

**Report of the thirty-first Meeting
of the Independent Expert Oversight Advisory Committee (IEOAC)
of the World Health Organization**

Virtual meeting | 30 June and 1 July 2020

AGENDA ITEM 1

Opening and administrative matters

- The Chair confirmed a **quorum** with three of the members of the IEOAC present.
- No conflicts of interest were recorded by the present members. In addition, all present members submitted updated “Declarations of interest for WHO Experts”, for the year 2020.
- The **agenda** was unanimously adopted.
- In view of the ongoing COVID-19 situation **the meeting was held virtually** with the secretariat present at the WHO-offices in Geneva.
- Agenda and Participant list of the meeting is enclosed.

AGENDA ITEM 2

WHO Overview Briefing | CdC, ADG/BOS

Context | Summary

- Because of COVID-19 WHO currently operates with 300 – 450 staff being physically present in the head office in Geneva. This will increase to up to 850 in phase II starting 15 July 2020.
- Contemplated changes to membership of a member country triggered scenario-planning exercises on budgets (AC and VC) of the WHO. While the financial impact currently appears manageable, uncertainty regarding second-round effects remains high.
- WHO is working on strengthening the demand side of Global Supply Chain (part of the UN Supply Chain Task force) which aims to provide countries with essential supplies needed for their Covid-19 response.

Observations

- The committee highly appreciated the newly introduced COVID-19 briefings that permit up-dates on events and developments at WHO outside the meeting cycle.
- WHO is coordinating the COVID-19 Medical Evacuation (MEDEVAC) operations for the entire UN-system. Appr. 30 missions have been carried out to date.
- The committee noted the intention to create an independent high-level evaluation panel with wider stakeholder engagement to “*review experience gained and lessons learned from the WHO-coordinated international health response to COVID-19*”¹

Recommendation I

- Senior Management to continuously refresh scenario-planning regarding membership changes if and when new information emerges.

¹ SEVENTY-THIRD WORLD HEALTH ASSEMBLY A73/CONF./1

- As far as reasonably possible, scenario planning to include possible second-round effects beyond financial impact.
- The IEOAC advised that WHO should ensure that there is no possibility of a perceived conflict of interest during the establishment of the independent evaluation panel.

AGENDA ITEM 3

Internal Oversight Services | CdC, ADG/BOS, Director IOS

Context | Summary

- The COVID-19 challenge provided evidence that large parts of IOS-work may be performed remotely

Observations

- Following-up on previous reports on Investigations, and after assessment of results of the EY-study, the draft JIU-audit, COVID-19 experiences, and benchmarking with other UN-agencies, the IEOAC recommends addressing investigation capacity constraints immediately.
- Overdue audit recommendations remain stable at 26.7 % pointing to the continued need for enhanced management oversight of timely remedial action.

Overview investigations²

| Allegation Type | 2016 | 2017 | 2018 | 2019 | 06/2020 |
|---|-----------|-----------|------------|------------|-----------|
| Corruption | 8 | 14 | 5 | 9 | 4 |
| Failure to comply with Professional Standards | 15 | 4 | 11 | 11 | 6 |
| Fraud | 32 | 30 | 55 | 61 | 23 |
| Harassment | 9 | 13 | 25 | 27 | 13 |
| Recruitment irregularity | 5 | 10 | 8 | 14 | 3 |
| Retaliation | | 1 | 4 | 2 | 2 |
| Sexual Exploitation and Abuse | | 1 | 3 | 5 | 1 |
| Sexual harassment | 5 | 3 | 10 | 6 | 3 |
| Other (and blank) | 5 | 6 | 27 | 27 | 9 |
| Total | 79 | 82 | 148 | 162 | 64 |
| <i>Change y-o-y</i> | | + 4 % | + 80 % | + 9 % | -60% |
| <i>Percent of investigations with status "closed"</i> | 91 % | 83 % | 66 % | 43 % | 36 % |

Recommendation II

- The IEOAC **recommends approval of three head count** (Head of Investigations – Team Lead, Group Lead Investigations, Group Lead Investigations Support) for IOS and immediate start of the hiring process.
- The IEOAC recommends inclusion of independent, external expertise in the selection panel.

Recommendation III

- The IEOAC recommends ensuring that governance systems, policies and procedures at the WHO Foundation are established with priority to shield WHO from potential reputational risk.

Recommendation IV

- The IEOAC strongly recommends adding additional timebound project capacity to dealing with the backlog of investigations and provide a milestone-plan for this project.

² Source IOS-reporting

AGENDA ITEM 4

Transformation update | CdC, ADG/BOS, Senior Advisor Organizational Change + team members

Observations

- The committee appreciated the briefing on the current status of the overall transformation process and was pleased to note that a direct line management approach was used for staff working in the transformation team.
- The involvement of WHO member states in areas requiring extensive member states' consultations, was also noted. However, the committee reiterated the importance of hearing from staff across the organization. This could be addressed using communication tools such as pulse surveys, amongst others.

Recommendation V

- Senior management to ensure continued two-way dialogue with WHO staff so as the spirit of transformation is not lost and staff at all levels feel a sense of ownership for the transformation and that any concerns are being heard.

AGENDA ITEM 5

Anti-fraud work at WHO | ADG/BOS, Director CRE, Director IOS, Comptroller a.i. + team members

Context | Summary

- Based on the PBAC request: “... it asked the IEOAC to assess the anti-fraud and anti-corruption work in WHO” a review of the anti-fraud system, policies, guidelines and their comprehensive application across the 3-lines of defense as well as the 3 levels of the WHO was undertaken.
- A similar review exercise regarding anti-corruption work at the WHO will be undertaken during the next IEOAC-meeting.

Observations

- The anti-fraud system of the WHO is based on an organization-specific application of the 3-lines of defense concept. The second line of defense acts as the “rule setter” and has issued specific policies, guidelines, standard representation letters and maintains the WHO-wide risk register overseen by the Risk Management Committee. Fraud-specific policies are complemented by other policies and procedures – within procurement, finance, cash management, programme implementation, HR, et al. in the WHO eManual and SOPs.
- The WHO has communicated its “zero tolerance” approach to fraud across the organization.
- Budget centers across the WHO have identified the following areas as the most common fraud-related areas as part of their ongoing risk-management work:
 - Absence of sufficient controls and monitoring.
 - Inappropriate use of DI/DFC.
 - Lack of assurance over funds used by implementing partners.
 - Management of cash payments in the field.
- Application of fraud-related policies and procedures falls within the remit of the first line of defense through internal controls in place in offices, regular assurance activities and fraud awareness training (including dedicated video) and documentation readily available to all staff. The IEOAC discussed and challenged the application of fraud-related rules with the WHO Representative of the Syrian Arab Republic and a Finance Officer from the African Regional Office, and noted the appropriate understanding and attention to anti-fraud measures (including regional development of digital mobile money solutions).

- Emergency situations have been singled out as the environment most likely giving rise to enhanced fraud risks for WHO with procurement emerging as another critical area following the COVID-19 related increase in WHO procurement operations.
- The standard procedures of the third line of defense (Audit) include assessing “fraud risk” and raising fraud awareness during operational audits.
- The IEOAC discussed the appropriateness of anti-fraud work (policies and their application) based on the categories “Rules”, “Tools” and “People” and concluded that the overall system of anti-fraud work **appears to provide reasonable assurance level while noting that continued focus on comprehensive implementation remains necessary.** The WHO has singled out areas for further improvement and additional work such as:
 - Balancing rule and tool complexity with field-realities in emergency situations.
 - Simplification of due diligence procedures and applications.
 - Strengthening consequence management if rules are broken.
 - Enhancing overall detection levels.
 - To enhance the understanding of context specific adjustments to WHO risk-tolerance levels tailored to specific country or emergency situations.
 - Continuous training of WHO staff and partners.
- Striking the **appropriate balance** between the time pressure as well as the complexity of emergency situations and the strictest application of “zero-tolerance” fraud-related rules **remains an ongoing challenge.**

Recommendation VI

- The IEOAC recommends continued **focus on the area of procurement-fraud** based on experience from other UN system organizations and the private sector.

Recommendation VII

- The IEOAC recommends **regular updating of relevant anti-fraud policies** following the Transformation and related changes in processes and organizational set-up.

Recommendation VIII

- The IEOAC encourages Senior Management to **systematically enhance analogue and digital tools** for protection against fraud for field-use in country offices.

Recommendation IX

- The IEOAC encourages Senior Management to **continue or augment efforts to reinforce a zero-tolerance culture** with particular emphasis on training and education at the country level.

AGENDA ITEM 6

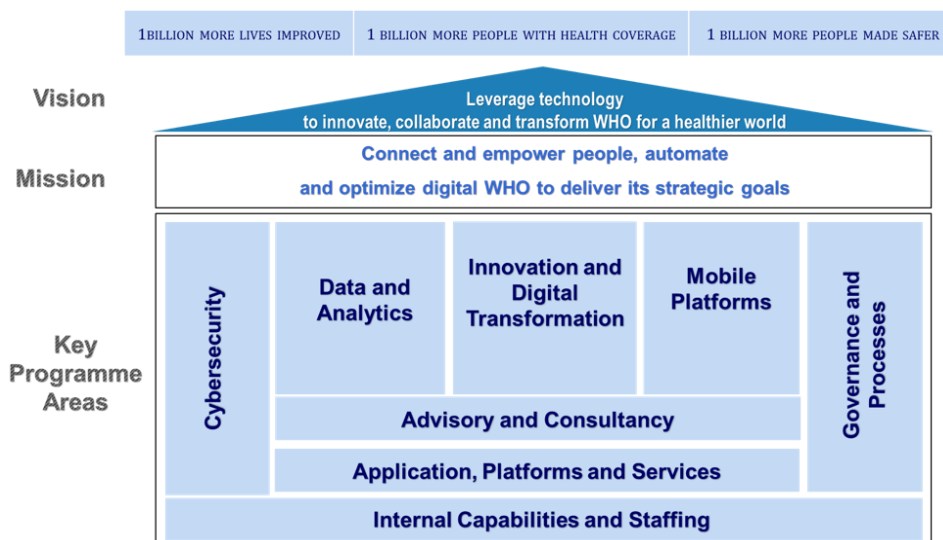
IT Strategy, Cybersecurity Roadmap and Implementation | ADG/BOS, CIO, Director IOS

Context | Summary

- Owing to the ever-increasing role of IT and Cybersecurity, the IEOAC has stepped-up oversight over these critical functions at the WHO.

Observations

- The WHO is operating under an approved comprehensive IT-strategy:



- Total IT-spending at the WHO currently stands at below 2 % of total revenues compared to 3.7 % worldwide average according to expert benchmarking studies (Gartner). Total IT-cost of \$ 5.4 k per headcount is at the lower end of the comparable spectrum.
- Current IT-budget distribution between “run the WHO” and “change the WHO” is appr. 80 % to 20 %. Compared to benchmarks this indicates room for improvement on IT change investments to support the ambitious programmatic goals of WHO and to harvest technology-driven efficiency enhancements.
- The single largest IT-project in the foreseeable future is the modernization, optimization and simplification of the Global Management System (GSM) – WHO’s ERP solution. The committee challenged managements project risk management assumptions and the ability of WHO to deliver such large-scale technology change. The project has been divided into “bite-sized” pieces to ensure delivery to budget, to specification and in time. The IEOAC will continue to monitor the progress of this mission-critical project.
- The IEOAC took note of the cross UN-cooperation in implementation of a new ERP-system and the interest of IOM, UNHCR and WFP in pursuing parts of ERP-renewal as a joint exercise.
- COVID-19 has necessitated increased attention to cybersecurity with WHO “under attack”. Cybersecurity investments have been increased, a Security Operations Center (SOC) has been established, Endpoint Detection and Response is progressively rolled-out across the organization, penetration testing and internal vulnerability scanning has been performed and mandatory staff training on Cybersecurity has been enhanced.
- The WHO acquired the solution IntSights to provide Threat Intelligence for Clear and Dark Webs and capability to take down websites and impersonations.
- Cybersecurity attacks on WHO included being targeted by Nation-State and other threat actors, in form of:
 - o Spear Phishing targeting business as well as personal emails (DG, Directors, DG office).
 - o Impersonation, phishing, and vishing (voice phishing) attacks on general public, WHO, and other UN agencies.
 - o Advanced attacks on WHO infrastructure.

- Recently **more than 95,000 domains** related to COVID were registered, researchers estimate **at least 70% of those are fake** and used for multiple frauds.
- WHO has considerably stepped up its cybersecurity preparedness and is actively pursuing its roadmap towards highest levels of IT-security. The IEOAC noted the progress on this roadmap and reiterated that cybersecurity investments should be continued despite the challenging “business case” of such investments.
- The IEOAC takes the view that despite the decentralized nature of the WHO in pursuing programmatic aims across the three levels of the organization a somewhat more center-led (center not necessarily meaning Geneva as a location) approach to IT and Cybersecurity is appropriate to ensure scale-benefits, enhanced effectiveness and harvesting of necessary efficiency gains.

Recommendation X

- The IEOAC recommends review of overall IT-spending in relation to revenues as part of the overall planning cycle.
- The IEOAC recommends review of the ratio of “run the WHO” to “change the WHO” IT-spend and to consider additional “change” investments.
- The IEOAC recommends harnessing available systems and platforms from other UN organizations during the modernization of WHO’s Global Management System (GSM) and to consider overall integration of ERP systems with other UN system organizations rather than just parts of the ERP with common use of some functionalities.

Recommendation XI

- The IEOAC recommends continuation of IT- and cybersecurity investments to protect the organization despite the missing “business case” for such investments.

AGENDA ITEM 7

Senior Management discussion on Accountability functions of the WHO | CdC, ADG/BOS

Context | Summary

- Following the end of the formal Transformation program, Senior Management plans to review and enhance the accountability functions at the WHO. Senior Management requested advice of the IEOAC on the approach and pillars of this enhancement program.

Observations

- The IEOAC is supportive of the intended structured review and enhancement of accountability functions across the WHO and agrees that the timing needs to be adjusted to COVID-19 realities.
- Enhancing accountability functions and ensuring that they are performing critical enabling roles in reaching the triple-billion target is a logical continuation of the Transformation program with its focus on programmes and strengthening of country effectiveness.
- The IEOAC will support management in an advisory capacity in this endeavor and regularly report on progress achieved.

Recommendation XII

- The IEOAC recommends making an **adjusted and modernized Accountability Framework** of the WHO, a cornerstone of the accountability function enhancement project.

Recommendation XIII

- The IEOAC recommends ensuring timely implementation of IOS-recommendation through inclusion into senior managers' compacts.

AGENDA ITEM

Other Matters

The Committee noted the briefing provided on the progress on ongoing evaluations and specifically the update on the upcoming evaluation of the WHO Transformation process.

The Committee would like to thank all staff supporting its work and for their commitment and dedication during COVID-19 times. The committee highly appreciates enhanced assurance reporting and continued focus on uninterrupted operations of both critical and on-going functions of WHO by all staff, despite the capacity required for fighting a worldwide pandemic.

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