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## **Report of the Internal Auditor**

1. The Office of Internal Oversight Services transmits herewith its annual report for the calendar year 2018 for the information of the World Health Assembly.
2. Financial Rule XII on Internal Audit establishes the mandate of the Office of Internal Oversight Services. Paragraph 112.3(e) of Rule XII requires the Office to submit a summary annual report to the Director-General on its activities, their orientation and scope, and on the implementation status of internal audit recommendations. It also states that this report shall be submitted to the Health Assembly, together with any comments deemed necessary.
3. The Office provides independent and objective assurance and advisory services, designed to add value to and improve the Organization's operations. Using a systematic and disciplined approach, it helps the Organization accomplish its objectives by evaluating and improving the effectiveness of processes for risk management, control and governance. The Office is also responsible for conducting investigations of alleged wrongdoing.
4. The Office is authorized full, free and prompt access to all records, property, personnel, operations and functions within the Organization which, in its opinion, are relevant to the subject matter under review. No limitation was placed on the scope of the work of the Office during 2018.

### **OBJECTIVE AND SCOPE OF WORK**

5. According to its mandate, the Office provides audit and investigation services to WHO and to some entities hosted by WHO (e.g. the Joint United Nations Programme on HIV/AIDS,<sup>1</sup> the International Computing Centre and Unitaid) and to the International Agency for Research on Cancer. In the Region of the Americas, the Office relies on the work performed by the Office of Internal Oversight and Evaluation Services of the Pan American Health Organization for the coverage of risk management, control and governance (see paragraph 68 for conclusions).

### **MANAGEMENT OF THE OFFICE**

6. The Office, which reports directly to the Director-General, conducts its work in accordance with the International Standards for the Professional Practice of Internal Auditing promulgated by the Institute of Internal Auditors and adopted for use throughout the United Nations system and the Uniform Principles and Guidelines for Investigations, endorsed by the 10th Conference of International Investigators.
7. The Office comprises, in addition to the Director, a Coordinator for Audit and a Coordinator for Investigation, 10 auditors, four investigators and two support staff. Two fixed-term positions were

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<sup>1</sup> A P5 Senior Auditor post is financed by UNAIDS and dedicated to the audits of that Programme.

vacant at the end of 2018, a Senior Auditor position (under recruitment), and the post of Coordinator Investigation. In 2018, the position of Coordinator Investigation was held on an acting basis by a senior auditor who has long experience in performing investigations in the WHO environment.

8. Available resources are assigned in accordance with the priorities of the Office. High-risk situations developing unpredictably may divert human resources away from initial priorities. Accordingly, the Office prioritizes planned work and then adjusts the schedule in order to compensate for any unexpected assignments.

9. The budget of the Office is distributed between human resources, travel, consultancies and operating supplies, with a view to fulfilling the mandate of the Office. During 2018, the Office was able to cover its expenses. Expenses are monitored very closely and efforts have been maintained to reduce travel costs through efficiency measures.

10. With a view to maximizing internal oversight coverage, the Office: (a) continuously refines its audit risk assessment model so as to allocate its resources to the highest risk areas; (b) adapts its approaches to desk and operational audits; (c) uses short-form reports for operational compliance audits; (d) uses an audit software system to manage work papers electronically; and (e) uses agreed criteria for the prioritization of reports of concerns received for investigation, with the highest priority given to the investigation of allegations of sexual exploitation and abuse, sexual harassment and assault.

11. The Office has adapted its approach in order to report to stakeholders in line with the five components of the model issued by the Committee of Sponsoring Organizations of the Treadway Commission,<sup>1</sup> which has been adopted by WHO as the basis for its accountability framework. The audit plan of work for 2018 was based on the Office's independent risk assessment and the WHO Principal Risks.<sup>2</sup> The Office continues to work to achieve greater alignment in the reporting of assurance across the "three lines of defence" from management's assertions on internal control to internal audit findings.

12. The Office maintains regular contact with the Organization's External Auditor in order to coordinate audit work and avoid overlap in coverage. The Office provides copies of internal audit reports to the External Auditor and the Independent Expert Oversight Advisory Committee, and participates in meetings of that Committee in order to maintain an open dialogue with its members and implement their guidance and recommendations on matters under its oversight responsibilities. The Office also maintains regular contact with other departments of WHO, such as the Evaluation Office and the regional compliance units. The Office uses a SharePoint site as a repository for investigation case files. The Office also uses a secure web-based platform to provide remote access to internal audit reports, upon request from Member States.

## AUDITS

13. The Office views risk as the possibility of an event occurring that will influence the achievement of objectives. It assesses risk in terms of degree of impact and likelihood of occurrence. Methodical consideration of risk guides the Office's prioritization of activities and provides a basis for work planning.

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<sup>1</sup> Defines the main areas as the Control Environment; Risk Management; Control Activities; Information and Communication; and Monitoring.

<sup>2</sup> See WHO Principal Risks at: [https://www.who.int/about/finances-accountability/accountability/WHO\\_Principal\\_Risks\\_May2018.pdf](https://www.who.int/about/finances-accountability/accountability/WHO_Principal_Risks_May2018.pdf) (accessed 18 February 2019) and Annex 7.

14. The objective and scope of work of the Office is to evaluate whether the framework of processes for risk management, control and governance, as designed and implemented by the Organization's management, is adequate and functioning so as to achieve WHO's objectives. The Office assessed whether: (a) risks were identified, analysed and mitigated; (b) financial, managerial and operating information was accurate, reliable and timely; (c) staff actions complied with WHO's regulations, rules, policies, standards and procedures; (d) resources were used efficiently and protected adequately; (e) programme objectives were achieved; and (f) the control process fostered quality and continuous improvement.

15. At the conclusion of each assignment, the Office prepared a detailed report and made recommendations to management, designed to help manage risk, maintain controls and implement effective governance within the Secretariat. The crucial issues identified during each assignment have been summarized in this report. Annex 1 lists the reports issued by the Office under its 2018 plan of work, along with information on the status of implementation of open audits as of 18 February 2019. In accordance with common practices across United Nations Agencies, the Office uses a four-tier rating system for its overall conclusions on audits, namely (1) Satisfactory; (2) Partially satisfactory, with some improvement required; (3) Partially satisfactory, with major improvement required; and (4) Unsatisfactory.

### **Integrated audits**

16. The objective of integrated audits is to assess the performance of WHO at the country level, or of a department/division at a regional office or headquarters, in the achievement of results as stated in the relevant workplans, and the operational capacity of the respective departments/country offices to support the achievements of results. Integrated audits focus on risks to areas and functions grouped under three components: (1) the organizational setting (strategy, core functions of WHO, control environment, risk management, organizational profile, collaboration and readiness and support for public health emergencies); (2) the programmatic and operational process (programme budget development and operational planning, resource mobilization, workplan management, operational support and effectiveness of key internal controls in transactions processing); and (3) the achievement of results (information and communication, monitoring and performance assessment, sustainability, and evaluation and organizational learning). These three components comprise up to 28 areas, covering up to 186 control activities. In 2017, the Office added specific tests designed to assess the effectiveness of the Organization's readiness and response to health emergencies and in 2018, these tests were revised and aligned with the updated performance standards in the Emergency Response Framework.

17. **Country Office in Liberia.** The audit concluded that the performance of the Country Office was partially satisfactory, with some improvements required to address high and moderate levels of residual risks. The audit found the following issues with a high level of residual risk that need to be addressed: (a) risk management inadequately embedded in the programme budget operational planning, monitoring and performance assessment; (b) delays in the implementation of the approved human resources plan, notably as demonstrated by low staffing levels for priority programmes such as neglected tropical diseases and noncommunicable diseases; (c) the relative large size of administration and management *vis-à-vis* technical programmes (following the downscaling of the Ebola operations), which may not be the most efficient use of resources; (d) lack of a resource mobilization strategy or a plan in the context of significant funding gaps for several priority programmes such as maternal, newborn, child and adolescent health, and noncommunicable diseases; (e) the absence of formal assurance activities performed for grant letters of agreement and direct financial cooperation; (f) inadequate supervisory and administrative review of supporting documentation for direct implementation, which can lead to a loss of funds or irregularities in the use of funds; (g) inadequate compliance with clearance requirements for

publications, which could result in a reputational risk to the Organization; (h) lack of systematic evidence supporting the assessment of the achievements of results relating to the Programme budget 2016–2017, including the achievement of performance indicator targets, and inaccuracies in the reported delivery of products and services, which could negatively impact the reliability and integrity of WHO's programmatic reporting.

18. **Country Office in Ethiopia.** The audit concluded that the performance of the Country Office was partially satisfactory, with major improvements required to address high and moderate levels of residual risk. The audit noted some good practices, including the support for the development of national legislation on gender and youth, for the national strategy and plan of action for pharmaceutical manufacturing development and for the initiation of high-level multisectoral action to combat noncommunicable diseases. The audit also noted the effective contribution of WHO to addressing the ongoing protracted humanitarian and public health emergencies, acknowledged by both national authorities and the international community. At the same time, the audit found the following issues with a high level of residual risk that need to be addressed: (a) uncertainties relating to the resourcing of the Country Office staffing as proposed during the functional review; (b) insufficient capacity to provide the requisite level of technical assistance for priority national programmes; (c) risks to supporting the national polio transition plan; (d) significant funding gaps to support several priority programmes including noncommunicable diseases, health systems and services, and the WHO Health Emergencies Programme; (e) significant weaknesses in the processes relating to direct financial cooperation; (f) ineffective controls relating to the functioning of the local procurement committee; (g) inadequate segregation of duties for payment requests and imprest purchase order payments; and (h) insufficient dissemination of required updates on WHO's work to key donors and partners.

19. **Family and Reproductive Health Cluster at the Regional Office for Africa.** The audit concluded that the performance of the Cluster was partially satisfactory, with some improvements required to address high and moderate levels of residual risk. Several good practices were noted, such as the work of the Cluster leading to the Addis Declaration on Immunization, wherein Member States in the African Region committed to increase domestic funding for immunization, and the establishment of a regional multisectoral committee leading to the Brazzaville Declaration in 2016, repositioning nutrition as a factor for development. The audit also noted the strengthening of controls over programme management within the Cluster. At the same time, the audit found the following issues with a high level of residual risk that need to be addressed: (a) insufficient capacity to support country offices in technical collaboration with Member States; (b) inadequate implementation of the human resources plan due to funding constraints; and (c) insufficient resource mobilization for programmes such as nutrition, ageing, and gender, equity and rights.

20. **Global Malaria Programme at headquarters.** The audit concluded that the performance of the Programme was partially satisfactory, with some improvements required to address high and moderate levels of residual risk. The Programme demonstrated several good practices, including: a clear strategic agenda aligned with the Thirteenth General Programme of Work, global health priorities and the identified needs of WHO Member States; effectiveness in coordinating the programme area networks in supporting the development and operational planning of the Programme budget 2016–2017; and sound efforts to conduct independent evaluations of technical work. At the same time, the audit found the following issues with a high level of residual risk that need to be addressed: (a) research projects involving human subjects were not systematically reviewed by the WHO Ethics Review Committee; and (b) the Programme budget 2016–2017 performance assessment report was not systematically supported by evidence including the achievement of performance indicator targets. Also noted were inaccuracies in the reported accomplishments, which could negatively impact the reliability and integrity of WHO programmatic reporting.

21. **Country Office in Somalia.** The audit concluded that the performance of the Country Office was partially satisfactory, with major improvements required to address high and moderate levels of residual risk. The Country Office demonstrated several good practices, including effective coordination of emergency response operations across the three levels of WHO and successful polio eradication efforts in a challenging context. However, if internal controls with an unacceptable level of residual risk are not addressed as a high priority, the achievement of results may be affected. In this regard, the audit found that the following issues need to be addressed: (a) the health cluster coordination was not meeting several of the performance standards in the WHO Emergency Response Framework; (b) implementation of the WHO core function of leadership in coordinating among health sector development partners remained insufficient; (c) research projects involving human subjects were not systematically reviewed by the WHO Ethics Review Committee; (d) resource mobilization capacities for non-emergency programmes were limited; (e) donor grants were poorly managed, including delays in donor reporting; (f) assurance activities were insufficient when using direct financial cooperation and grant letters of agreement; and (g) there was a lack of evidence of review of supporting documentation relating to the direct implementation mechanism.

22. **Department of Service Delivery and Safety at headquarters.** The audit concluded that the overall performance of the Department was partially satisfactory with some improvements required. Several good practices were noted, including: the establishment of the “Twinning Partnerships for Improvement” initiative, an institution-to-institution partnership between developed and developing countries aimed at strengthening health service delivery and health system resilience; the development of a simple practical tool, the “Safe Childbirth Checklist”, a step-by-step approach to essential birth practices in health care facilities; and the creation of the online “Global Learning Laboratory” which serves to disseminate knowledge, experiences and innovations in health care. The audit found the following issues with a high level of residual risk that need to be addressed: (a) the absence of a strategy articulating a coherent approach to the primary health care agenda; (b) inadequate attention to unmet needs in normative guidance at country level in some key areas; (c) insufficient capacity to provide technical assistance to countries; (d) inadequate coordination of activities between units and programmes within the Department; (e) challenges in harmonizing work with health and development partners; (f) ineffective resource mobilization efforts; (g) inconsistencies in reporting on outputs in the end of the biennium programme area reports; and (h) inconsistent documentation of the review of deliverables and invoices before issuing payments against purchase orders.

23. **Department of Communicable Diseases at the Regional Office for Europe.** The audit concluded that the overall control environment in the Department of Communicable Diseases was partially satisfactory, with some improvements required. The audit noted good practices in terms of engagement through senior management in policy level regional and subregional platforms, leading to ministerial declarations such as the Ashgabat Statement on preventing the re-establishment of malaria transmission in the region and the formulation of a United Nations common position on ending HIV, tuberculosis and viral hepatitis; and reviewing vaccine price data to enable Member States to access vaccines at affordable prices. Key areas identified for improvement were: (a) strengthening external communications and advocacy initiatives at country level; (b) ensuring an appropriate level of staffing to strengthen technical support to country offices; (c) enhancing and expanding the engagement with partners; and (d) further improving coordination of activities between units and programmes within the department.

24. **Immunization and Vaccine Development programme at the Regional Office for South-East Asia.** The audit concluded that the performance of the Immunization and Vaccine Development team was satisfactory. Many good practices were noted, including proactive engagement with the WHO Health Emergencies Programme in the response to recent public health emergencies; effective and efficient workplan management; and the exceptional number of high-quality publications produced by

the team, many of which were published in peer-reviewed journals that build support for public health action and strengthen the reputation of WHO. There were no areas with a high level of residual risk. The audit identified three matters for potential improvement and two cross-cutting issues requiring action by other levels of the Organization.

## **Operational audits**

25. The objective of operational audits is to assess the risk management and control processes in the finance and administration areas with respect to the integrity of financial and managerial information; efficiency and economy in the use of resources (including value for money); compliance with WHO regulations, policies and procedures; and the safeguarding of assets.

### *Cross-cutting areas*

26. **Information Technology Project Management at headquarters.** The audit concluded that overall, information technology project management at headquarters was partially satisfactory, with some improvements required in order to establish an environment where priority projects would deliver the full range of anticipated benefits to WHO business users on a consistent basis. The required improvements relate to the project governance currently in place and also to the current information technology project management processes. Findings with a high level of residual risk were as follows: (a) the existing demand management model was not adequately addressed by the WHO project management governance; (b) the governance structure of individual projects (for example, project management and oversight) may favour the information technology perspective when it comes to decision-making; (c) project management practices were found to be inconsistently performed (for example, in the planning, executing and closing phases of the projects) although they relate to critical project elements such as change management, risk management or closeout; (d) the time allocated for user acceptance testing and correction of defects was too short; and (e) project benefit realization was not always monitored and reported, and benefit indicators, while defined in the early project phase (project planning), were not consistently followed up and reported. Most of the audit findings stemmed from ineffective or incomplete project management governance, which also needs to be realigned to incorporate a higher degree of attention to some important processes (e.g. information security and use of external resources), and to more precisely define the project management processes relating to project change management, risk management and oversight. Efforts are also required to improve coaching of project team members “on the business side”, to complement the revised governance and compliance monitoring.

27. **Information and Communications Technology at the regional offices for Africa and South-East Asia.** The audit concluded that the overall state of governance, controls and processes implemented in both regions was partially satisfactory, with some improvements required to mitigate information and communication risks, which, if not addressed, could ultimately affect programmatic activities. In both regional offices, management is aware of the weaknesses and deficiencies in certain control areas and has already started remediation activities. Significant audit findings for the Regional Office for Africa are as follows: (a) end-user computers in country offices of the African Region (approximately 2800 computers) are not part of the WHO Synergy environment due to technical reasons which are being followed up, which means that they may be of non-standard configuration, potentially leading to inadequate security protection; however, the Regional Office is currently deploying the new release Synergy 10, expecting to complete its deployment in the 47 countries by mid-2020; (b) business continuity plans and disaster recovery plans for the Regional Office and the country offices, while developed, were not regularly tested; and (c) areas of significant non-compliance with the regional information security standards were identified relating to the Regional Office Information and

Communication Technology security standards. The audit also noted good practices, such as the review carried out by the Information Technology Unit of the information technology infrastructure in the 47 country offices of the African Region, which focused on risks and disaster recovery capabilities and on identifying needs for improvement; and the development of the disaster recovery site in Kinshasa, with the goal of becoming a site with a near-real time version of data at both Brazzaville and Kinshasa. As part of this audit, the situation at the Regional Office for Africa was compared with the information and communication technology environment at the Regional Office for South-East Asia. The most important findings noted at the Regional Office for South-East Asia were also related to information security and business continuity. It was recommended to assess the current information security governance and controls, and a project to conduct an external assessment has since been initiated by the Regional Office. Additionally, business continuity plans for the Regional Office and country offices need to be finalized and regularly tested.

28. **Payroll at the Global Service Centre.** The conclusion of the audit was that the overall governance and controls implemented by the Payroll unit at the Global Service Centre over payroll processing are satisfactory to mitigate key risks. However, the audit noted that the output of the payroll processing depends on the accuracy of data processed by the Global Human Resource unit at the Global Service Centre, such as staff members' records, contracts and entitlements. The audit identified some issues with medium-level residual risk and potential areas of improvement relating to: (a) the business continuity of the payroll processing – there was inadequate contingency planning for this area (and the Global Service Centre as a whole); (b) enhancing the system (Global Management System) audit trails for changes of sensitive data such as banking information or retroactive payrolls – at present, the system capabilities may indicate that a change was made, but not which data field was changed and what was changed; and (c) compliance and verification of payroll transactions – current activities are limited, targeting a relatively narrow group of transactions and are done mostly after the fact (detective controls).

29. **Award Management at WHO.** This cross-cutting analytical audit concluded that award management was partially satisfactory, with some improvement required. Specifically, the audit found that while there was a relatively high level of compliance with internal controls over awards processing, the overall ownership of the award management end-to-end process was not clearly established. The audit noted that almost half (49.8%) of the awards analysed were valued at less than US\$ 500 000; however, their cumulative value corresponded to only 4.5% of the total value. Significant delays were noted in the use of the award funds, i.e. funds were encumbered or expensed for the first time on average 101 days or about 3.5 months after the award start date, with small value awards (less than US\$ 100 000) taking on average almost twice the time of large awards (more than US\$ 1 000 000). Also, over 60% of all reports due were recorded in the Global Management System as having been provided to donors late, with 19% of the final certified financial reports provided more than six months late. The audit identified the following opportunities for improvement: (a) reinforcing the role of award managers, as well as award administrators, including the need for improved financial administrative/managerial capacity in award/grant management, to ensure that award managers are accountable for programme (award) implementation and donor reporting; (b) providing award managers and award administrators with training and tools to perform the duties assigned to them; and (c) further involving award managers in the negotiation phase of donor agreements to enhance implementation readiness.

#### *On-site operational audits*

30. **Country Office in Myanmar.** The audit concluded that the effectiveness of controls in the administration and finance areas at the Country Office was partially satisfactory, with some improvements needed. The following areas of high level of residual risk required immediate attention: (a) there was no formal plan developed and communicated for the transition from Yangon to Naypyidaw despite the significant impact that this transfer of location could have on WHO activities, staff morale

and infrastructure; (b) there were nine positions vacant, among which five international positions which are considered critical for the Country Office (recruitment for some of these positions was delayed to take into account the strategic review of human resources performed by the Regional Office for South-East Asia); (c) the Country Office conducted various types of assurance activities over direct financial cooperation at the Ministry of Health and Sports, including examination of supporting documentation; however, although the assurance activities results and exceptions noted during these examinations were reported to the Ministry, no formal response had been received as of the time of the audit.

31. **Country Office in Nigeria.** The audit concluded that the effectiveness of controls in the administration and finance areas at the Country Office was partially satisfactory, with some improvements required. The audit found one issue with a high level of residual risk which needs to be addressed, in that the Country Office had not yet finalized most of its planned long-term agreements for frequently purchased goods and services, although such agreements were particularly needed for polio vaccination campaigns and had been recommended by the Regional Contract Review Committee on several occasions. Other areas requiring action were to: (a) activate the Compliance and Risk Management Committee; (b) ensure that appropriate assurance activities on grant expenditures are carried out; (c) ensure that key supporting documentation for procurement is uploaded in the Enterprise Content Management system in a timely manner; (d) strengthen the monitoring of direct implementation advances in field offices and ensure proactive action to support the collection of supporting documentation in a timely manner; (e) ensure an appropriate segregation of duties in the imprest area, or implement other mitigating measures in field office locations for administrative and finance duties; and (f) gather lessons learned from internal administrative assessment findings and prepare a plan in order to implement good practices as well as common risk mitigating measures to field offices in general.

32. **Country Office in Chad.** The audit concluded that the effectiveness of controls in the administration and finance areas at the Country Office was partially satisfactory, with major improvements required. The following areas with a high level of residual risk required immediate attention: (a) in relation to direct financial cooperation, the assurance activities conducted by Regional Office staff in April 2018 indicated that supporting documentation had not been provided for a high percentage of the expenses tested, weaknesses were noted in the validity of the documentation provided (such as undated invoices, unsigned receipts and/or errors in amounts), and technical reports for direct financial cooperation were not systematically signed and dated by Ministry of Health staff; (b) reports for direct implementation activities were overdue, expenses were not systematically summarized to facilitate the verification of the completeness and accuracy of the supporting documentation, and per diem lists were not systematically signed by a WHO official as evidence of approval; (c) significant risks were omitted from the Country Office risk register; (d) there was no comprehensive system in place to record and track advances made to staff; and (e) most of the recommendations made by the United Nations Department for Safety and Security in 2017 had not been fully implemented at the time of the audit in September 2018, due to insufficient funding. The audit also noted other areas requiring improvement, namely to: (a) verify and pre-qualify vendors of goods and services; (b) strengthen the review of quotations for the purchase of goods; (c) ensure that procurement over US\$ 200 000 is referred to the Regional Contracts Review Committee for approval; (d) ensure adequate and sufficient supporting documentation for eImprest payments; and (e) record and consolidate all issues identified and recommendations made in previous reviews and systematically monitor their implementation. The root cause of several of these issues appeared to be the insufficient knowledge or awareness of the responsibilities of staff members and their supervisors. These factors were also identified by the regional compliance team in its report issued in March 2017.



33. **Country Office in Afghanistan.** The audit concluded that the effectiveness of controls in the administration and finance areas at the Country Office were partially satisfactory, with some improvement required. Significant improvement was noted since the last operational audit performed in 2012. The audit noted some good practices implemented at the Country Office, in particular in the areas of procurement of goods and cost-saving procedures such as the establishment of long-term agreements. However, the issues of high residual risk were of particular significance as they related to areas of major expenditure for the Country Office and needed to be addressed as a priority: (a) assurance activities were not performed in a systemic and evidenced manner for direct implementation activity funds distributed through provincial financial committees, thereby increasing the risk that direct implementation expenditures may not be fully and properly accounted for (expanding the use of direct disbursement mechanism payments, such as payments done by the bank to the beneficiaries, was proposed as a preferable option to mitigate current direct implementation payment-related risks); and (b) assurance activities were not performed on grant letters of agreement, increasing the risk that WHO funds advanced to grant recipients may not be spent for the purposes intended and may not contribute to expected outcomes. Other issues requiring attention were to: (c) formalize and ensure consistency in the administrative reviews of sub-offices; (d) properly document the handover of equipment and medicines to the government; (e) update the standard operating procedures for payments to frontline workers (non-direct disbursement mechanism payments); and (f) ensure that required staff and other personnel complete the “Safe and Secure Approaches in Field Environments” security training.

34. **Country Office in Ukraine.** The audit concluded that the effectiveness of controls in the administration and finance areas at the Country Office was satisfactory. Issues identified for potential improvement were noted as follows: (a) Global Management System reporting lines should be revised to be aligned with the approved structure/organigram and reporting lines of the Country Office; (b) the overall time taken to recruit new staff members should be reduced, specifically in the areas under the control of the Country Office (for example, the shortlisting of candidates selected for interview); (c) documentation supporting expenditure by nongovernmental organizations under grant letters of agreement should be systematically reviewed, on a spot-check basis, and the results documented; (d) long-term agreements should be considered for the most frequently procured services, such as logistical arrangements for conferences and training; and (e) physical verification of fixed assets should be conducted by staff members who are independent of the procurement and asset management functions, and should include assets at all locations of the Country Office.

35. **Regional Office for Africa.** The audit found that the controls implemented to mitigate the key risks in the administration and finance areas at the Regional Office were partially satisfactory, with some improvements required. The audit noted significant improvements in controls compared to the previous audit conducted in 2015. For example, in the area of risk management, local compliance and risk management committees have been established at country offices. In the area of assurance activities, an assurance framework has been developed and a dedicated quality assurance team to perform post-facto verification missions by the Regional Office. In other areas such as fixed assets and procurement where high level of residual risks existed in the past, steps have been taken by the Regional Office to address the weaknesses in the first line of defense reported in previous country audits. However, the audit found two issues with a high level of residual risk, which still need to be addressed: (a) at the time of the audit, a portion of the country offices had been subject to post-facto verification of their direct financial cooperation activities; however, the audit noted that the necessary actions to address the significant issues identified during the verifications in each country, including systemic challenges, had not been fully implemented; and (b) the Regional Office does not formally review and document, on a sample basis, the direct implementation expenses accounted for as received by the country offices. The absence of independent verification increases the risk of undetected misuse of funds. This is partially mitigated by situations when the direct disbursements mechanism is used with independent verification, such as in Nigeria, where more than half of the direct implementation activities of the Region take place. The

Regional Office indicated that it was first focusing on the completion of the direct financial cooperation post-facto verifications and plans to use available resources to conduct similar verifications, of direct implementation expenditure and related reporting, in the first quarter of 2019. Other actions needed to address areas for potential improvement were to: (a) during post-facto verification missions review, on a spot check basis, grant letters of agreement to ensure that supporting documentation and expenditure reporting is adequate; (b) work with the Partnership and Resource Mobilization Department and relevant technical clusters, as appropriate, to address root causes for delays in donor reporting and clear the backlog in delayed donor reports; and (c) introduce a formal follow-up procedure to track the implementation of the compliance team recommendations.

36. **Regional Office for the Eastern Mediterranean.** The audit concluded that the effectiveness of controls in the administration and finance areas at the Regional Office was partially satisfactory, with some improvements required. The audit identified good practices such as long-term agreements established with regional providers of medicines to facilitate the procurement process. The audit identified several issues with a high level of residual risk, which need to be addressed. The Regional Office had not carried out on-site verification missions (assurance activities) at country offices where grant letters of agreement with nongovernmental organizations and direct financial cooperation are used as an important funding mechanism. The regional Compliance and Risk Management unit carries out monthly sample-based testing on new agreements for direct financial cooperation and funding authorization and certification of expenditure reports; however, such reviews do not include the review of supporting documentation. The Regional Office also carries out sample-based testing of new direct implementation agreements and funding authorization and certification of expenditure reports, including supporting documentation; however, this testing is limited and insufficient to draw conclusions on the overall accuracy and completeness. Other areas for potential improvement were to: (a) remind WHO Representatives and Regional Office directors that they should regularly monitor compliance with the requirements in relation to mandatory training; (b) reduce the overall time taken to recruit new staff members; (c) establish a standard template for the list of preferred vendors, standardize the process of updating the vendor list and ensure that the list is used as the basis for shortlisting vendors; and (d) work with technical units as appropriate, to address the root causes of delays in donor reporting and clear the backlog of delayed donor reports.

37. **Country Office in Yemen.** While recognizing the extremely challenging context, the audit concluded that the effectiveness of controls in the administration and finance areas at the Country Office was unsatisfactory. The following areas of high residual risk required immediate attention: (a) the reporting lines were unclear; (b) many key positions, such as the team leader for the Health Emergencies Programme and the procurement officer, were vacant at the time of the field visit or had been vacant for several months; (c) the onboarding of new employees was inadequate; (d) some Agreement for Performance of Work holders were without a contract for extended periods, which had a negative impact on the implementation of activities; (e) temporary staff were hired and contracts renewed without the required competitive selection processes; (f) the Country Office did not have a list of prequalified vendors; (g) significant amounts of goods and services were procured locally without competition using the delegation of authority of the WHO Representative, as defined by the Emergency Standard Operating Procedures, without adequate justification or appropriate mitigating controls, and compliance with the delegated authority was not systematic; (h) due to inadequate needs assessment and aligned distribution plans, warehouses were operating at full capacity, with expired and near-expiry inventories; (i) there was no documentation of assurance activities (on-site monitoring, spot checks of activities and examination of supporting documentation) for activities related to direct financial cooperation with the exception of vaccination campaigns; (j) monitoring of third parties was partial or inadequate for direct implementation activities such as payment of incentives and delivery of fuel and water to health facilities; (k) deficiencies were noted at all stages of the procedure for letters of agreement with nongovernmental organizations (implementing partners), from the ineffective due diligence process

before contracting to inadequate assurance activities; and (l) 44% of donor reports were overdue, some with significant delay. These findings led to a number of investigations being initiated into suspected conflicts of interest, abuse of authority and potential fraud. At the end of the field mission, the Office provided feedback to management on the areas of high residual risk requiring immediate action; management subsequently reported that they had started actions to improve the processes and mitigate key risks.

#### *Desk reviews*

38. Operational audits were also performed in the form of desk reviews carried out from headquarters. These audits do not involve travel on site and use data available from the Global Management System and supporting documentation uploaded in the Enterprise Content Management System.

39. **Country Office in Mongolia.** The audit concluded that the effectiveness of controls in the administration and finance areas at the Country Office was satisfactory. Issues of potential improvement for action by management were to: (a) consistently document the review, reconciliation and validation of direct financial cooperation expenditures against supporting documents; (b) create a prequalified vendor list; (c) consistently evaluate the performance of main vendors; (d) enhance and refine the bid submission process; (e) use the appropriate contract type and properly classify expenditures when initiating a procurement request in the Global Management System; and (f) consistently upload supporting documents to the Enterprise Content Management System and the Global Management System.

## **ANALYSIS OF AUDIT FINDINGS**

### **Operating effectiveness of internal controls and residual risk**

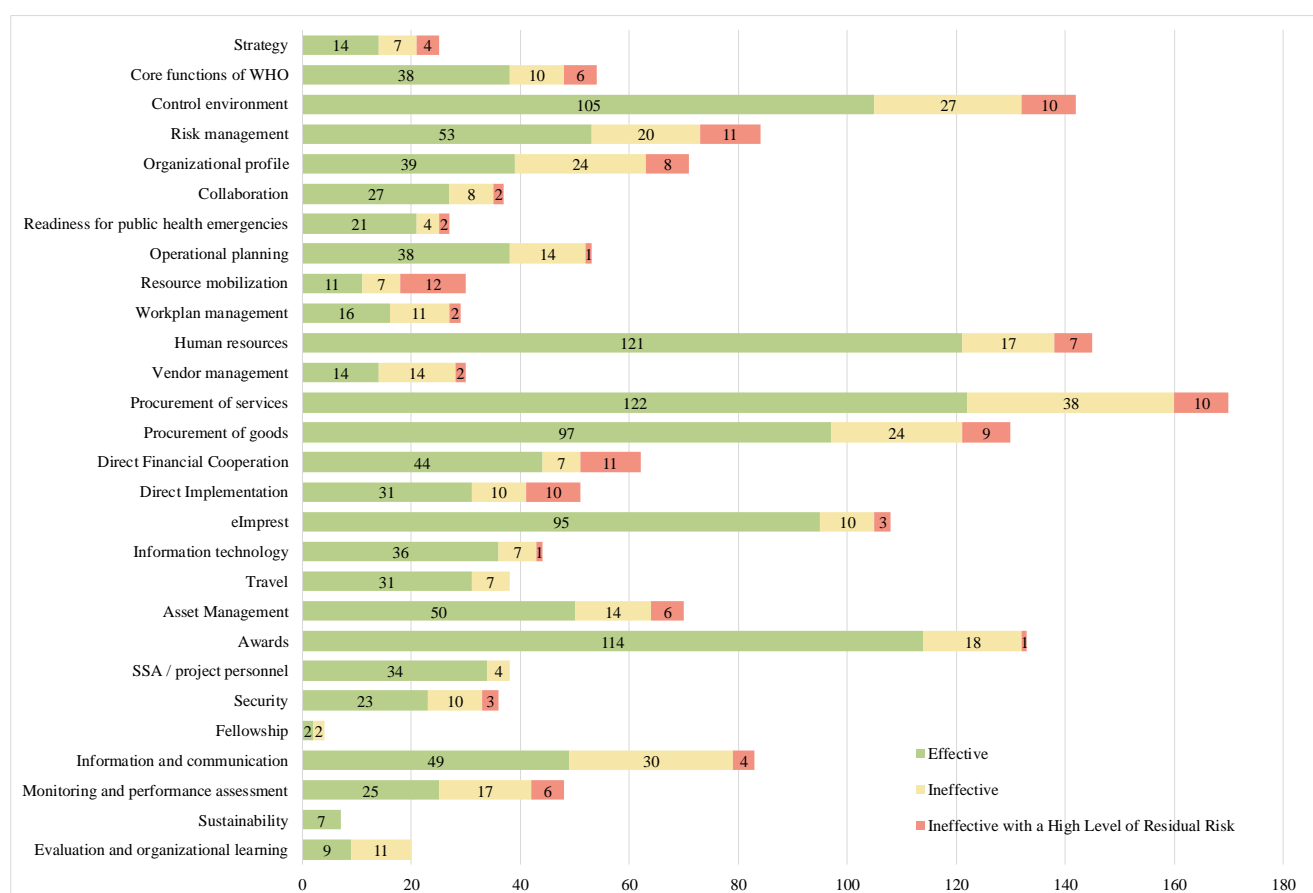
40. The overall ratings on the operating effectiveness of internal controls from audits conducted in 2018 were the same as reported in 2017. For both years a total of 81% of the overall conclusions on audits were assessed as either “satisfactory” or “partially satisfactory, with some improvement required” (either tier 1 or 2 ratings). The overall conclusions on the operating effectiveness of internal controls at regional offices, headquarters and global cross-cutting areas (rating of either “satisfactory” or “partially satisfactory”) improved to 100% in 2018, compared with 78% in 2017. However, there was a decline in overall ratings for country offices, which fell to 60% in 2018 compared with 83% in 2017. This is the result of one of the 2018 audits having an “unsatisfactory” rating (Country Office in Yemen) and three audits having a “partially satisfactory, with major improvement required” rating (Country Offices in Chad, Ethiopia and Somalia). These findings suggest that, while initiatives to improve accountability and compliance across the Organization continue to be reflected overall in a positive trend at regional offices, headquarters and global cross-cutting areas, more focused efforts are required to enhance internal controls at country offices, and particularly at those based in challenging operating environments. This also suggests that there is a need to further strengthen operational support by headquarters and regional offices to country operations, particularly in the context of emergency operations.

41. Based on the audit work conducted in 2018, the Office identified the “top five areas” with the lowest effectiveness of controls and, more significantly, the highest levels of residual risk (see Annex 2A), to the Organization’s operations and achievement of results. These five areas, some of them recurring from 2017, require prompt attention by management: (1) further strengthening assurance activities over Direct Financial Cooperation, as the intended plans to conduct such activities have not been fully implemented in a consistent manner and more focus is required to implement corrective

actions; (2) strengthening controls over direct implementation assurance activities; (3) improving vendor management (selection and evaluation of vendors) and the completeness of procurement documentation for goods and services (including bidding and selection process), which has a potential negative impact on fraud risk; (4) implementing action plans to improve alignment of the staffing levels with the mandates and the strategic objectives of the programmes and/or offices in line with the Thirteenth General Programme of Work; and (5) improving resource mobilization for some key programmes that remain underfunded (such as those addressing noncommunicable diseases, neglected tropical diseases, social determinants of health and the effects of climate change on health), given their high dependence on specified voluntary contributions. Overall, the Office observed that the progress on the implementation of individual internal audit recommendations made during previous years has not yet led to significant, sustained, systematic improvement across the Organization. The Office also provided feedback on recurring audit and investigation issues to the WHO Transformation team in relation to the redesign of three key business processes (performance management, recruitment and supply chain).

42. The graph below (see Fig. 1) provides an indicator suggesting the relatively high level of “control ineffectiveness” in the major process areas (similar information is presented in Annex 2A).

**Fig. 1. Operating effectiveness of internal controls, by process (results of audits performed in 2018,  $n$  = number of tests performed)**



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## Analysis of audit findings at country offices

43. The Office has updated its meta-analysis of the results obtained from country audits conducted in the period 2016–2018, in order to (a) demonstrate the trend in compliance with WHO’s rules and regulations (see Annex 3); and (b) highlight the process areas<sup>1</sup> which represent the greatest challenges in terms of control effectiveness.

44. The chart contained in Annex 3A provides a detailed analysis of the audit findings at country offices, by process area, in the period 2016–2018. The results of the work conducted at country offices continue to demonstrate that, although there are improvements in the effectiveness of internal controls and compliance with WHO rules and regulations, process areas such as vendor management, direct implementation and monitoring still need significant improvement. In response to requests from Member States, the Office prepared an analysis of the regional differences in relation to compliance. Annex 3B describes the operating effectiveness of internal controls in country offices consolidated by region.

## IMPLEMENTATION OF AUDIT RECOMMENDATIONS

45. On a periodic basis, the Office follows up with management on the implementation status of internal audit recommendations. The Office then reports on the status of open audit recommendations and on the progress made since the prior reporting period. When reporting to Member States, the Office prepares cumulative implementation statistics for all its open recommendations since the date of its previous report to the Health Assembly (see Annex 1). The Office maintains a web-based portal to facilitate the management and follow-up of audit recommendations – for both management and auditors – which provides automated email notifications of upcoming milestones for action on the progress of implementation. It should be noted that the Office reports on the status of outstanding recommendations using the agreed expected date of implementation for each recommendation. Based on this approach, progress on implementing audit recommendations has increased with 4.2% of outstanding open recommendations being considered as “past due”, compared with 8.6% the previous year. The overdue recommendations classified as high significant and with high residual risks represent 16.8% and 6.8%, respectively, of the total overdue recommendations.

46. The Office has categorized the audit recommendations made in 2018 by audit area and significance (see Annex 2B). Attention has been focused on monitoring the progress of implementation of high-priority recommendations for most open audits, which are those considered as being highly significant and that require a relatively low level of effort to implement (see Annex 1).

47. Since the Seventy-first Health Assembly in May 2018, the Office has received updates on the progress of implementation of its audit recommendations. After review of the effectiveness of the progress reported, the Office was able to close 16 audits (see Annex 4).

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<sup>1</sup> For the main testing exercise, internal controls have been grouped under the elements of the COSO framework of the Committee of Sponsoring Organizations of the Treadway Commission (see paragraph 11) and individual process areas: control environment; risk management; control activities (human resources; vendor management; contracts for service; procurement of goods; direct financial cooperation; direct implementation; eImprest, Global Management System/information technology; travel; fixed assets/inventory; awards; special services agreements; security); information and communication; and monitoring.

48. Table 1 highlights the cumulative annual and overall implementation rates as at 18 February 2019 for all reports issued since 1 January 2017.

**Table 1. Overall audit recommendation implementation rates, as at 18 February 2019 (2017 and 2018 audit reports)**

Recommendation status	Number of recommendations		%		Average days in advance/late	
	2017	2018	2017	2018	2017	2018
Implementation not yet expected	19	361	3	62	–	–
Closed as agreed	98	70	15	12	59	30
Closed with delay	386	22	59	4	(36)	(21)
In progress overdue	110	103	17	18	(242)	(79)
Open overdue	41	25	6	4	(162)	(22)
<b>Total<sup>a</sup></b>	<b>654</b>	<b>581</b>	<b>100</b>	<b>100</b>	<b>–</b>	<b>–</b>

<sup>a</sup> The total number of recommendations includes draft reports, therefore there may be minor differences with the final reports.

### External assessment of the audit function

49. In accordance with standards of the Institute of Internal Auditors, an external assessment of the audit function must be conducted at least once every five years by a qualified external independent reviewer or review team. The Office carried out a self-assessment of its audit function which was independently validated by qualified external assessors from one of the “Big Four” audit firms. The external validation concluded that the Office “generally conforms” – the highest attainable level of conformance – with the mandatory elements of the International Professional Practices Framework (including the Mission and the Definition of Internal Auditing, the Code of Ethics and the Standards), released by the Institute of Internal Auditors. Recommendations for improvements were provided and the Office has prepared an action plan for implementation. Progress with the implementation of these recommendations (see Annex 5) will be reported to the Independent Expert Oversight Advisory Committee.

### INVESTIGATIONS

50. The investigation function supports the Organization in managing the risk of fraud and other wrongdoing by contributing to the prevention, detection and deterrence of wrongdoing, including fraud, waste and abuse and providing risk-based, value-added, timely and result-oriented investigations.

51. The Office assesses and investigates allegations of suspected misconduct reported to the Office, such as fraud, corruption, collusion, theft, sexual exploitation and abuse, workplace and sexual harassment, retaliation, and other acts or omissions, which are contrary to the general obligations of WHO staff and other personnel.<sup>1</sup>

52. The receipt of “reports of concern” is the first step in a comprehensive investigation process conducted by the Office to consider the allegations reported. All reports of concern are reviewed by the

<sup>1</sup> With the exception of matters under the scope of the WHO Policy on Misconduct in Research, December 2017.

Office Intake Committee to determine whether the matter falls within the mandate of the Office and is investigable. When needed, a preliminary review assesses whether there are sufficient grounds to initiate a full investigation.

53. In cases where a full administrative fact-finding investigation is conducted, the Office reports the results of its work and makes recommendations to the Director-General, Regional Directors and relevant responsible managers, for consideration of action, including initiating disciplinary proceedings as appropriate. The investigation report concludes whether each individual allegation raised is one of the following.

- **Substantiated:** there is sufficient evidence to conclude that the alleged facts occurred, that these facts could constitute wrongdoing, and that the identified subject committed them.
- **Unsubstantiated:** there is insufficient evidence to conclude whether the alleged facts occurred and/or the facts could constitute wrongdoing, and/or whether the identified subject committed them.
- **Unsolved:** there is sufficient evidence to conclude that the alleged facts occurred, that the facts could constitute wrongdoing, but the subject did not commit them (i.e. she/he was cleared) or was never identified.
- **Unfounded:** there is sufficient evidence to conclude that the alleged facts did not occur, or the established facts did not constitute wrongdoing.

### Overview of investigation activities and resources

54. As detailed in Table 2 below, the Office handled 248 cases in 2018: 100 cases carried over from 2017 and 148 cases received in 2018 (128 cases from WHO and 20 cases from WHO-hosted entities and the International Agency for Research on Cancer). During 2018, the Office finalized and closed at various stages of the investigation process 81 cases.

**Table 2. Case load analysis**

Case load	2017	2018	Difference (%)
Carried over cases	107	100 <sup>a</sup>	-7
Number of cases received	82	148	+80
<b>Total number of cases for investigation</b>	<b>189</b>	<b>248</b>	<b>+31</b>
Number of cases closed	(87)	(81)	-7
<b>Balance of cases at 31 December 2018</b>	<b>102</b>	<b>167</b>	<b>+64</b>
Estimated completion time for open cases (in working days)	959	1 646	+72
Number of investigators as at 31 December 2018	5	6 <sup>b</sup>	+20
Number of investigation reports issued	15	28	+87
Number of cases substantiated	11	19	+73
Number of cases unsubstantiated/unsolved/unfounded	4	9	+125

<sup>a</sup> Two cases were previously reported as relating to 2017.

<sup>b</sup> This includes four full-time Investigators (three P4 and one P3 staff members) and one P5 consultant who worked for the Office on a regular basis in 2018, and one P3 consultant who was contracted in December 2018.

55. As at 31 December 2018, the Office had 167 open cases that were brought forward to 2019. The estimated time to complete these cases is 1646 working days, compared to the current annual capacity of approximately 1250 working days. Based on this, the unit would need 1.3 years to clear the current backlog in a situation where no new report of concern was received during the same period.

56. The Office has therefore requested additional resources to strengthen the capacity of its investigative function, to meet the new demands to handle the volume of matters reported and to progressively clear the backlog mentioned above. The Director-General has confirmed his commitment to support the Office in this regard.

## Cases

57. A detailed comparison of the typology of cases over the period 2016 to 2018 is depicted in Table 3 below.

**Table 3. Summary of cases, by type, for the period 2016–2018**

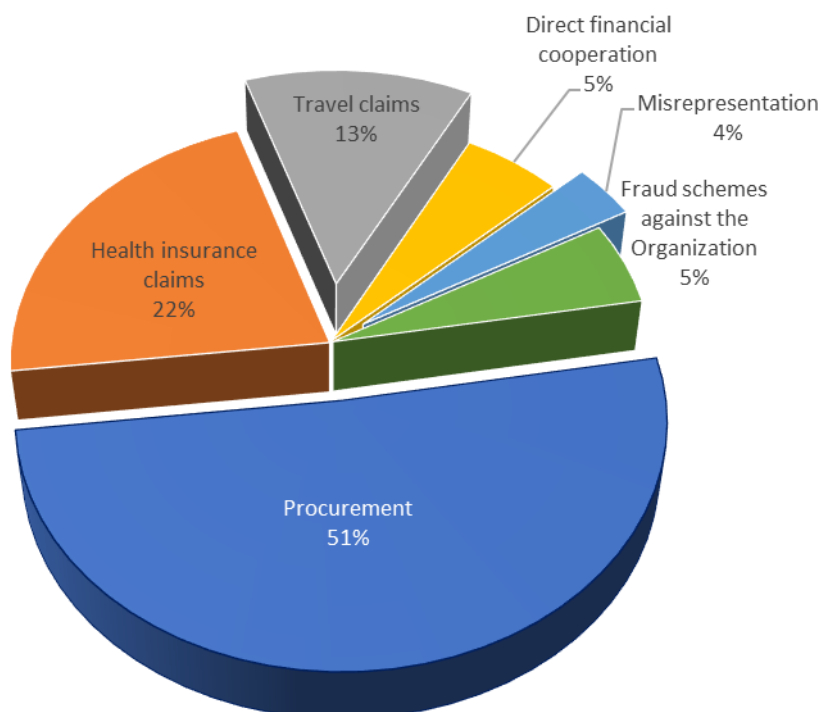
Types of cases	2016	2017	2018
Corruption	8	14	5
Fraud	32	30	55
Failure to comply with professional standards and other	20	10	38
Recruitment irregularity	5	10	8
Harassment	9	13	25
Sexual harassment	5	3	10
Sexual exploitation and abuse	–	1	3
Retaliation	–	1	4
<b>Total</b>	<b>79</b>	<b>82</b>	<b>148</b>

58. In comparison with the 82 cases received in 2017, there was a significant increase in the number of cases of fraud, failure to comply with professional standards, harassment and sexual harassment in 2018. This increase is consistent with the situations experienced by other international organizations during 2018 and, in the opinion of the Office, is mainly the result of the increased focus on prevention activities, such as mandatory training, and fraud awareness activities conducted by the Office or other departments.

59. The 55 cases of fraud received in 2018 included 28 cases of procurement-related fraud; 12 cases of health insurance-related fraud; seven cases of travel-related fraud; three cases of fraud related to direct financial cooperation activities; two cases of misrepresentation in retirement-related benefits and job application; and three fraudulent schemes against the Organization and its staff members.

60. Cases of “Failure to comply with professional standards and other” include allegations of unauthorized external activities, conflicts of interest, failure to honour private obligations, breach of confidentiality and/or other types of wrongdoing not falling into other categories.



**Fig. 2. Typology of fraud cases received in 2018**

61. As shown in Fig. 2 above, the Office noted that reports of procurement fraud accounted for 51% of the total fraud cases received in 2018.

### **Investigation reports issued in 2018**

62. In 2018, the Office issued 28 investigation reports (25 reports related to allegations involving WHO employees and three reports involving employees of entities hosted by WHO). The allegations were substantiated in 20 cases,<sup>1</sup> unsubstantiated in eight cases. A summary of the reports of substantiated allegations involving WHO employees is provided in Annex 6.

63. Six reports of sexual harassment cases were issued in 2018. In one case, the allegation was substantiated. In three other cases, although there was insufficient evidence to prove the occurrence of sexual misconduct, there was sufficient evidence to support that the implicated staff members did not exercise appropriate or reasonable judgement in their interactions or choice of meeting places where the alleged incidents occurred.

64. As a direct consequence of the increased reporting of allegations of sexual harassment, with the cooperation of other relevant offices, the Office prepared and presented a training session on the

<sup>1</sup> In previous years, the annual reporting year for the Office had been aligned with the WHA calendar. From this year, the reporting is aligned on the normal calendar year, 1 January to 31 December. Five substantiated reports issued in 2018 had already been reported in the 2017 report to the WHA.

prevention of sexual harassment to (a) WHO interns during their induction meetings from August 2018 to December 2018; and (b) WHO General Services staff in November 2018.

### **External assessment of the investigation function**

65. In 2017, the Investigation function was reviewed by an external panel that concluded that the WHO Investigation function was in overall conformity with generally accepted standards for Investigations in international organizations, as reflected in the Uniform Principles and Guidelines for Investigation. As of mid-February 2019 eight of 27 recommendations for improvement made by the panel had been implemented and, according to the Office plan of work for 2019, most outstanding recommendations will be implemented in 2019. Three of them depend on other WHO departments and therefore may take longer to implement.

### **ASSESSMENT OF CORPORATE RISKS**

66. An integrated element of the planning process in all audits performed by the Office is to systematically review the risk registers of the departments and units audited. The scope of the testing of these aspects of risk management (risk awareness, identification and mitigation) includes, where appropriate, the alignment of the risks identified in the risk register and in the related programme budget reporting.

67. In January 2017, the Secretariat published the WHO Principal Risks which were reportedly identified based on a top-down assessment of risks by senior management to supplement a bottom-up risk management process. The Principal Risks were subsequently updated in mid-2017 and in May 2018. In response to requests from Member States, the Office has analysed the audit work conducted in 2018 against the principal risks, the results of which are available in Annex 7. The work of the Office will continue to be mapped to these principal risks and the follow-up of the related recommendations supporting significant risks and risk response actions identified by management. For example, in relation to three risk areas with a severe or significant level of risk in 2018:

- **WHO Health Emergencies Programme:** In 2018, the Office conducted audits of country offices affected by emergencies, such as Ethiopia, Somalia and Yemen. In 2017, the Office conducted integrated audits of the WHO Health Emergencies Programme at the Regional Office for the Western Pacific (audit report 17/1114) and of WHO in Turkey (audit report 17/1088), the latter of which includes the contribution of WHO to the humanitarian response to the protracted emergency associated with the ongoing Syrian crisis. The Office also continues to monitor the implementation of the recommendations made in audit report 15/996. Performance audit of the containment of the 2014 Ebola virus disease, in order to help the design of the new WHO Health Emergencies Programme's administrative procedures and functions.
- **Fraud/corruption/misconduct:** Since 2018, the Office provides a fraud awareness presentation to staff as part of its audit missions, when appropriate. The Office also provides a similar presentation during the Operations Officers' meeting at the WHO Regional Office for Africa; induction sessions of new staff at headquarters; and induction sessions of Heads of Country Offices. Standard testing in most of the audits includes fraud-related areas such as segregation of duties in the eImprest, payments and fixed assets. Previous audit reports have highlighted the need to conduct due diligence in relation to implementing partners (mostly direct financial cooperation), including nongovernmental organizations.

- **Cybersecurity:** In 2018, the Office conducted a review of the information technology area in two regional offices (audit report 18/1147) and the 2019 audit plan of work includes an audit of implementation of the Information Management and Technology cybersecurity road map.

## **REGION OF THE AMERICAS**

68. With regard to the situation in the Region of the Americas, the Auditor General of the Office of Internal Oversight and Evaluation Services (IES), confirmed in his 2018 report to the Pan American Sanitary Bureau (PASB) that “IES observed steadily-continuing improvements in PASB’s internal control environment in 2018. This is reflected in the absence of ‘unsatisfactory’ ratings for any of the internal audit assignments. In recent years, this was the first time that the assignments in an annual internal audit workplan included no ‘unsatisfactory’ ratings. The improvements appear to be a consequence partly of improved information technology systems, most notably the PASB Management Information Systems (PMIS) project, and an increased awareness of the importance of internal controls.”

69. IES also reported that “based on the internal oversight work performed in 2018, IES did not identify any significant weaknesses in internal controls that would seriously compromise the achievement of PAHO’s strategic and operational objectives. More broadly, IES’s overall opinion on the PASB’s internal control environment in 2018 is that it continued to provide reasonable assurance over the accuracy and timely recording of transactions, assets, and liabilities, and over the safeguarding of assets.” However, while noting that the Pan American Health Organization management has taken steps in 2019 to enhance the “second line”, the IES has also drawn attention in its report to “specific weaknesses or failures in the second line of defense, in relation to information technology security and the Venezuela country office.” As in previous years, IES continued to advise management that “A more rigorous assurance mapping between the Organization’s objectives, risks, and risk-mitigating internal controls would further strengthen the PASB’s internal control environment.”

## **ACTION BY THE HEALTH ASSEMBLY**

70. The Health Assembly is invited to note the report.

## ANNEX 1

## STATUS OF OPEN AUDIT RECOMMENDATIONS AS AT 18 FEBRUARY 2019

Audit No.	Audit title	Responsible manager	Date of final report	Number of years since report issued	Number of recommendations	Status as at 22 February 2018				Current status as at 18 February 2019				Implementation rate (excluding not yet due)	Percentage of overdue implementation*	High significance overdue not closed*	High residual risk overdue not closed	High priority** overdue not closed*	Comments on changes since previous status report	
						Implementation not yet due	Overdue open	Overdue in progress	Closed	Number of recommendations	Implementation not yet due	Overdue open	Overdue in progress							Closed
<b>Audit Reports of 2012 Workplan</b>																				
12/884	Declarations of interest	Director/CRE	2012/06	Audit closed 05/2018	21	0	0	7	14	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Audit closed since the last status update	
12/906	Department for Governing Bodies and External Relations	Director/GBS	2013/04	Audit closed 05/2018	30	0	0	8	22	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Audit closed since the last status update	
<b>Audit Reports of 2015 Workplan</b>																				
15/1011	Country Office in South Sudan	RD/AFRO	2016/06	2.7	40	0	1	12	27	40	0	0	4	36	90%	10%	3	2	0	9 recommendations have been closed during the period
15/985	Agreements for Performance of Work at Headquarters	ADG/GMG	2016/01	Audit closed 10/2018	29	0	0	2	27	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Audit closed since the last status update	
15/986	Country Office in Kenya	RD/AFRO	2016/02	Audit closed 04/2018	31	0	0	1	30	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Audit closed since the last status update	
15/996	Containment of the 2014 Ebola virus disease in West Africa – operational support to affected countries	EXD/WHE	2015/10	3.3	90	0	0	59	31	90	0	0	59	31	34%	66%	38	0	3	Action in progress for 59 overdue recommendations

Audit No.	Audit title	Responsible manager	Date of final report	Number of years since report issued	Number of recommendations	Status as at 22 February 2018				Current status as at 18 February 2019				Implementation rate (excluding not yet due)	Percentage of overdue implementation*	High significance overdue not closed*	High residual risk overdue not closed	High priority** overdue not closed*	Comments on changes since previous status report	
						Implementation not yet due	Overdue open	Overdue in progress	Closed	Number of recommendations	Implementation not yet due	Overdue open	Overdue in progress							Closed
<b>Audit Reports of 2016 Workplan</b>																				
16/1021	WHO in the United Republic of Tanzania	RD/AFRO	2016/05	Audit closed 06/2018	37	0	0	3	34	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Audit closed since the last status update	
16/1026	Global Management System user provisioning	ADG/GMG	2017/02	2	20	5	0	13	2	20	0	0	12	8	40%	60%	6	4	0	6 recommendations have been closed during the period
16/1027	Oracle workflow and project approval application controls	ADG/GMG	2017/03	2	15	15	0	0	0	15	0	0	3	12	80%	20%	1	2	0	12 recommendations have been closed during the period
16/1033	Health Systems Governance and Financing at Headquarters	ADG/HIS	2016/11	2.3	36	0	7	17	12	36	0	0	8	28	78%	22%	6	1	3	16 recommendations have been closed during the period
16/1043	Communicable Diseases Cluster at the Regional Office for Africa	RD/AFRO	2017/03	2	82	0	41	19	22	82	0	0	7	75	91%	9%	4	4	3	53 recommendations have been closed during the period
16/1049	Country Office in Comoros	RD/AFRO	2017/01	Audit closed 01/2019	10	0	0	4	6	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Audit closed since the last status update
16/1059	Country Office in Ghana	RD/AFRO	2017/03	Audit closed 05/2018	17	0	0	4	13	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Audit closed since the last status update
16/1062	WHO Staff Health Insurance	ADG/GMG	2017/04	1.8	33	1	13	19	0	33	0	9	11	13	39%	61%	14	10	0	13 recommendations have been closed during the period
16/1069	Maternal, Newborn, Child and Adolescent Health Department at Headquarters	ADG/FWC	2017/05	Audit closed 05/2018	53	0	1	5	47	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Audit closed since the last status update
16/1071	Regional Office for the Eastern Mediterranean	RD/EMRO	2017/01	2	31	0	0	2	29	31	0	0	1	30	97%	3%	1	1	0	1 recommendation has been closed during the period

Audit No.	Audit title	Responsible manager	Date of final report	Number of years since report issued	Number of recommendations	Status as at 22 February 2018				Current status as at 18 February 2019				Implementation rate (excluding not yet due)	Percentage of overdue implementation*	High significance overdue not closed*	High residual risk overdue not closed	High priority** overdue not closed*	Comments on changes since previous status report	
						Implementation not yet due	Overdue open	Overdue in progress	Closed	Number of recommendations	Implementation not yet due	Overdue open	Overdue in progress							Closed
<b>Audit Reports of 2017 Workplan</b>																				
17/1077	Country Office in Djibouti	RD/EMRO	2017/10	1.3	18	0	0	9	9	18	0	0	3	15	83%	17%	3	1	0	6 recommendations have been closed during the period
17/1078	Prevention of Noncommunicable Diseases Department at Headquarters	ADG/NMH	2017/05	Audit closed 03/2018	25	1	0	0	24	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Audit closed since the last status update
17/1079	WHO Headquarters***	HQ/DGO	2017/12	1.2	51	50	0	0	1	50	4	6	8	32	70%	28%	7	3	0	31 recommendations have been closed during the period
17/1081	WHO in India	RD/SEARO	2017/12	Audit closed 01/2019	44	14	4	8	18	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Audit closed since the last status update
17/1082	Country Office in Niger	RD/AFRO	2017/11	1.3	36	30	6	0	0	36	0	2	15	19	53%	47%	8	0	0	19 recommendations have been closed during the period
17/1083	Country Office in Malaysia***	RD/WPRO	2018/03	1	9	0	0	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Audit closed since the last status update
17/1086	Human Resources Management at the Global Service Centre***	ADG/GMG	2018/04	0.8	30	0	0	0	0	25	0	3	2	20	80%	20%	5	3	1	20 recommendations have been closed during the period
17/1088	WHO in Turkey	RD/EURO	2017/08	Audit closed 10/2018	36	0	25	1	10	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Audit closed since the last status update
17/1090	Country Office in Pakistan***	RD/EMRO	2018/04	0.8	33	0	0	0	0	34	0	4	11	19	56%	44%	9	4	0	19 recommendations have been closed during the period
17/1091	Communicable Diseases Department at the Regional Office for the Eastern Mediterranean	EM/DCD	2017/08	1.5	18	11	3	2	2	18	0	0	2	16	89%	11%	1	0	0	14 recommendations have been closed during the period
17/1092	Regional Office for Europe	RD/EURO	2017/12	1.2	34	34	0	0	0	34	0	2	15	17	50%	50%	11	1	1	17 recommendations have been closed during the period

Audit No.	Audit title	Responsible manager	Date of final report	Number of years since report issued	Number of recommendations	Status as at 22 February 2018				Current status as at 18 February 2019				Implementation rate (excluding not yet due)	Percentage of overdue implementation*	High significance overdue not closed*	High residual risk overdue not closed	High priority** overdue not closed*	Comments on changes since previous status report	
						Implementation not yet due	Overdue open	Overdue in progress	Closed	Number of recommendations	Implementation not yet due	Overdue open	Overdue in progress							Closed
17/1094	Country Office in the Republic of Congo***	RD/AFRO	2018/04	0.8	28	0	0	0	0	27	0	1	13	13	48%	52%	4	1	1	13 recommendations have been closed during the period
17/1095	Country Office in Equatorial Guinea	RD/AFRO	2018/02	1	40	40	0	0	0	40	0	7	9	24	60%	40%	10	5	0	24 recommendations have been closed during the period
17/1096	Country Office in Mali	RD/AFRO	2017/08	Audit closed 07/2018	36	0	3	23	10	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	Audit closed since the last status update
17/1097	Procurement and Supply Services Department at the Regional Office for Africa***	RD/AFRO	2018/04	0.8	15	0	0	0	0	14	0	2	3	9	64%	36%	3	2	1	9 recommendations have been closed during the period
17/1103	Office 365 Cloud Email	ADG/GMG	2018/02	1	7	7	0	0	0	7	0	1	5	1	14%	86%	2	1	0	1 recommendation has been closed during the period
17/1105	Department of Public Health, Environmental and Social Determinants of Health at Headquarters	ADG/CED	2017/12	1.2	42	41	0	1	0	42	13	12	3	14	48%	36%	10	6	0	14 recommendations have been closed during the period
17/1106	Country Office in Cameroon	RD/AFRO	2018/02	1	34	34	0	0	0	34	0	0	16	18	53%	47%	10	2	0	18 recommendations have been closed during the period
17/1112	Service Continuity at UNICC	ADG/UNICC	2018/02	1	10	10	0	0	0	10	1	1	8	0	0%	90%	6	1	0	Action in progress for 8 overdue recommendations
17/1113	WHO in Sierra Leone	RD/AFRO	2018/03	Audit closed 01/2019	29	0	0	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Audit closed since the last status update
17/1114	WHO Health Emergencies Programme at the Regional Office for the Western Pacific	RD/WPRO	2018/02	Audit closed 01/2019	47	47	0	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Audit closed since the last status update
17/1118	Procurement review at the Partnership for Maternal, Newborn, and Child Health	PMNCH	2018/04	Audit closed 12/2018	16	0	0	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Audit closed since the last status update

Audit No.	Audit title	Responsible manager	Date of final report	Number of years since report issued	Number of recommendations	Status as at 22 February 2018				Current status as at 18 February 2019				Implementation rate (excluding not yet due)	Percentage of overdue implementation*	High significance overdue not closed*	High residual risk overdue not closed	High priority** overdue not closed*	Comments on changes since previous status report	
						Implementation not yet due	Overdue open	Overdue in progress	Closed	Number of recommendations	Implementation not yet due	Overdue open	Overdue in progress							Closed
<b>Audit Reports of 2018 Workplan</b>																				
18/1126	WHO in Ethiopia	RD/AFRO	2018/08	0.5	N/A	N/A	N/A	N/A	N/A	62	8	1	27	26	48%	45%	19	12	1	26 recommendations have been closed during the period
18/1127	Country Office in Nigeria	RD/AFRO	2018/08	0.5	N/A	N/A	N/A	N/A	N/A	32	7	5	11	9	36%	50%	7	3	1	9 recommendations have been closed during the period
18/1128	Country Office in Myanmar	RD/SEARO	2018/07	0.6	N/A	N/A	N/A	N/A	N/A	17	0	0	1	16	94%	6%	1	1	0	16 recommendations have been closed during the period
18/1129	WHO in Liberia	RD/AFRO	2018/05	0.7	N/A	N/A	N/A	N/A	N/A	39	2	0	15	22	59%	38%	9	7	0	22 recommendations have been closed during the period
18/1130	IT Project Management at Headquarters	ADG/GMG	2019/01	0.1	N/A	N/A	N/A	N/A	N/A	19	19	0	0	0	0%	0%	0	0	0	Not due yet
18/1134	Country Office in Chad		2018/09	0.4	N/A	N/A	N/A	N/A	N/A	45	0	0	45	0	0%	100%	23	13	1	Action in progress for 45 overdue recommendations
18/1135	Country Office in Mongolia	RD/WPRO	2019/01	0.1	N/A	N/A	N/A	N/A	N/A	8	8	0	0	0	0%	0%	0	0	0	Not due yet
18/1136	Country Office in Ukraine	RD/EURO	2018/11	0.3	N/A	N/A	N/A	N/A	N/A	18	18	0	0	0	0%	0%	0	0	0	Not due yet
18/1137	Integrated audit of the Family and Reproductive Health Cluster at the Regional Office for Africa	RD/AFRO	2018/09	0.5	N/A	N/A	N/A	N/A	N/A	28	19	0	1	8	89%	4%	0	0	0	8 recommendations have been closed during the period
18/1149	Integrated audit of the Global Malaria Programme	ADG/CDS	2018/10	0.3	N/A	N/A	N/A	N/A	N/A	20	20	0	0	0	0%	0%	0	0	0	Not due yet
18/1150	Country Office in Afghanistan	RD/EMRO	2018/10	0.4	N/A	N/A	N/A	N/A	N/A	21	6	0	5	10	67%	24%	1	0	0	10 recommendations have been closed during the period
18/1152	Integrated audit of the Department of Service Delivery and Safety WHO Headquarters	ADG/HIS	2019/01	0.1	N/A	N/A	N/A	N/A	N/A	63	63	0	0	0	0%	0%	0	0	0	Not due yet



Audit No.	Audit title	Responsible manager	Date of final report	Number of years since report issued	Number of recommendations	Status as at 22 February 2018				Current status as at 18 February 2019				Implementation rate (excluding not yet due)	Percentage of overdue implementation*	High significance overdue not closed*	High residual risk overdue not closed	High priority** overdue not closed*	Comments on changes since previous status report	
						Implementation not yet due	Overdue open	Overdue in progress	Closed	Number of recommendations	Implementation not yet due	Overdue open	Overdue in progress							Closed
18/1154	WHO in Somalia	RD/EMRO	2018/12	0.2	N/A	N/A	N/A	N/A	N/A	63	63	0	0	0	0%	0%	0	0	0	Not due yet
18/1157	Integrated audit of the Immunization and Vaccine Department at the Regional Office for the South-East Asia	RD/SEARO	2019/02	0	N/A	N/A	N/A	N/A	N/A	4	4	0	0	0	0%	0%	0	0	0	Not due yet
18/1138	Payroll at the Global Service Centre	ADG/GMG	N/A	N/A	N/A	N/A	N/A	N/A	N/A	18	18	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Final report not yet issued
18/1147	Information and Communications Technology at the Regional Offices for Africa and South-East Asia	RD/AFRO RD/SEARO	N/A	N/A	N/A	N/A	N/A	N/A	N/A	14	14	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Final report not yet issued
18/1148	Integrated audit of Communicable Diseases at the Regional Office for Europe	RD/EURO	N/A	N/A	N/A	N/A	N/A	N/A	N/A	36	36	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Final report not yet issued
18/1155	Regional Office for Africa	RD/AFRO	N/A	N/A	N/A	N/A	N/A	N/A	N/A	33	33	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Final report not yet issued
18/1156	Regional Office for the Eastern Mediterranean	RD/EMRO	N/A	N/A	N/A	N/A	N/A	N/A	N/A	36	36	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Final report not yet issued
18/1160	Award Management at WHO	ADG/GMG	N/A	N/A	N/A	N/A	N/A	N/A	N/A	8	8	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Final report not yet issued
18/1133	WCO Yemen****	RD/EMRO	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Draft report not yet issued

## Total recommendations

1213	340	104	219	390	1 320	400	56	323	541
100.0%	28.0%	8.6%	18.1%	32.2%	100.0%	30.3%	4.2%	24.5%	41.0%

222	90
16.8%	6.8%

## Total

181
33.0%

\* Not closed = either open or in progress.

\*\* High priority = High significance and low implementation effort.

\*\*\* In February 2018, the report was still in draft, hence the discrepancy in the total number of recommendations between now and the previous update.

\*\*\*\* Report currently in draft, due to be finalized.

\*\*\*\*\* The draft report for this audit has not yet been issued.

**Legend for explanations of colour coded conditional formatting:**

Criteria	Number of years since report issue
Final report issued less than one year ago	0.8
Final report issued between 1 and 1.3 years ago (1.3 years corresponds to the target closing time for an IOS audit)	1.1
Final report issued more than 1.3 years ago (i.e. > than the target closing time for an IOS audit)	1.3

Criteria	Implementation rate
Implementation rate more than 85%	> 85%
Implementation rate between 50% and 85%	50% to 85%
Implementation rate less than 50%	< 50%

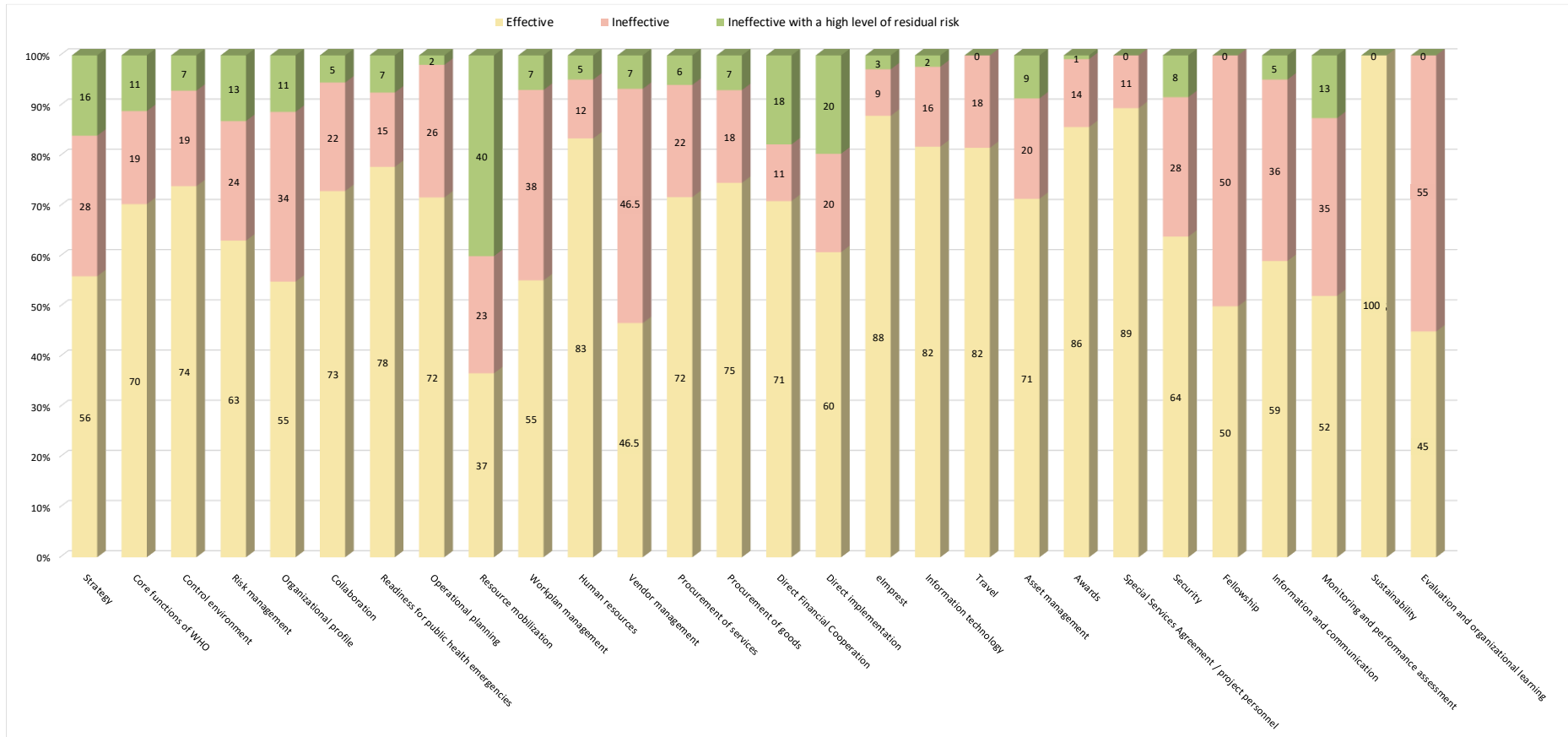
Criteria	Percentage of overdue implementation*
More than 50% overdue	> 50%
Between 15% and 50% overdue	15% to 50%
Less than 15% overdue	< 15%

Criteria	High significance overdue not closed
Response from auditee not due yet	N/A
One or more recommendations of high significance overdue	> = 1
No recommendations of high significance overdue	0

Criteria	High priority overdue not closed
Response from auditee not due yet	N/A
One or more recommendations of high significance and low implementation effort overdue	> = 1
No recommendations of high significance and low implementation effort overdue	0

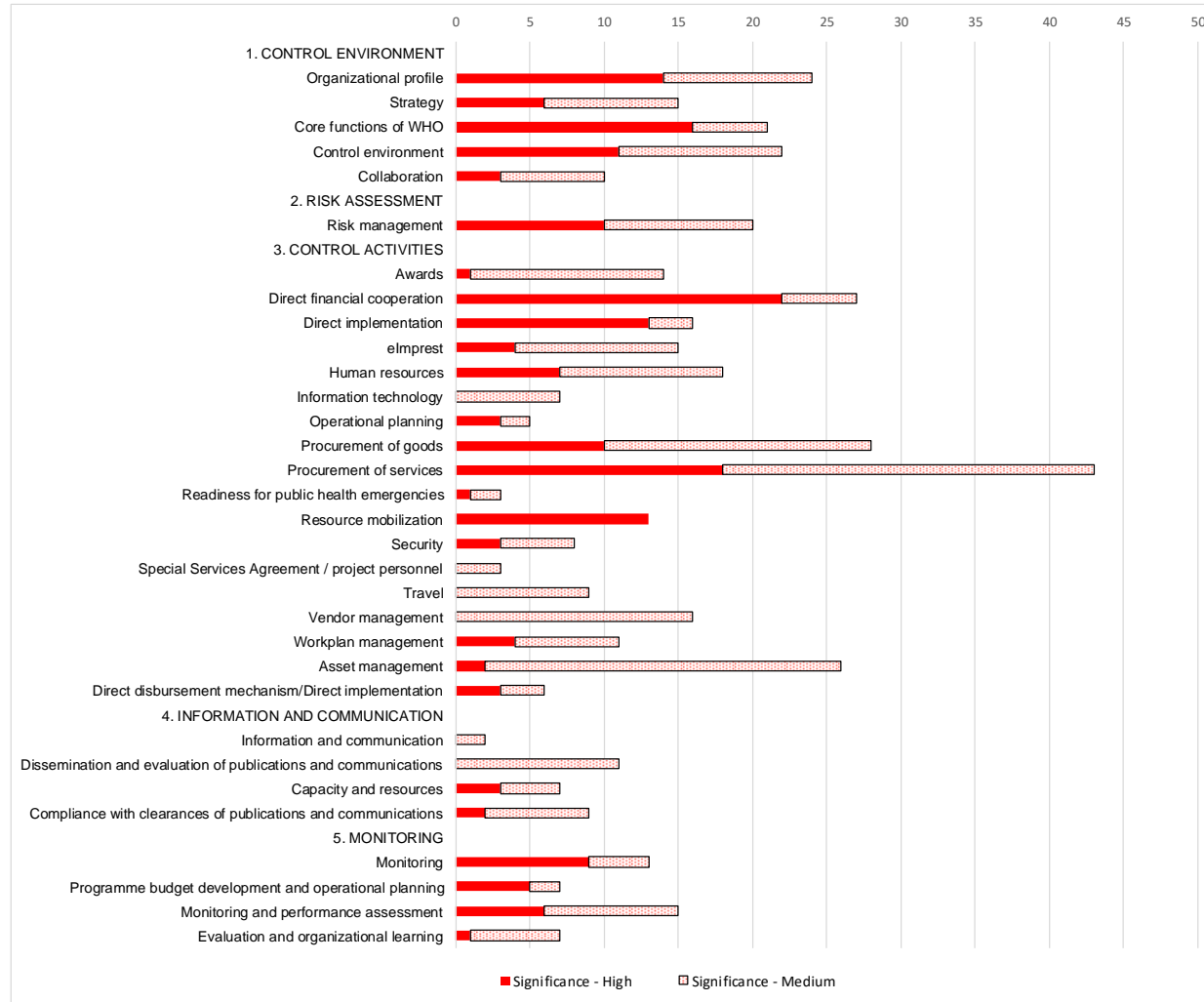
ANNEX 2A

**BREAKDOWN OF THE AUDIT CONTROLS TESTED IN 2018  
BY AUDIT RISK CATEGORIES, CONTROL EFFECTIVENESS AND RESIDUAL RISK**



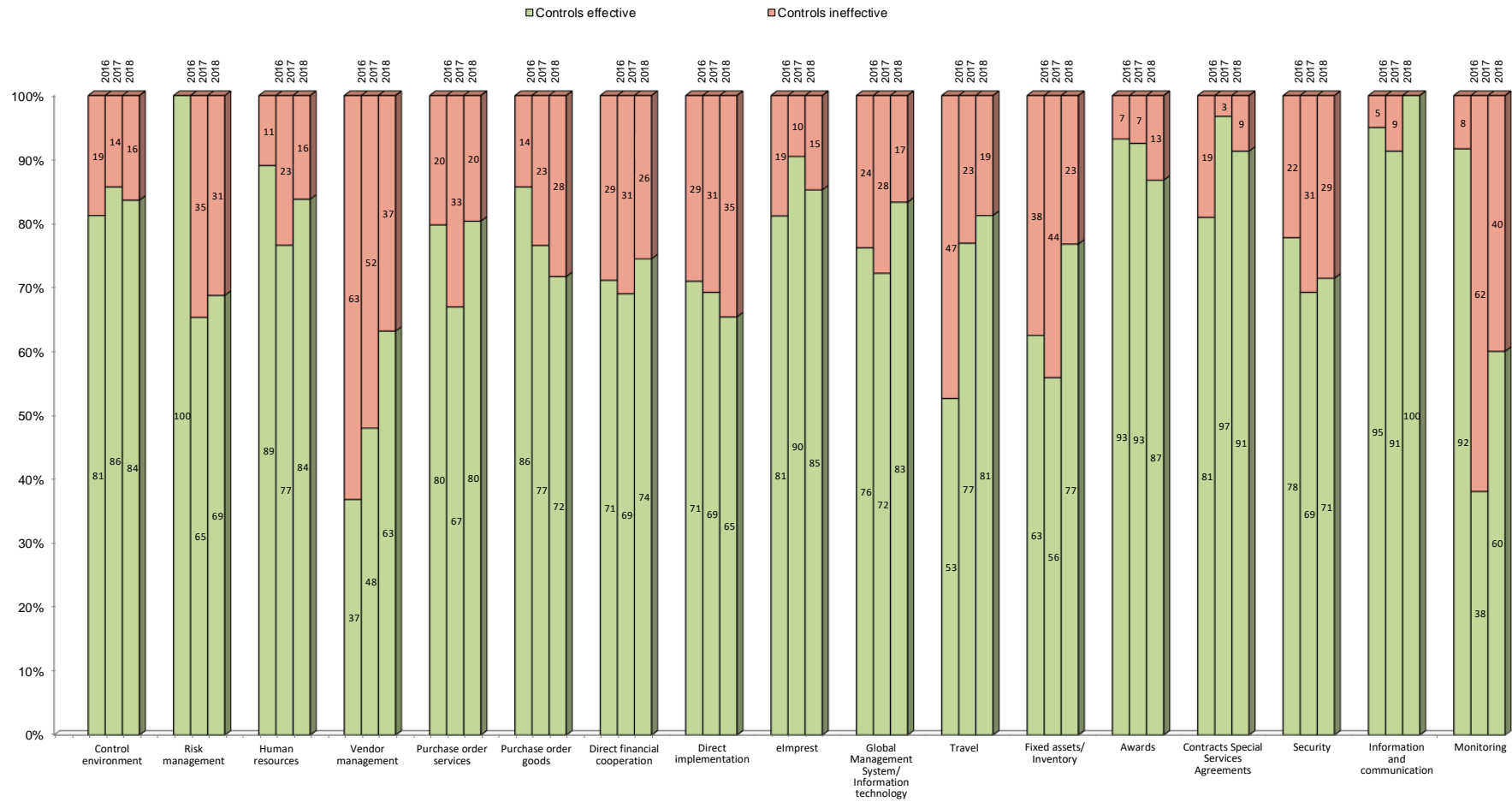
## ANNEX 2B

### BREAKDOWN OF THE AUDIT RECOMMENDATIONS BY AUDIT AREA AND SIGNIFICANCE



ANNEX 3A

**TRENDS IN OPERATING EFFECTIVENESS OF INTERNAL CONTROLS (OPERATIONAL SECTION),  
IN WHO COUNTRY OFFICE AUDITS OVER TIME, CONDUCTED BETWEEN 2016 AND 2018**



## ANNEX 3B

**OPERATING EFFECTIVENESS OF INTERNAL CONTROLS IN AUDITS, OPERATIONAL SECTION, COUNTRY OFFICES,  
CONDUCTED BETWEEN 2016 AND 2018**

Summary of effectiveness of internal controls – Organization-wide, by region for the period 2016–2018						
Overall Control Effectiveness 2016–2018	WHO	Africa	Eastern Mediterranean	Europe	South-East Asia	Western Pacific
		76%	74%	71%	83%	82%
Control Environment	83%	81%	71%	82%	81%	85%
Risk Management	73%	75%	75%	90%	91%	100%
Human Resources	79%	73%	72%	92%	97%	94%
Vendor Management	41%	45%	38%	50%	50%	38%
Purchase Orders – Procurement of Services	72%	76%	73%	66%	64%	82%
Purchase Orders – Procurement of Goods	76%	81%	60%	89%	68%	71%
Direct Financial Cooperation	72%	63%	69%	N/A	83%	85%
Direct Implementation	68%	64%	69%	N/A	83%	N/A
eImprest	86%	85%	86%	88%	89%	89%
Global Management System/Information Technology	72%	71%	67%	89%	100%	78%
Travel	69%	67%	79%	83%	67%	67%
Fixed Assets/Inventory	61%	54%	60%	62%	73%	88%
Awards	89%	91%	85%	85%	92%	100%
Contracts – Special Services Agreements	91%	92%	83%	100%	78%	100%
Security	67%	74%	45%	86%	71%	92%
Information and Communication	91%	92%	77%	100%	100%	100%
Monitoring	58%	20%	54%	100%	100%	86%

ANNEX 4

**LIST OF AUDITS CLOSED SINCE FEBRUARY 2018 (AS AT 18 FEBRUARY 2019)**

<b>Audit no.</b>	<b>Audit title</b>	<b>Date of final report</b>	<b>Closing date</b>	<b>Months to close the audit</b>
12/884	Declarations of interest	06/2012	05/2018	71
12/906	Department for Governing Bodies and External Relations	04/2013	05/2018	60
15/985	Agreements for Performance of Work at Headquarters	01/2016	10/2018	32
15/986	Country Office in Kenya	02/2016	04/2018	26
16/1021	WHO in the United Republic of Tanzania	05/2016	06/2018	25
16/1049	Country Office in Comoros	01/2017	01/2019	23
16/1059	Country Office in Ghana	03/2017	05/2018	14
16/1069	Maternal, Newborn, Child and Adolescent Health Department at Headquarters	02/2017	05/2018	14
17/1078	Prevention of Noncommunicable Diseases Department at Headquarters	05/2017	03/2018	9
17/1081	WHO in India	12/2017	01/2019	12
17/1083	Country Office in Malaysia	03/2018	08/2018	5
17/1088	WHO in Turkey	08/2017	10/2018	13
17/1096	Country Office in Mali	08/2017	07/2018	11
17/1113	WHO in Sierra Leone	03/2018	01/2019	10
17/1114	Health Security and Emergencies Cluster in the Regional Office for the Western Pacific	02/2018	01/2019	10
17/1118	Procurement review at the Partnership For Maternal, Newborn and Child Health	04/2018	12/2018	7

## ANNEX 5

**EXTERNAL QUALITY ASSESSMENT OF THE WHO AUDIT FUNCTION –  
LIST OF RECOMMENDATIONS AND IMPLEMENTATION STATUS AND  
TARGET IMPLEMENTATION DATES**

<b>Recommendation</b>	<b>Implementation status and target implementation date</b>
<b>Recommendations by the External Assessors</b>	–
Update the IOS Charter on a regular basis in shorter intervals (e.g. 2–3 years).	Next Charter revision before end of 2021
Implement monitoring of continuing professional education hours for all internal auditors within IOS.	28 February 2019
Implement a formal periodic internal assessment. Such an assessment should be performed at least once between two external assessments.	Next formal period internal assessment before 31 December 2021
Reduce the time span between the end of field work and draft report.	31 December 2019
Reduce the time span between the submission of the draft and the final report.	31 December 2019
Consider to shorten the audit reports by including graphs which summarizes information (e.g. in the executive summary a table with the following information may be added as transparent “eye-catcher”: finding name, coloured priority of implementation and totals per “priority of implementation”).	31 December 2019
Define the link between the overall report rating and the overall effectiveness of the controls.	31 December 2019
<b>Recommendations by IOS – self-assessment</b>	–
Approval of the updated IOS Charter: IOS should follow up with WHO senior management to ensure that the updated IOS Charter is reviewed and approved by the Director-General.	28 February 2019
IOS should follow up with WHO senior management to ensure that the updated functional WHO organigram clearly establishes IOS’ reporting responsibilities, including the independence of Director IOS/Audit function, in accordance with IIA Standards.	28 February 2019
Expand training opportunities for IOS audit staff: (a) Director IOS and Coordinator Audit should continue to seek technical audit training for IOS audit staff; (b) IOS audit staff should document in their End-Year PMDS that they have fulfilled their continuing professional education requirements, when applicable.	31 December 2019
Enhance communications and outreach: IOS should prepare and implement a plan to enhance its communications and outreach, for example, by improving its presence on the WHO intranet (i.e. to further inform WHO staff members and stakeholders on the audit process and increase awareness and understanding of good practices).	31 December 2019
Enhance key performance indicators: Director IOS and Coordinator Audit should collaborate with the United Nations-Representatives of Internal Audit Services working group on redefining the key performance indicators of the UN Internal Audit functions.	31 December 2019
Expand the use of TeamStore (TeamMate) for recurring audit observations and recommendations: IOS auditors should expand the use of (TeamMate) TeamStore as a repository for recurring audit observations and recommendations for operational audits.	31 December 2019
Continue to expand the use of data analytics: IOS auditors should continue to expand opportunities for assurance through greater use of data analytics and enhance the use of technology (e.g. to pilot the use of continuous auditing).	31 December 2019



## ANNEX 6

**SUMMARY OF INVESTIGATIONS REPORTS ISSUED IN 2018<sup>1</sup>**

<b>Location</b>	<b>Summary</b>	<b>Conclusion</b>	<b>HR reference<sup>2</sup></b>
Regional Office	A male staff member, seconded to WHO from another United Nations agency, invited a female intern to lunch in his apartment, where he touched her inappropriately.	Substantiated	IR2019/1
Country Office	A WHO Country Representative reportedly used the WHO secretary, driver and vehicle for personal needs, without reimbursing the costs to the Organization, and approved false overtime claim sheets for the driver. The total cost for the use of the vehicle and overtime paid to the driver amounted to US\$ 8132.	Substantiated	IR2019/2
Country Office	A driver recorded inaccurate information in overtime claim sheets, to conceal the actual travel destinations, as part of the request for overtime to be paid.	Substantiated	IR2019/3
Regional Office	A staff member submitted forged invoices to the Staff Health Insurance and unduly obtained reimbursement of US\$ 5257.	Substantiated	IR2019/4
Regional Office	A staff member submitted forged medical invoices to obtain unjustified benefits from the Staff Health Insurance for an amount equivalent to US\$ 17 346. Additionally, it was found that the same staff member (a) had forged two WHO employment certificates; and (b) had more than 100 pornographic movies stored on his WHO computer.	Substantiated	IR2019/5
Regional Office	A staff member misrepresented void boarding passes as evidence of travel in an official travel claim, with the deliberate intention to obtain unauthorized benefit for an estimated amount of US\$ 15 202.	Substantiated	IR2019/6
Regional Office	A staff member had been conducting a commercial activity under a fake commercial name since 2012, enlisting the help of Regional Office staff members. Additionally, it was found that the staff member was submitting fake invoices and quotations for office supplies to a WHO-hosted entity local office to avoid competition and sell supplies at a price higher than the local market price. The staff member also breached WHO procurement rules by requesting commercial offers from vendors and sharing them with another vendor who happened to be his former employer.	Substantiated	IR2019/7
Regional Office	A staff member knowingly assisted a colleague to commit fraud to the prejudice of the WHO Staff Health Insurance and to engage in an unauthorized outside activity. In both cases, the staff member failed to report the misconduct, as prescribed by the WHO fraud prevention policy.	Substantiated	IR2019/8
Country Office	An Operations Officer was involved in several serious violations of WHO policies relating to procurement, delegation of authority and	Substantiated	IR2019/9

<sup>1</sup> Details of five reports were previously included in document A71/33 and one related report concerned a hosted entity.

<sup>2</sup> See document A72/41.

Location	Summary	Conclusion	HR reference <sup>2</sup>
	petty cash management, resulting in a financial loss of US\$ 20 628 for the Organization.		
Country Office	A WHO Representative assisted a vendor in maintaining a fraud scheme (either knowingly or by gross negligence) and subsequently retaliated against a staff member by filing, in bad faith, a misleading complaint against the staff member.	Substantiated	IR2019/10
Regional Office	A staff member provided three fake medical documents to Staff Health Insurance with the intention to obtain an unjustified benefit, which finally amounted to US\$ 1514.	Substantiated	IR2019/11
Country Office	A WHO driver conducted himself in a manner incompatible with his status of international civil servant, as he was found intoxicated to the extent of being unconscious and unable to perform his duty.	Substantiated	IR2019/12
Regional Office	A staff member submitted falsified documents to the Staff Health Insurance for reimbursement, for an amount of US\$ 97 658.27.	Substantiated	IR2019/13
Ministry of Health	A Ministry of Health failed to provide justification for the expenditures in the amount of US\$ 44 467.50, while the funds were supposed to be used for implementing projects under the Direct Financial Cooperation mechanism.	Substantiated	IR2019/14

## ANNEX 7

**ASSESSMENT OF COVERAGE OF WHO'S PRINCIPAL RISKS IN  
AUDITS CONDUCTED IN 2018**

<b>WHO Principal Risks (May 2018)*</b>			
<b>Risk Reference</b>	<b>Risk area</b>	<b>Current level of risk criticality (changed from the previous update indicated in brackets)</b>	<b>Examples of the Office-specific audit work related to the risks (2018)</b>
RR01	Financing of Programme budget 2018–2019	– Significant (stable)	<ul style="list-style-type: none"> <li>• Routine audits cover internal measures to reduce expenditures as part of the review of the procurement and travel areas.</li> <li>• Integrated audits include a review of the resource mobilization area.</li> </ul>
RR02	WHO Health Emergencies Programme (WHE)	– Severe (stable)	<ul style="list-style-type: none"> <li>• In 2018, the Office conducted audits of country offices affected by emergencies, such as Ethiopia, Somalia and Yemen.</li> <li>• In 2018, the Office updated the testing in the audit risk matrix to assess the effectiveness of the Organization's readiness and response to emergencies.</li> <li>• In 2018, follow-up was conducted on the implementation of the recommendations of the Performance Audit of the Containment of the 2014 Ebola Virus Disease (report 15/996). The audit focused on the operationalization of the Emergency Response Framework for Ebola and the implementation of the Ebola Response Roadmap. This audit provided input on the design of the Health Emergency Programme policies and served as an input for the other audit risk matrixes for country offices audits.</li> <li>• In 2017, the Office conducted the integrated audits of the WHO Health Emergency Programme at the Regional Office for the Western Pacific (report 17/1114) and of WHO in Turkey – which included the contribution of WHO to the humanitarian response to the on-going Syrian crisis (report 17/1088).</li> <li>• The 2019 plan of work includes audits of country offices affected by emergencies, such as South Sudan. The plan of work also includes an audit of the WHO Health Emergency Programme at the Regional Office for the Eastern Mediterranean.</li> </ul>
RR03	Polio transition	<ul style="list-style-type: none"> <li>– Severe (stable)</li> <li>– Significant (stable)</li> <li>– Significant (stable)</li> </ul>	<ul style="list-style-type: none"> <li>• Polio transition plans were reviewed during country offices audits, when applicable. For example, polio transition was reviewed during the integrated audit of WHO in Ethiopia (report 18/1126) and WHO in India (report 17/1081).</li> <li>• The 2019 plan of work includes a review of “polio transition plans”(audit deferred from 2018).</li> </ul>

WHO Principal Risks (May 2018)*			
Risk Reference	Risk area	Current level of risk criticality (changed from the previous update indicated in brackets)	Examples of the Office-specific audit work related to the risks (2018)
RR04	Fraud/corruption/misconduct	– Significant (stable)	<ul style="list-style-type: none"> <li>• Since 2018, the Office provides a “fraud awareness” presentation to staff as part of each audit and investigation missions. The Office also provides a “fraud awareness” presentation during the Operations Officers’ meeting at the WHO Regional Office for Africa; induction sessions of new staff at headquarters; and induction sessions of Heads of Country Offices.</li> <li>• In 2019, enhancement of the investigation capacity of the Office.</li> <li>• Active follow-up of outstanding audit recommendations, including follow-up on the implementation of the recommendations of two of the information technology-related audits conducted in 2016 (reports 16/1026 and 16/1027), which provide input on the enhancement of integrated system controls and exception reporting.</li> <li>• Routine audits include the review of Global Management System user access rights.</li> <li>• Standard testing in most of the audits includes fraud related areas such as segregation of duties in the eImprest, payments and fixed assets areas.</li> <li>• Previous audit reports have highlighted the need to conduct due diligences in relation to implementing partners activities (direct financial cooperation), including nongovernmental organizations.</li> </ul>
RR05	Business continuity	– Significant (stable)	<ul style="list-style-type: none"> <li>• Integrated audits include a review of the business continuity plans.</li> <li>• Standard testing in audits of country offices includes a review of information technology back-up procedures and other physical security information technology controls.</li> <li>• In 2017, the Office conducted an audit of the service continuity at the International Computing Centre.</li> </ul>
RR06	Cybersecurity Physical/operational security	– Significant (stable) – Severe (new risk)	<p><u>Cybersecurity:</u></p> <ul style="list-style-type: none"> <li>• In 2018, the Office conducted a review of the information technology area in two Regional Offices (report 18/1147).</li> <li>• In 2017, the Office conducted an audit of Office 365 Cloud Email (report 17/1103). In 2016, the Office conducted the two information technology audits (see section “fraud” above).</li> <li>• The 2019 audit plan of work includes an audit of implementation of the of the Cybersecurity Roadmap.</li> </ul> <p><u>Physical/operational security:</u></p> <ul style="list-style-type: none"> <li>• Routine audits include the review of the “security” area, including the review of adherence to the UN Department of Safety and Security requirements.</li> </ul>

WHO Principal Risks (May 2018)*			
Risk Reference	Risk area	Current level of risk criticality (changed from the previous update indicated in brackets)	Examples of the Office-specific audit work related to the risks (2018)
RR07	Long-term obligations/liabilities	– Significant (new risk)	<ul style="list-style-type: none"> <li>In 2016, the Office conducted an audit of the WHO Staff Health Insurance (report 16/1062), which includes recommendations to improve the WHO Staff Health Insurance governance.</li> </ul>

\* WHO Principal Risks (May 2018), prepared by WHO: [https://www.who.int/about/finances-accountability/accountability/WHO\\_Principal\\_Risks\\_May2018.pdf](https://www.who.int/about/finances-accountability/accountability/WHO_Principal_Risks_May2018.pdf) (accessed 18 February 2019).

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