



**PROPOSAL FOR APPOINTMENT  
AS  
EXTERNAL AUDITOR  
OF THE  
WORLD HEALTH ORGANISATION**

**FOR THE BIENNUM  
2004-2005 AND 2006-2007**

**SUBMITTED BY  
THE  
DIRECTOR OF AUDIT  
OF  
THE REPUBLIC OF MAURITIUS  
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**PROPOSAL BY THE DIRECTOR OF AUDIT OF THE REPUBLIC OF MAURITIUS FOR APPOINTMENT AS THE INDEPENDENT EXTERNAL AUDITOR TO THE WORLD HEALTH ORGANISATION (WHO) FOR THE FINANCIAL PERIODS 2004-2005 AND 2006-2007.**

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## **1. Introduction**

The Government Audit Office (GAO) presents its proposal for appointment as External auditor of the World Health Organisation (WHO) for the financial periods 2004-2005 and 2006-2007, as requested by the WHO of the United Nations vide its letter Ref : C.L.30.2002 dated 4 September 2002. This is the first time that the GAO is submitting its proposal and is thus an opportunity to demonstrate our professionalism and competence.

This proposal contains

- Curriculum vitae and profiles of the key persons on the audit team.
- Details of National and International activities of the GAO.
- A description of the audit approach, procedures and standards that the GAO would apply, having regard to the Organisation's accounting principles and practices, its Financial Regulations, and Financial Rules, and the United Nations System Accounting Standards;
- Estimates of the overall number of Auditor-work-months which would be devoted to carrying out the audit for each of the two financial periods;
- Proposed audit fee which includes all secretarial and other ancillary costs, and all travel costs and living expenses of the External Audit staff.
- Other additional information on our qualification that would help WHO in their consideration of the proposal;
- An indication of the nature, extent and timing of requests for information, including access to working papers of the outgoing auditor, in accordance with recognised auditing standards.

This proposal also covers the audit of the International Agency for Research on Cancer (IARC) and the audit of the Joint United Nations Programme on HIV/AIDS (UNAIDS).

The GAO affirms its commitment and complete assurance for providing high quality cost effective professional external services. Our services will cover not only certification of financial accounts but also performance audits thus enhancing accountability and transparency.

## 2. About The World Health Organisation

The World Health Organisation is the United Nations specialised agency for health. Its objective is the attainment by all peoples of the highest possible level of health. To achieve the objective, four strategic directions have been set including:

- Reducing excess mortality, morbidity and disability.
- Promoting healthy lifestyles and risk factors to human health
- Developing health systems that equitably improve health outcomes.
- Framing an enabling policy and creating an institutional environment for the health sector.

The Governing bodies of WHO include:

- The World Health Assembly. The Health Assembly, composed of representatives from WHO's 191 Member States, is the supreme decision-making body. Its main tasks are to approve the WHO programme and budget for the following biennium and to decide major policy questions.
- Executive Board. The Board is composed of 32 individuals, each designated by a member state and technically qualified in the field of Health. The main functions of the Board are to give effect to the decisions and policies of the Health Assembly, to advise it and generally to facilitate its works.
- Regional Committee. The Committees are composed of representatives of the Member States and Associate Members in the region concerned. They carry out within the region the decisions of the Health Assembly and of the Board.

*Organisation Structure*. The Secretariat is headed by a Director General, elected by member states and nominated for a period of five years by the Executive Board. The WHO headquarters comprises 34 Departments staffed by Health professionals, other experts and support staff. These Departments include Internal Audit and legal counsel while the others fall under the aegis of the following sections: Communicable diseases, non-communicable diseases and mental health, sustainable Development and Healthy Environments, Evidence and Information for Policy, External Relations and Governing Bodies, Family and Community Health, Health Technology and Pharmaceuticals and General Management.

WHO has six regional offices namely for Africa, Europe, South-East Asia, America, Eastern Mediterranean and Western Pacific.

Each regional office has its own programme geared to the particular health problems of the countries it serves.

The Regional offices are involved in technical activities, direct support to countries and the production of information and evidence to guide health policy. Through the Regional Committee, all member states collectively formulate regional policies, supervise activities and approve the budget. The support staff includes experts and collaborating centres and research institutes across the Region.

*Financial matters:* WHO'S main sources of income are: Contributions (assessed and voluntary) and other income. Other income includes revenue-producing activities, income from services rendered, interest income and funds under inter-organisation arrangement.

Expenditure are incurred on international health programme and for other purposes. Expenditure are itemised into technical assistance, supply services and other programme. Technical cooperation includes global programme on AIDS, Research and Training in Tropical diseases, onchocerciasis control programme.

The total income and expenditure for the period 1 January 2000 to 31 December 2001 amounted to US\$ 2,700 million and US\$ 2,500 million respectively.

Since its inception, WHO has worked to formulate adequate healthcare to prevent and control the spread of diseases. This has culminated in the vision " to create the conditions whereby people everywhere, throughout their lives, have the opportunity to reach and maintain the highest attainable level of health".

The new challenges facing WHO are:

- To become more focused on the actual delivery of healthcare and to reduce the level of bureaucracy;
- To make economic, efficient and effective deployment of resources through strategic budgetary interventions in order to meet the increasing demands and the expectation of health for all;
- To roll-back malaria and tobacco initiative;
- To foster improved working relations with member states in order to provide value-for-money by making a difference to the essential delivery of healthcare.

### **3. About the Mauritian Government Audit Office**

**3.1 General.** Our office has been established by the Constitution. The GAO emerged in its present form since 1968 when Mauritius became independent. However, public auditing in Mauritius started well before that period. Earliest record available at the GAO consists of reports of the Auditor General of Mauritius dating as far back as 1871, addressed then to the Colonial Secretary.

We audit all Public Sector expenditure. Our audit consists of two main parts: (a) the annual financial audit of all government ministries/departments and (b) a wide range of parastatal bodies, non-statutory bodies, local authorities, World Bank, United Nations and other international agency projects and value for money audits.

The Finance and Audit Act requires the Director of Audit to certify all the accounts of the Government of Mauritius within eight months of the close of every financial year, i.e. by end of February. The 2001-2002 Annual Audit Report was submitted to the National Assembly for the first time at end of November 2002, three months before the statutory date limit.

In relation to the independence of the GAO, the Constitution provides that in the exercise of its functions, the Director of Audit shall not be subject to the direction or control of any person or authority.

The objectives of our audit is to ensure that revenue is properly collected and safeguarded by reasonable precautions, that money provided by National Assembly is used as the National Assembly intended, and financial and accounting instructions are adequate and effective. Hence, we play a major role in the accountability process. Our audit scope have been expanded to specifically include Value for Money Audit as from the year 2001.

To attain the audit objectives, the GAO carries out such reviews of systems of internal control and such other selective tests and investigations considered necessary. The International Organisation of Supreme Audit Institutions' (INTOSAI) Auditing Standards are used as guidelines in the conduct of the audit.

The GAO is a member of INTOSAI, AFROSAI and SADCOSAI.

The Director of Audit carries out the activities entrusted to him with the assistance of some 150 staff . Included are 38 professional qualified accountants of which some are also holders of Masters in Business Administration (MBA), BSc and MSc. The GAO is manned by young and dynamic staff with an average age ranging from 35 to 40.

### **3.2 Our experience**

In addition to Government accounts, the GAO is responsible for the audit of the following: Public Enterprises, Local Authorities and Special Funds.

Our audit also extends internationally. In May 1998, at a meeting held in Botswana the Director of Audit was officially appointed chairman of the Board of Auditors for the audit of SADC Institutions for financial years 1997-98 and 1999-2000.

The Director of Audit was also appointed Chairman to the Board of External Auditors responsible for the audit of accounts of the Organisation of African Unity (OAU), now African Union, for 2000-2001.

## **4. STAFFING THE AUDIT**

### **4.1 The Engagement Team**

We adopt a team approach to client service which recognises the importance of specialist input whilst providing a single manager who is readily accessible to co-ordinate all our day-to-day services. Our services to you will be led by Mr. Rajun Jugurnath, the Director of Audit and the two Deputy Directors of Audit, Mrs P. Tse and Mr P. Kumar Napaul. The role of team leaders will be carried out by Audit Managers. All the Officers are qualified Accountants with considerable experience and bilingual being fluent in both English and French.

### **4.2 Curriculum Vitae of key personnel to be involved in the audit**

#### **Mr Rajun Jugurnath, FCCA, MBA, MIMA Director (Head of SAI)**

Mr Jugurnath will be personally responsible for overseeing the audit as well as for the final review. As Head of SAI he will report to the World Health Assembly.

Mr Jugurnath qualified as a Chartered Certified Accountant (ACCA) in 1984 and admitted to Fellowship (FCCA) in 1989. He also holds an MBA degree from the University of Mauritius, the Certificate in Company Direction, from the Institute of Directors of New Zealand, and is Member of the American Management Association, and Member of All India Management Association.

Mr Jugurnath joined the Government Audit Office in 1975. In 1991 he was called upon by Government to head the Management Audit Bureau, Ministry of Finance. During his ten-year tenure of Office at this Bureau he has served as member of various High Powered Committees set up by Government in relation to the reform of the Civil Service, Parastatal Bodies, and Local Authorities. On his own he has initiated processes for improving the accounting system in the public sector and the introduction of quality management in the Civil Service. In 1998 he was seconded for one year to work at the PTA Bank where he was responsible to set up, and take charge of a Management and Internal Audit Department. He is presently a member of the Steering Committee on Accounting and Auditing Services, set up by Government to assist the World Bank in conducting an assessment of accounting and auditing practices in Mauritius.

Mr Jugurnath is a strong advocate for improving accountability and transparency in the public sector.



**Mrs. Tse Yuet Cheong, Philise Kwee Chow, FCCA, CGFM**  
**Deputy Director**

Mrs. Tse Yuet Cheong's main responsibility will be to assist the Director in overseeing and in the final review of the audit.

Mrs Tse Yuet Cheong qualified as Certified Accountant in 1978. She worked in London (U.K) for a firm of Chartered Accountants in 1979 until May 1980 when she joined the Government Audit Office as Auditor. She was appointed Deputy Director (Deputy Auditor General) with effect from 13 June 1995. In 1996, she followed the International Auditor Fellowship Program at the United States General Accounting Office in Washington for a period of five months. She has successfully completed the ISO 9000:2000 Lead Auditor Course in 2001. She is currently a member of the AFROSAI-E / SADCOSAI Technical Work Group on Quality Assurance.

During her time at the Office, her responsibilities have included overseeing the audit of all Ministries, Statutory Bodies and Local Government Bodies and finalising reports thereon. She was the chairperson of the IT Committee and responsible for the implementation of a secure collaborative intranet infrastructure for the Office to enable a web-enabled Groupware solution as well as various application software packages.

From 1998 to 2000, she was in charge of the audits of the Southern African Development Community (SADC) Institutions. She also assisted the Director of Audit of Mauritius who was the Chairperson of the SADC Board of Auditors in the discharge of his duties.

**Mr Pawan Kumar Napaul, FCCA**  
**Deputy Director**

Mr Pawan Kumar Napaul qualified as a Chartered Certified Accountant in 1988 and is a Fellow Member of the Association of Chartered Certified Accountants (U.K). He joined the GAO in 1977 as a Trainee Examiner of Accounts and promoted in the professional cadre after he got qualified as accountant. He is presently Deputy Director of Audit and he is serving his 26<sup>th</sup> year in the GAO. During his time at the Office his responsibilities have included a wide number of audit assignments having to do with Public Sector Accounting, Local Government Accounting and Commercial Accounting, UNDP and World Bank Projects.

Mr Napaul has audited the accounts of The Secretariat of the Southern African Development Community (SADC) and its Regional Offices in Luzaka, Zambia and Harare, Zimbabwe during two years 1999 and 2000. He was also nominated the Representative of Mauritius at the Organisation of African Unity Board of External Auditors in Addis Ababa, now African Union, for two financial years ended 30 June 2000&2001. He was appointed Vice –Chairman of the Board of External Auditors in August 2000 and Chairman of the same Board the following year. As Chairman of the Board, Mr Napaul introduced the Auditor's Reports and provided the necessary explanations to OAU Advisory Committee on three occasions.

Mr Napaul is also a freelance lecturer in accounting and auditing and has previously lectured at the University of Mauritius and University of Technology. He likes to keep to date with the latest developments in the profession, more so, the international auditing and accounting standards.

**Mrs Sumitadevi Moorooogen, FCCA, MBA**  
**Assistant Director**

Mrs Sumitadevi Moorooogen will be responsible at Managers level to manage all aspects of the WHO audit including planning, reviewing and finalising the audits. She will also be responsible for communicating with governing bodies. She will use the experience gained as being a regional trainer for the AFROSAI and SADCOSAI region ( African English Speaking Supreme Audit Institutions).

Mrs Moorooogen is a fellow of the Association of Chartered Certified Accountants and also holds an MBA from the University of Wales. She also holds a Diploma in training from the INTOSAI (International Supreme Audit Institutions) and a Diploma in Computer Science from the British Computer Society.

She has acquired more than 15 years of audit experience at various levels and had the opportunity to participate in various workshops and symposiums at regional and international level. Actually Mrs Moorooogen is the Audit Manager responsible for the audit of the Ministry of Health, its associated Parastatal bodies and Donor's aid programmes.

Recently she has been selected to form part of the pool of International auditors at the Office of the Auditor General -- South Africa.

**Mrs. Kim Chow Chan Moo Lun, FCCA**  
**Assistant Director**

As Assistant Director, Mrs K. Chan Moo Lun's main responsibility will be managing all aspects of the WHO audit, finalising the audits of all related entities, communicating with the governing bodies and maintaining a hands-on presence in the regions.

Mrs Chan Moo Lun qualified as Chartered Certified Accountant in June 1989. She joined the GAO in July 1978 as Trainee Examiner of Accounts. From 1993 to 2000 she was in charge of the audit of the Ministry of Health. In 1999 and 2000, she formed part of the team performing the audit of the Accounts of SADC in Zimbabwe.

She was a member of the committees, set up by the GAO, responsible for the development of methodologies, training, computerization of the Office. Since 1990, she has been responsible for the management of a variety of audits.

**C.Q.S Chan Hon Sen, FCCA**  
**Assistant Director**

Mr C.Q.S Chan Hon Sen will be responsible for managing all aspects of the World Health Organisation audit, including planning, controlling, reviewing and finalising the audit assignments at Manager's level.

Mr C.Q.S Chan Hon Sen is a Fellow of the Association of Chartered Certified Accountants. He has acquired more than 21 years of audit experience at various levels at the GAO and is actually the Audit Manager responsible for the audit of the Ministry of Education and several of the Parastatal Bodies falling under the Ministry. He also had the opportunity to participate in various local workshops and symposiums.

He has been exposed to international audit and will use his experience gathered from having form part of the audit team responsible for the audit of the SADC Institutions

**Mr Khemraj REETUN, FCCA, MBA**  
**Assistant Director**

Mr Reetun's main responsibility as Assistant Director will be to manage all aspects of the WHO audit and finalise the audits of all related entities.

Mr Reetun joined the GAO in 1985 and is presently Assistant Director. During his time at the Office, he has been responsible for the audits of accounts of Government ministries/departments, parastatal bodies and local authorities.

Mr Reetun qualified as a Chartered Certified Accountant (ACCA) in 1990 and was admitted to Fellowship (FCCA) in 1998. He also holds a MBA.

Mr Reetun has participated in the audits of the accounts of some international institutions. This includes the accounts of the SPGR Centre in Lusaka Zambia for SADC, projects of the Ministry of Education financed by the World Bank, African Development Bank and UNDP, and projects of the Ministry of Fisheries financed by the European Union and the IFAD. He also has extensive experience in financial, performance and IT audits.

Mr Reetun is a member of a task force set up by the Government for the re-engineering of the Public Sector.

He is a member of the Human Resource Development Committee and the Research and Development Committee of the GAO.

He is also an active executive committee member of the ACCA Mauritius Branch, the Mauritian Management Association and the Public Service trainers Association.

## 5. OUR AUDIT APPROACH

### 5.1 Scope

Our approach to audit WHO is designed to meet the primary objective of the audit, which is to express an opinion on the financial statements and to report to the World Health Assembly pursuant to regulation XIV of the Financial Regulations and the Additional Terms of Reference Governing the External Audit.

The audit process will include evaluation of controls, testing of key controls, testing of general and application computer controls, substantial review procedures and testing of details of transactions and balances.

The nature and extent of substantive audit procedures will be determined by various factors including materiality, risks identified and on work performed by internal audit.

- *Strategic Analysis.* The purpose of strategic analysis will be to provide a framework within which to first understand WHO's objectives and strategies in the context of the environment in which it operates. A thorough knowledge of WHO's operations and business is essential in this regard. We will identify the Organisation's perspectives on the fundamental business risks affecting the business strategies, as well as the related control environment and specific controls established by management.

The analysis of WHO's view of strategy, risk and control will give sufficient information to identify those business processes that are critical to its successful operation. It is on those key business processes that the GAO will focus the majority of its work.

- *Risk Assessment.* For each significant organisational risk, the GAO determines whether WHO's control environment, including strategic, management and process controls, is adequate to mitigate those risks. To the extent that the risk exposure remains, the GAO will consider the audit implications of the organisational risk and determine whether additional audit evidence is required to support the opinion on the financial statements.

Our efforts will concentrate on the risk areas, while providing adequate assurance on other material areas on which an audit opinion is expressed.

- *Internal Audit.* The main responsibility of the Unit, as stated in Regulation XII of the WHO Financial Regulations, is to provide an effective review, evaluation and monitoring of the adequacy and effectiveness of the Organisation's overall systems for internal control. The work performed by internal audit will be evaluated and relied upon in the formulation of our audit procedures.

## **5.2 Reporting**

Whilst we shall focus on gathering audit evidence to test the effectiveness of the control system and to confirm the accuracy of the accounting records, the audit team will be alerted to weaknesses in the system and procedures that will eventually form the basis of recommendations.

Findings from the audit will be thoroughly discussed with Management. Continuous feedback to management, whether verbally during the course of our audit and in writing through our management letter, forms an integral part of our audit process.

The timeliness of our reporting to Management on our findings will be an important feature. We will issue management letter immediately after the work is undertaken.

## **5.3 Audit standards**

The GAO will perform the audit in full compliance with the WHO Financial Regulations and the terms of reference governing the audit of WHO.

For the audit of WHO, we will take into account the following standards:

- The Common Auditing Standards and Auditing Guidelines issued by the panel of External Auditors of the United Nations and its Specialised Agencies;
- The Auditing Standards of the International Organisation of Supreme Audit Institutions;
- The Auditing Standards of the International Federation of Accountants; and
- The International Accounting Standards.

## **5.4 Auditing Services**

The GAO has a broad range of audit specialities that are available to WHO. These include regulatory auditing, as well as computer and performance auditing.

- *Regulatory auditing*: As required by the additional terms of reference, we will ensure that the financial statements are in accord with the books and records of the organisation and that the financial transactions reflected in the statements have been in accordance with the rules and regulations, the budgetary provisions and other directives.
- *Performance audit (Value for money)*. The aim of a performance audit is to evaluate the measures implemented by Management to ensure that resources are procured economically and utilised efficiently and effectively. We have developed specialist expertise in performance auditing of several sectors including Agriculture, Health, Tourism as well as Environment.

- *Computer auditing.* Computer auditing plays an increasingly important role in the work of the audit office. The role of the computer auditors is to proactively assist our functional auditors in identifying and evaluating computer related risks and controls.

Officers, both at the managerial and the supervisory level, have been trained in IT Audit Techniques. We have conducted several audits of computerised systems both in Government departments and parastatal organisations.

Our professional expertise in the areas listed above will be highly advantageous in the course of audit of WHO.

## **6. ESTIMATES OF AUDITOR-WORK-MONTHS**

We have assessed the audit effort that would be required for auditing operations at Headquarters, including UNAIDS, the regional offices and IARC. The audit at headquarters will be periodically supplemented by interim audits and the final audit. The audit of regional offices and IARC will be conducted at least once during the biennium. Based on this we estimate that 85 auditor-work-months will be spent in conducting the audit of WHO per biennium.

## **7. AUDIT FEES**

We have assessed WHO's level of operations at Headquarters, including the audit of UNAIDS, and at its various Regional Offices and the IARC. Based in this we propose an audit fee of US\$ 950,000 each for the 2004-2005 and 2006-2007 biennia.

The fees quoted are based on the full recovery of the costs incurred on audit and included all travelling, secretarial and other ancillary costs as well as living expenses/per diem of the Audit Staff sent for audit work. We understand that WHO will provide facilities such as office accommodation, telecommunications, photocopying and office supplies free of cost to the auditors and hence these have not been built into our costs.



## **8. REQUESTS FOR INFORMATION, ACCESS TO AUDIT WORKING PAPERS ETC**

Paragraph 3 of the Additional Terms of Reference Governing the External Audit of the World Health Organisation states that:

" The External Auditors and staff shall have free access at all convenient times to all books, records and other documentation which are, in the opinion of the External Auditor(s), necessary for the performance of the audit. Information classified as privileged and which the Secretariat agrees is required by the External Auditor(s) for the purposes of the audit, and information classified as confidential, shall be made available on application. The External Auditor(s) and staff shall respect the privileged and confidential nature of any information so classified which has been made available and shall not make use of it except in direct connection with the performance of the audit. The External Auditor(s) may draw the attention of the Health Assembly to any denial of information classified as privileged which, in his/her/their opinion, was required for the purpose of the audit."

We assure compliance on our part up to completion of the audit and we expect to have access to the audit working papers of the outgoing auditor to facilitate a smooth handover.

## **9. CONCLUSION**

We expect that this proposal document contains all the information requested. We are committed to serve with distinction by providing efficient and cost effective services as External Auditor of WHO for the financial periods 2004-2005 and 2006-2007.