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# **Compliance, risk management and ethics: annual report**

## **Report by the Director-General**

1. WHO has continued to follow up on its commitment to fully incorporate transparency and accountability in all its work, with the aim of ensuring that it is able to fulfil its mission, as laid out in the Thirteenth General Programme of Work, 2019–2023. The Secretariat continues to make steady progress in promoting and fostering ethical principles as the basis of WHO's work, establishing a culture of positive risk management in the Organization and improving accountability internally as well as to Member States.
2. This report provides an update of the actions taken by the Secretariat in 2018:<sup>1</sup> (a) to promote the highest ethical standards, codes of conduct and core values; (b) to establish a culture of positive risk management across the Organization; and (c) to implement policies, procedures and tools to enhance organizational accountability and compliance with rules and regulations.

### **ETHICS**

3. During 2018, the Secretariat has continued to strengthen its ethical framework, building on the principles laid out in its policies and implementing new processes. The consultative nature of the process used to elaborate WHO's ethical framework (comprising principally a code of ethics and professional conduct, and policies on whistleblowing and protection against retaliation and on the prevention of sexual exploitation and abuse<sup>2</sup>) and subsequent presentations of and training in the elements of the framework provided by the Office of Compliance, Risk Management and Ethics have generated much interest and awareness among staff members. The result has been a significant increase in the number of staff members seeking advice from the Office on a variety of issues. The

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<sup>1</sup> For the previous annual report, see document EBPBAC28/3.

<sup>2</sup> Respectively, WHO. Code of ethics and professional conduct. April 2017 ([http://who.int/about/ethics/code\\_of\\_ethics\\_full\\_version.pdf?ua=1](http://who.int/about/ethics/code_of_ethics_full_version.pdf?ua=1), accessed 14 February 2019); WHO policy on whistleblowing and protection against retaliation: policy and procedures. 2015 (<https://www.who.int/about/ethics/WHOwhistleblowerpolicy.pdf?ua=1>, accessed 14 February 2019); and WHO sexual exploitation and abuse prevention and response: policy and procedures. March 2017 ([https://www.who.int/about/ethics/sexual-exploitation\\_abuse-prevention\\_response\\_policy.pdf](https://www.who.int/about/ethics/sexual-exploitation_abuse-prevention_response_policy.pdf), accessed 14 February 2019).

adoption of the code of conduct for responsible research<sup>1</sup> and a policy to handle research misconduct in 2017 extends the framework from corporate ethics to research ethics.

4. In 2018, the Secretariat launched two new mandatory training modules for all staff members across the Organization on the prevention of sexual exploitation, abuse, and sexual harassment and harassment. A communication campaign was conducted at all three levels of the Organization in order to raise awareness of sexual exploitation and abuse and of how to prevent and handle any occurring incidents. A global ethics training programme is being developed and will be introduced in 2019. In addition, new clauses referring to the principles of the Code of ethics and professional conduct and highlighting the Secretariat's expectations in terms of staff members' behaviour have been adopted as a standard component of all staff members' appointment letters. The Secretariat has also introduced specific clauses into all non-staff-member contracts that state WHO's expectations explicitly in terms of the behaviours of contractual partners, stressing specifically sexual exploitation and abuse and the requirement to take prompt action to deal with any occurrence.<sup>2</sup>

5. Since 2016, the Integrity Hotline has enabled the Secretariat to receive reports of ethical concerns from staff members and the public globally, including anonymously. In 2018, the Secretariat received 73 reports through the Integrity Hotline, of which 32 were still open as at 21 January 2019. These reports include: 16 relating to human resources issues, 11 to personnel/health/safety, nine to breaches of WHO's Code of ethics and professional conduct, eight to conflicts of interest, six to breaches of Staff Rules and Staff Regulations, six to fraud/corruption and/or bribery, five to harassment, two to various other issues, and two enquiries for feedback. In addition, six reports of sexual harassment and two reports of sexual exploitation and abuse were made through the Integrity Hotline. Of all these submissions, 14 reports were referred to the Office of Internal Oversight Services for investigation. During 2018, the Office of Compliance, Risk Management and Ethics has also been approached directly by more than 110 staff members for advice on ethical dilemmas concerning various issues.

6. To review any direct or perceived conflict that may have adverse consequences for staff members, and therefore put at risk WHO's credibility, competence and independence, the Secretariat runs an annual exercise of declaration of interest for staff members<sup>3</sup> in designated employment categories. The aim is for senior staff members (at the P5 level and above) and staff members involved in procurement and other sensitive functions (at the G5 level and above) to declare their interests proactively. The Secretariat reviews declared interests and advises staff members, as appropriate, about mitigating actions. In 2018, 702 staff members submitted declarations to the Office of Compliance, Risk Management and Ethics. In addition, 101 staff members submitted requests for authorization of an outside activity during the course of 2018. To streamline the reviewing of annual declarations of interest, the Regional Office for Africa has automated the process and staff members now submit their declarations online.

7. The Office of Compliance, Risk Management and Ethics also advises technical departments on conflicts of interest that may arise when external experts or advisers are invited to participate in working groups or provide expert opinions on public health-related topics. It also provides regular

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<sup>1</sup> WHO. Code of conduct for responsible research. November 2017 (<http://who.int/about/ethics/code-of-conduct-responsible-research.pdf?ua=1>, accessed 14 February 2019).

<sup>2</sup> Fighting against sexual exploitation and abuse: a priority for WHO, see (<https://www.who.int/about-us/ethics/sexual-exploitation-abuse>, accessed 14 February 2019).

<sup>3</sup> In compliance with Staff Rule 110.7.2 and WHO Manual II.5.910.

input and support on related issues to technical departments across Organization. An online monitoring system was introduced in 2018 to manage and record the declarations of interest of individual experts invited across the Secretariat.

## **RISK MANAGEMENT**

8. Corporate risk management is a fully integrated part of management at WHO and is aligned with the overall results-based management framework in addition to the accountability and internal control frameworks. The purpose of risk management is to ensure that senior management, managers and other staff members understand the risks and opportunities that the Organization faces and to use this information to improve decision-making.

9. In late 2017 the Secretariat commissioned an external review of its approach to risk management: the Baldwin Report. This report was issued in January 2018 and made 31 recommendations for improving risk management in WHO. The Secretariat established an implementation plan spanning 2018 and 2019. Among the recommendations that the Secretariat agreed to implement, 20 (67%) have already been implemented as at 21 January 2019 and the remaining 11 (33%) are in progress.

10. In response to the key recommendation of the Baldwin report, the WHO Risk Management Committee was established at the end of 2017. The Committee met five times in 2018 and focused on the following topics:

- risks related to security, in particular in the Eastern Mediterranean Region and for the WHO Health Emergencies Programme, and a plan for future action was developed;
- determining risk appetite, in particular with focus on experiences from the polio eradication and health emergencies programmes;
- defining an overall risk appetite for WHO;
- reviewing and updating the WHO Principal Risks.<sup>1</sup>

11. The Secretariat has one corporate risk register. It consists of regional, cluster and budget centre risks. Regional Directors, Assistant Directors-General and budget centre managers monitor and validate their respective risks on a regular basis; relevant risks are discussed with the WHO Risk Management Committee and included in the WHO's Principal Risks as appropriate.

12. In terms of individual risk results, as at 1 February 2019, the Secretariat's budget centres have identified 1373 validated risks organization-wide, out of which 55 have been brought to senior management's attention. Furthermore, seven regional risks have been brought to the attention of the WHO Risk Management Committee. This total continues the lowering trend from previous years: 1956 risks were identified in 2018 and 2722 in 2017. The decline demonstrates a more mature and better aligned risk management process.

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<sup>1</sup> <https://www.who.int/about/finances-accountability/accountability/> (accessed 21 February 2019).

13. Most of the critical risks were identified within the following areas: “lack of sustainable funding for programmes”, “lack of clear roles and responsibilities and/or lack of organization-wide coherence in WHO”, and “insufficient security (staff and premises)”.

14. The Regional Office for Africa has established a Compliance and Risk Management Committee as part of its Executive Management Team in order to ensure a strategic, transparent and effective approach to risk and compliance management. Additionally, all country offices in the African Region are expected to operate local compliance and risk management committees. Similarly, the Regional Office for South-East Asia has established a risk management committee with the aim of supporting the decision-making processes on operational matters related to compliance and risk management as well as to oversee management and mitigation of strategic, operational, financial, reputational and other risks faced by the budget centres of the Region. In the Regional Office for the Eastern Mediterranean, a Compliance and Risk Management Committee chaired by the Regional Director and composed of all directors in the Regional Office was established in late 2018, replacing a more limited Compliance Committee. This move reflects the high level of importance the new Regional Director has placed on enhancing accountability through improved compliance and risk management in the Region.

15. The Regional Office for the Americas aligns itself with WHO’s corporate risk management policy, methodology and framework, thereby facilitating a common understanding of the process. Its risk management team has established a risk management system, process, and risk register and collaborates closely with the planning and budget team to integrate risk in the regular planning process. The Regional Office has established a risk committee which meets regularly to decide on appropriate actions regarding the most critical risks identified in the Region of the Americas. The Regional Office for the Western Pacific set up the Advisory Group on Accountability and Risk in 2017 in order to strengthen the culture of accountability and risk management throughout the Region. The group meets quarterly to review the current compliance and risk management status and progress, and to provide strategic advice on these topics. The Regional Office has aligned the risk management process and the programme budget planning process.

16. The Secretariat is committed to improving its risk management practices globally through continuous innovation and evolution. One highly important initiative in this context is the compliance and risk management network through which common approaches are aligned and planned and best practices globally are identified. The network facilitates improvement of the risk management process across WHO. The Secretariat will define its risk appetite with the purpose of increasing the understanding across the Organization of what risks it is willing to accept and pursue.

17. The Secretariat is working on an ambitious global training programme for risk management in 2019 with limited resources, in collaboration with the Regional Office for Africa, which is developing an e-learning training module on risk management.

## **COMPLIANCE**

18. WHO’s transformation offers an opportunity to further shape WHO’s accountability, which the Secretariat, with the support of the network of risk management and compliance focal points in the regional offices, uses to embed accountability and transparency further into corporate processes. The network discusses jointly global accountability needs and regularly shares relevant information on the regional accountability initiatives undertaken in different major offices to allow for organizational learning, linking of relevant initiatives and use of best practices across the Organization.

19. The Regional Office for Africa has introduced further types of oversight reviews, namely pre- and post-audit reviews and compliance reviews. The Regional Office for the Americas has further refined its risk management reporting approach by introducing prioritization criteria. The Regional Office for the Eastern Mediterranean has increased awareness-raising efforts through induction training to ensure that new staff are fully aware of the importance that WHO places on accountability through compliance and risk management. In the Regional Office for Europe a dedicated compliance officer has joined cross-regional programme and administrative reviews with colleagues from the Regional Office for Africa. The Regional Office for South-East Asia has introduced country programme and administrative management reviews as a good supplement to audits, and will introduce reviews of departments in the Regional Office during 2019. The Regional Office for the Western Pacific has further enhanced its regional analytics portal and the quarterly compliance report. In addition, a new asset management system and consultancy management system were introduced at the beginning of 2019 to support staff members including senior management in monitoring and improving compliance in these areas.

20. In order to further strengthen the internal control environment and ensure compliance with WHO's rules, regulations, policies and procedures, all budget centres across the Organization conduct an annual assessment on the effectiveness of internal controls, using the internal control framework self-assessment checklist. This tool enables managers to reflect on their internal control environment and operations, identify strengths and weaknesses, prioritize actions, and enhance awareness of and compliance with WHO's rules, regulations and procedures. The checklist is structured into five operational areas (internal environment, risk management, control activities, information and communication, and monitoring) and enables review of controls in 10 functional areas, such as planning, procurement and security.

21. As this exercise is iterative, the checklist is reviewed regularly to remain relevant. Hence, it was reviewed and updated in 2018 on the basis of guidance from business owners in the Secretariat. A new section on emergencies has been added to address controls for graded emergencies. In addition, further harmonization efforts between the different accountability tools, such as the internal control framework self-assessment checklist and the corporate risk register, are under way.

22. The results of the self-assessment exercise feed into the annual letters of representation from the Regional Directors and Assistant Directors-General, as well as further into the Annual Statement of Internal Controls issued by the Director-General. Indicative results from the 2018 self-assessment exercise show that, organization-wide, internal controls have been assessed to be overall strong, including slight improvements over the past four years. Across the Organization, most room for improvement has been identified in the operational control area of risk management, in particular in implementing risk response actions. For the functional control areas, graded emergencies show most room for improvement. Respondents identified a need for better awareness of standard operating procedures. Furthermore, planning for procurement, succession and travel and effective follow-up on actions stemming from audits and evaluations or other reviews have been mentioned as areas for improvement. The Secretariat carefully reviews the results of the self-assessment exercise and will adopt control measures, as required, and draft action plans to address areas of improvement, if applicable.

#### **ACTION BY THE PROGRAMME, BUDGET AND ADMINISTRATION COMMITTEE**

23. The Committee is invited to note the report.

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