Its is recommended that evaluation of performance maybe done from the perspective of timeliness.

Transport Management System (TMS)

- An audit of the system was carried out and recommendations have been regarding improving data quality, timeliness, detailing and periodicity of data being captured and on widening the scope of MIS.

Performance Audit of Data management and governance

Resource Allocation

- We recommend that WHO may consider committing itself to this significant project by allocating resources; and by monitoring progress in a manner compatible with WHO's Project Management Framework.

Components of the WHDH

- We recommend that remaining work on the Country Portal for data collection for communications and Data Calendar, which are the major solutions to address data fragmentation and reporting burden of member states, be expedited.

Data disaggregation

- We recommend that the importance of collecting and providing disaggregated data be advocated to all Member States.

Utilization of WHDH data in Prioritization of WHO interventions

- We recommend that the inputs of DDI developed through stocktakes may be integrated with the budget preparation activities.

Integration with BMS

- We recommend that integration between the SPM module of BMS and the WHDH, be considered for budget formulation.

Data Governance

- We recommend WHO consider having regular DGC meetings at senior management level for decision making and advocacy with defined roles and responsibilities.

Funding

- It has been recommended that WHO may consider putting in place a long-term strategy for enhancing flexible funding for each of the three outcomes of health preparedness, prevention and emergency response under SP2, and build a strong case for enhanced donor support for health preparedness.

Allocation of OCR funds

- WHE may consider developing criteria for prioritizing allocation of annual Health Emergency Appeal Funds adhering to principles of equity, needs assessment and transparency.

Status of Implementation of International Health Regulations

- It is recommended that WHO should lead the global effort in advocacy and strengthening of country health preparedness plan in active collaboration with Member States that are falling behind in health security and response preparedness.

Emergency Surveillance

- WHE may consider linking various databases of signals in a common cloud-based platform which is connected to EMS for a seamless flow of information and for strengthening the analytics' capacity of the system.

Risk assessment - Observations:

1. Time gap between first information received and the RRA varied considerably in cases test checked by audit.

2. ERF 2017 is silent on the SOPs to be followed where repeat RRAs are recommended.

3. A delay between the assessment of risk as being high and the grading call being taken was seen in the test checked cases.

4. Assessed risk in case of some of the Grade 2 emergencies could also be sufficiently high to warrant invoking Level 3 Procedures.

5. There were inconsistencies in procedures followed for declaring the PHEIC in the case of sampled emergencies. This highlighted the need for a more standardized approach to referring public health emergencies to the EC.

Risk assessment - Recommendations:

1. WHO may consider reviewing the threshold for notifying the UNSG in the updated ERF 2.1 for Grade 2 Emergencies with provision for activation of Level 3 procedures on a case-to-case assessment of Grade 2 emergencies.

2. In order to improve transparency and uniformity in procedures leading to determination by the Director-General of an emergency as PHEIC, WHO may consider developing detailed SOP for RRAs for referring an event for review by IHR Emergency Committee in accordance with Article 12 of IHR 2005.

Region of Africa: The Regional Office of Africa and COs Nigeria and Republic of Congo

- We reviewed the transactions of Africa's Regional Office (AFRO), and two country offices of Congo and Nigeria.

- The processes and transactions relating to programme management, procurement, travel and human resource management, cash management and communication of project results to donors were examined.

Budgeting and Implementation of GPW

- We reviewed percentage of expenditure against financing for the three strategic priorities and their outcomes and recommend that Management may strive to ensure financing commensurate to the budget and expedite utilization to meet envisaged work targets.

Country Cooperation Strategy

- We observed that WHO Africa Region has valid CCS only with 18 (38 per cent) out of 47 Member States.

- We recommend that the CSS may be put in place at the earliest in all member states.

Submission of Reports

- We have observed and reported on delays in submission of reports related to DFCs, Dis and GIOAs and have recommended that regular follow-ups to address these delays be conducted.

Imprest Accounts

- The observation made is that Management may strengthen internal control for management of imprest accounts by ensuring timely and regular reconciliation, review of ceiling limits in cash imprest accounts and timely closure of inactive imprest accounts.
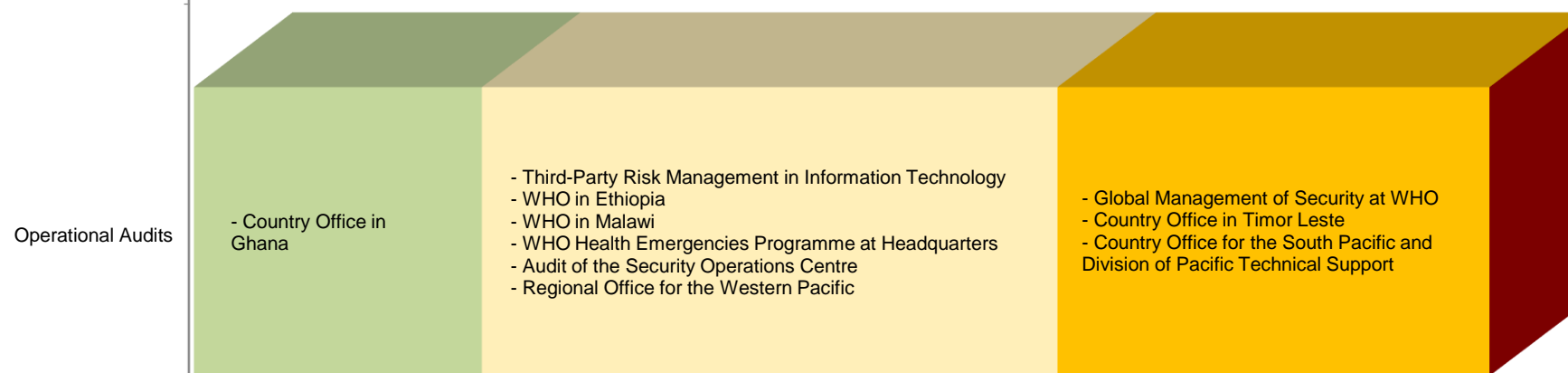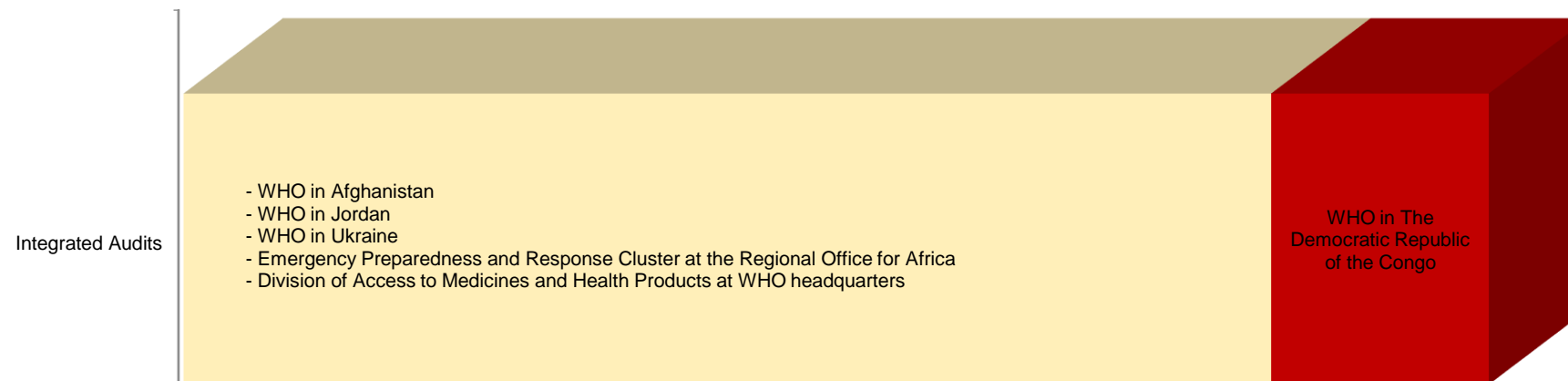
# Office of Internal Oversight Services (IOS) - Audit

Agenda

I. 2023 Internal Audit workplan – audit ratings

Integrated Audits

- WHO in Afghanistan
- WHO in Jordan
- WHO in Ukraine
- Emergency Preparedness and Response Cluster at the Regional Office for Africa
- Division of Access to Medicines and Health Products at WHO headquarters

WHO in The Democratic Republic of the Congo

Operational Audits

- Country Office in Ghana

- Third-Party Risk Management in Information Technology
- WHO in Ethiopia
- WHO in Malawi
- WHO Health Emergencies Programme at Headquarters
- Audit of the Security Operations Centre
- Regional Office for the Western Pacific

- Global Management of Security at WHO
- Country Office in Timor Leste
- Country Office for the South Pacific and Division of Pacific Technical Support

■ Satisfactory   ■ Partially satisfactory with some improvement required   ■ Partially satisfactory with major improvement required   ■ Unsatisfactory

II. Overall effectiveness of controls – results for all process in 2023
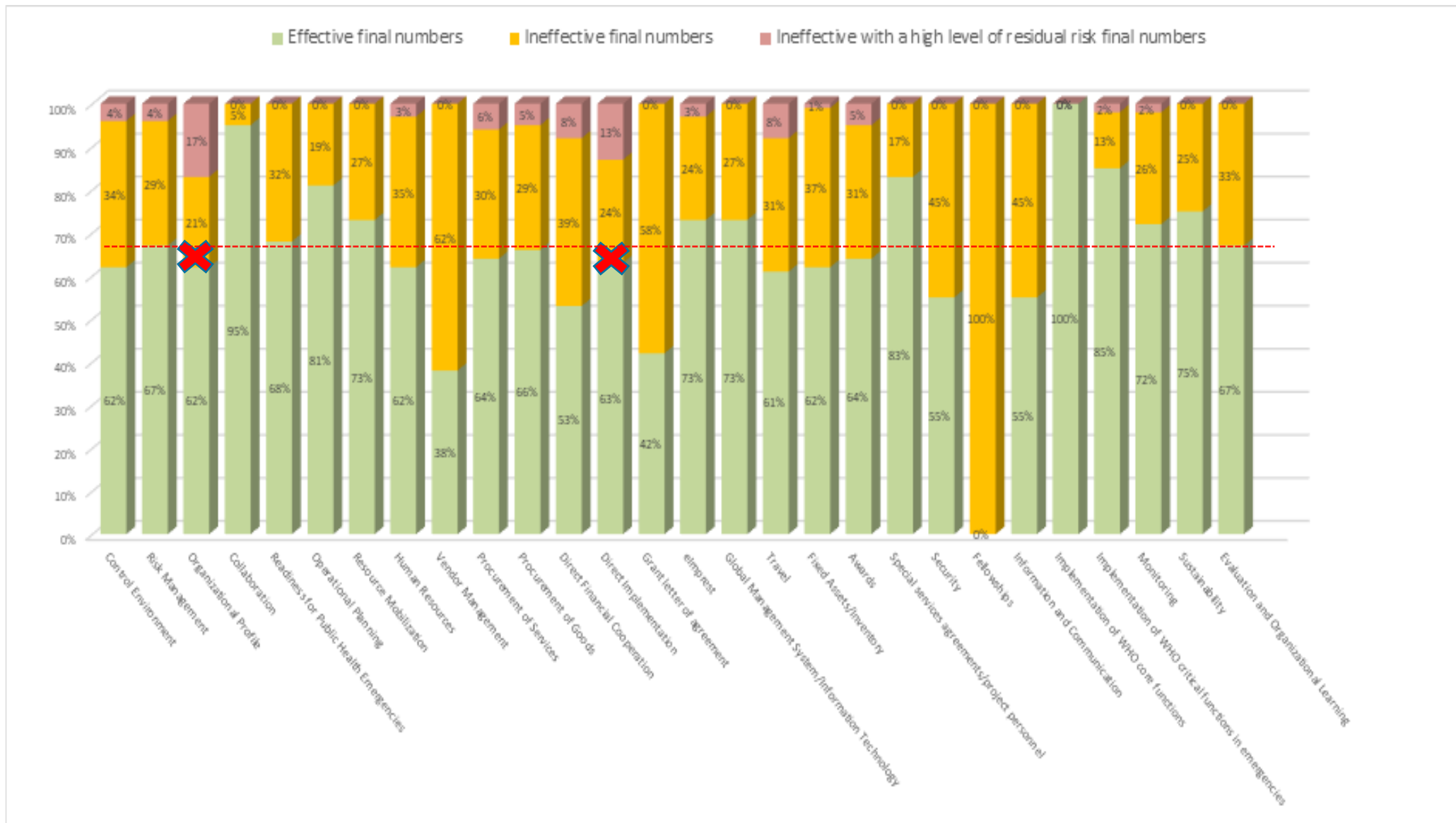
III. Summary of significant recurring findings/recommendations

Areas that require "holistic" attention by Management and should be addressed in a cross-cutting, sustainable manner:

➢ **Review organizational structures and staff requirements for programme delivery.** This includes the need to review and update human resource plans to better support staffing requirements for programme delivery.

➢ **Enhance assurance activities over direct implementation, direct financial cooperation and grant letters of agreement.**

➢ Improve **supply chain, vendor management and procurement** processes.

IV. Root-cause analysis - findings

Reflecting available 2023 audit recommendations (i.e. with causes identified)

Main root causes	%
Insufficient awareness of policy requirements	21%
Insufficient follow-up by management/staff members on the requirements	19%
Insufficient staff/resources	13%
Ongoing emergencies in the country or the region	10%

➢ Approximately 40% of the cases reportedly relate to:

    (i)   insufficient staff awareness of policy requirements
    (ii) insufficient managerial/staff follow-up on the requirements.

➢ Suggesting that enhanced effectiveness and managerial accountability for the 1st line review of transactions, i.e., during the review and approval processes and second-line assurance activities, should result in significantly improved compliance.
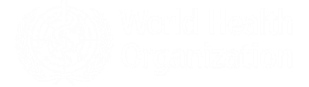
V. Overall implementation of internal audit recommendations

- Updates since WHA - **14 audits closed**.

- Slight improvement on past due recommendations: 24.1% down from 25.6%.

- High Risk and overdue = 5% of total

- Greater improvements needed: 22% down from 35% in 2022

Q&A

Part II

Office of Internal Oversight Services (IOS) - Investigations

Investigation - 2023 Caseload and Trends

➢ 740 new allegations, up 52% from 2022

➢ Breakdown:

- **273 abusive conduct and retaliation**

- 172 sexual misconduct

- 168 financial misconduct

- 127 other breaches of professional standards

Investigation - 2023 Trends and Root causes

➢ Main causes for the continued increase include:

- New PAAC Policy

- New Retaliation Policy: Expansion of IOS mandate

- Continued outreach/awareness raising – particularly PRS

Investigation - 2023 Disposition of cases

➢ IOS concluded 738 cases, keeping the overall caseload stable

- 92 cases were concluded after full investigation, of which

- 36 were substantiated

- 644 after preliminary review, with or without management referral.

➢ Risk-based intake and triage improved efficiency
and timeliness of case disposition.

Investigation - SEA cases – 10th Ebola outbreak DRC

- ➤ Investigations were handled by UN OIOS.

- ➤ Investigations involved 21 WHO affiliated individuals, of which:

  - 9 have been substantiated

  - 8 have been unsubstantiated

  - 1 has been closed due to death of subject

  - 1 case under review by WHO

  - 1 is under review by IOS

Q&A