



The Swedish National Audit Office's proposal for the External Audit of the World Health Organization (WHO)

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Financial Proposal

External Audit as a means for enhanced accountability

In view of the objective of the WHO being the attainment of the highest possible level of health to all peoples, the Organisation has agreed on a number of functions it shall perform to achieve its objective. In order to perform its functions well and meet its own expectations as well as those of member states and other stakeholders the external audit can be of significant assistance, if properly structured. The secretariat of WHO depends on its high reputation for efficiency and competence among the member states, to provide professional support to the various departments, projects, initiatives and other interested parties. The external audit, if properly targeted and structured, will provide the Member States and other stakeholders with an assurance that money is well and safely spent and at the same time contribute significantly to the managers' strive for excellence and effectiveness. The Swedish National Audit Office (RRV) has all the necessary skills, expertise and international experience to assist the WHO as its external auditor.

The success of an external audit with high ambitions requires an approach that is characterised by a respectful, sincere and close relationship between the RRV and the personnel at the WHO, without compromising on the independence of the external auditor. The RRV employs this approach in all audits and we have the necessary experience from international audit assignments, as well as numerous international cooperation projects. The RRV, its approach and international experience are described in more detail below.

The Swedish structure for public external audit is undergoing a constitutional change. After the date of submission of the proposal but before the commencement of the audit assignment, the RRV will terminate its role and function as the Supreme Audit Institution (SAI) of Sweden. As from 1 July 2003, Riksrevisionen will be the new SAI of Sweden and assume full responsibility for all commitments, assignments, obligations and undertakings the RRV has engaged in. The entire staff of the RRV with its accumulated competence and experience will also move to the new organisation and secure the continuity of the commitments. The Auditor General of RRV is submitting this proposal including a presentation of the new SAI and one of the new Auditors General, to ensure full transparency and commitment to the assignment. This proposal has been discussed with and is supported by the leadership of the new audit institution. It is the

appointed new Auditor General, Mr Kjell Larsson who is the final nominee for the assignment.

Riksrevisionsverket (RRV)

The RRV is the independent government agency for audit within the Swedish central government administration. The primary task of the RRV is to promote and develop effectiveness and efficiency in Swedish government activities.

The RRV's independence is secured by the constitutionally guaranteed autonomy of all Swedish state agencies, which prohibits any form of direct ministerial directives to state agencies other than in the form of general guidelines. The new organisation – Riksrevisionen – will be a Parliamentary body and its mandate and independence are secured in the Constitution, the Audit Law and the Law Governing the Supreme Audit Institution.

The RRV is a modern supreme audit institution with a long tradition of auditing experience. Financial auditing has been a central component in Swedish governance since the 16th century and Sweden was in the forefront in developing performance audits in the mid 1960s. This long audit tradition has shaped the RRV's current audit practise of not only advancing audit opinions, but also including recommendations for amendments of existing procedures.

Our professional activity is divided into two main departments: the Financial Audit Department and the Performance Audit Department. These departments are internally supported by the Operations Department.

The Financial Audit Department

The financial audits shall examine and express an opinion on the annual accounts, interim accounts and administration of the government agencies. The RRV appoints auditors of companies, foundations and other organisations with public responsibilities. 460 state agencies and other organisations are included in the RRV's audit mandate.

The Financial Audit Department employs an updated and broadened audit procedure, aiming at enhancing efficiency, quality and providing added value in financial audits. Briefly this entails that qualitatively sound audits are produced at the lowest possible cost and that audit opinions are constructed to render proposals for further improvements in the public sector management (added value). Furthermore, all financial audits are guided by "generally accepted audit procedures", which guarantees that the audits are

adequate in scope and that the qualified staffs of auditors are directed by sound professional principles. The audit principles and procedures are documented in the RRV Audit Guide.

The Performance Audit Department

The Performance Audit Department examines and promotes effectiveness and efficiency in Sweden's government system by scrutinising the government agencies. In addition to the general performance examinations these audits also include efforts to further the renewal and development of government activities. All performance audit opinions therefore contain recommendations for procedural improvements in the audit subject in order that it may comply with government guidelines more efficiently. As a result of this broader approach, the performance audit reports are increasingly emphasising the effectiveness of government programmes, rather than merely the effectiveness of the individual agency. However, the scope and the subject of the annual performance audit are still exclusively decided upon by the RRV.

Personnel

In total the RRV has a work force of some 300 persons. One key aspect of the RRV's management philosophy is to employ qualified and experienced staff in order to secure quality and good results in its activities. All auditors, and all operative personnel are therefore employed exclusively on the basis of academic and professional qualifications. As a result of this policy the RRV has evolved into an agency with one of the highest educated staff in the Swedish public sector; close to 85% of the professional staff holds a university degree or corresponding professional qualification. Furthermore, the RRV has developed a training programme which is designed in such a way that it can form the basis of certification where content and quality are concerned.

The high qualifications of our auditors, together with advanced audit techniques and computer and communication equipment, form the foundation of RRV's expertise.

The RRV's International Experience

The RRV is not merely an influential domestic audit institution. The long audit experience of the RRV has generated a widespread international network and numerous international assignments. The international activities can be divided into three areas: International Audit Assignments,

contacts with Professional Organisations, and International Development Cooperation.

International Audit Assignments

The RRV has been assigned to perform numerous external audits of international organisations and foundations. For example the RRV was responsible for the external audit of the World Health Organisation (WHO) during the financial years 1948-1966 and 1974-1977. This gave the RRV a comprehensive understanding of external audit assignments in international organisations. Below follows a selection of other, more recent, international audits, which highlight the broad international experience of the RRV:

ESO.

The RRV was the external auditor for the financial years 1986-1992 of the European Southern Observatory (ESO). The mandate included both financial and performance auditing.

The CERN institution;

The RRV was responsible for Sweden's periodic external auditing assignment of the CERN organisation in Geneva for the financial years 1988-1992.

The ECMWF;

The RRV participated as one of the two external auditors of the European Centre for Medium Range Weather Forecasts (ECMWF) in London for the financial years 1990-1993.

ESF.

The RRV was responsible for the external audit of the European Science Foundation (ESF) for the financial years 1990-1995.

The OECD organisation;

The RRV held Sweden's position on the Board of Auditors for the external audit of the Organisation for Economic Co-operation and Development (OECD) in Paris for the financial years 1991-1994.

EFTA.

The RRV held the post of vice-chairman in the Board of Auditors in the European Free Trade Association (EFTA) for the financial years 1992-1995. The establishment of a Board of Auditors was a response to upgrade the audit procedures of EFTA in preparation for the European Economic Area (EEA) agreement with the European Union (EU).

ESA.

The RRV was the chairman of the Audit Commission of the European Space Agency (ESA) for the financial period 1993-1996.

OSCE.

The RRV is responsible for the external audit of the Organisation for Security and Co-operation in Europe (OSCE) since 1999.

EMBL

The RRV is responsible for the external audit of the European Molecular Biology Laboratories since 2000.

Professional Organisations

The RRV is an active member of INTOSAI (the International Organisation for Supreme Audit Institutions) and its European equivalent EUROSAI (the European Organisation for Supreme Audit Institutions). These cooperation organisations are linked to the UN. These organisations provide a forum for contacts with various supreme audit institutions for the purpose of promoting the development of audit around the world. Furthermore INTOSAI works with the development of harmonised standards for audits and accounting at the national level. The Auditor General of Sweden is the chair of the INTOSAI Auditing Standards Committee. The RRV also participates in INTOSAI's committees on Accounting Standards, Public Debt and IT/EDP audit, the INTOSAI Working Group on Evaluation, and a group which is reviewing INTOSAI's information policy and publication of reports.

The INTOSAI Auditing Standards Committee (ASC) shall, in accordance with its mandate implement and lead the work of producing guidelines for financial auditing which will form in-depth guidance to the INTOSAI Auditing Standards. The ASC shall, with the aid of experts from SAIs both inside and outside the ASC, participate in the work being done by IFAC's International Auditing and Assurance Standards Board (IAASB) and its working groups. In order to facilitate this work the ASC has established a

Working group for FA Guidelines. The working group is led by the RRV. Its other members are the SAIs in: Austria, Canada, Cameroon, Namibia, Norway, United Kingdom and the United States. The working group shall produce proposals for guidelines on behalf of the ASC.

International Development Cooperation

Since 1989 the RRV has actively been engaged by the Swedish International Development Cooperation Agency (Sida) in a number of projects in the field of institutional capacity building. The projects are primarily designed to develop Supreme Audit Institutions although the RRV is also involved in projects giving assistance to the development of public financial control and public internal audit at other relevant institutions.

Lesotho

Between 1989 and 1996, the RRV was engaged in a financial and performance audit project at the Office of the Auditor General of Lesotho. The aim of the co-operation was to strengthen the institutional capacity of audit office. Support provided by the RRV included technical assistance to the departments of financial and performance audit, introduction of information technology and management development.

Zimbabwe

Between 1991 and 1999 the RRV co-operated with the Office of the Auditor General of Zimbabwe. The project focused on financial and performance audit, supported by information technology and management development.

Botswana

Between 1992 and 1998, the RRV was engaged in an institutional capacity building project on financial and performance audit, information technology and management development in the Office of the Auditor General of Botswana.

Namibia

Between 1992 and 1998 the RRV has co-operated with the Auditor General of Namibia. The co-operation focused on strengthening of the institutional capacity of government audit in a similar manner as the projects mentioned above. The RRV is still engaged as an institutional partner to the OAG.

Costa Rica

Between 1999 and 2000 the RRV co-operated with the Contraloría General de la República in Costa Rica. The project focused on performance audit.

Honduras

Between 1999 and 2001 the RRV co-operated with the Contraloría General de la República in Honduras. The institutional capacity development focused on performance audit.

Ghana

Since 1999 the RRV co-operates with the Ghana Audit Service. The project focuses on financial and performance audit, supported by information technology and management development. The project ends in June 2003.

Mozambique

Since 2000 the RRV co-operates with the Tribunal Administrativo in Mozambique. The project focuses on financial and performance audit, supported by information technology and management development.

Bosnia and Herzegovina

Since 2000 the RRV co-operates with the three Supreme Audit Institutions in Bosnia and Herzegovina. The project focuses on management development, financial audit and information technology.

Poland

Between 2001 and 2002 the RRV constituted one of the partner institutions to the Polish Ministry of Finance in an EU pre-accession project (twinning project) focusing on financial control.

Lithuania

Since 2001 the RRV is involved in an institutional cooperation with the State Control Office of Lithuania. The project has focused on financial audit, performance audit and IT. The co-operation will continue within an EU twinning-project together with the UK National Audit Office.

Rwanda

Since 2000 the RRV co-operates with the Dutch Algemene Rekenkamer in an institutional capacity building project with the Office of the Auditor General in Rwanda.

Malawi

Since 2002 the RRV is preparing an institutional co-operation with the NAO in Malawi.

The RRV assigns both long-term and short-term consultants in the projects. The work of the long-term consultants is supplemented by a number of short-term consultants with international working experience. In addition to financial and performance audit services, the short-term consultants have also worked in the fields of management, information technology (IT) and training.

Furthermore the RRV is involved in a co-operation project with the regional organisation for Supreme Audit Institutions in Southern Africa, SADCOSAI.

An increasing number of requests for the expertise of the RRV have been received from Eastern Europe.

The Basic Audit Procedures of the RRV

The RRV work as external auditor includes making critical examinations and assessments, and also providing constructive advice within the framework of our examination. Both our examination and the advice we give refer to the three demands made in respect of executive management responsibility. That is:

- Efficiency in operations in accordance with the objectives laid down for the institution/organisation
- Compliance with the rules and regulations and decisions applicable to the activity
- Reliable reports on the outcome of operations

We report both observations and recommendations.

- Our annual audit statements shall provide a basis for an assessment of the statutory annual reports made by the institution/organisation and its operations.
- We shall comment on unsuitable administrative measures or negligence found in the course of our examination.
- In connection with our examination, we shall provide advice for better management and controls.
- With the aid of our overall knowledge and observations, we shall draw the attention of the relevant institution to reconsider and change the regulatory framework when necessary.

Financial Audit

The RRV's audit procedures are to a large extent based upon the INTOSAI auditing standards and the "generally accepted auditing standards"

developed by the audit community. Through our active membership in INTOSAI, and other organisations, the RRV furthermore participates in the continuous development of audit procedures and is thus kept up to-date with the latest auditing standards and techniques.

The internationally recognised standards of professionalism applied by the RRV are combined with close collaboration with the subject of the audit. The RRV emphasises audit procedures, which allow a continuous dialogue between the auditor and the auditee. Our chief aim is not to pinpoint errors and mismanagement for the audit report, but to assist the identification of potential problems and seek constructive solutions in cooperation with the auditee.

The foundation of all the RRV's external audit assignments is a pronounced focus on materiality and relative risk. The main emphasis is thus placed on recognised weaknesses in the accounts as well as in the management controls, given that these weaknesses are of material financial relevance to the audit subject. This procedure allows the RRV to improve efficiency and still secure a high audit quality. The RRV audit principles and procedures are documented in the RRV Audit Guide.

Performance Audit

The performance audits of the RRV have the aim of assessing the effective fulfilment of central government goals and commitments. All audits are entirely self-initiated by the RRV on the basis of any aspect on central government activities that is deemed to be in need of closer examination. The main emphasis is however placed at areas of substantial central government expenditure and areas of importance for the proper functioning of society and the economy. The performance audit can cover a specific agency, a particular government sector or several sectors. Sector and multi-sector audits are important as similar problems may affect several sectors. In this respect the performance audits of the RRV are usually more extensive than Value for Money Audits.

Generally Accepted Auditing Standards

The audits of the RRV are guided by generally accepted auditing standards both in regards to the audits as well as to the auditor as a civil servant. The Financial Audit Department and the Performance Audit Departments have their own specially adapted version of these standards, tailored for their respective audit profession. In brief the standards guarantee: the independence and the integrity of the audit, auditors with the appropriate skills, regular communication with the auditee, detailed planning of the audit, as well as a cooperative and professional behaviour on the part of the auditors. These standards therefore guarantee that all the RRV's audits are

performed with the same high levels of quality. The audits of the RRV will of course pay due respect to any confidential material necessary for the audit.

These procedures will guide the RRV's external audit of the World Health Organization.

Skills in relation to requirements of the WHO

In light of the functions and structure of the WHO, and in order to meet the objectives of the organisation, the WHO's internal structure must function effectively and efficiently.

The RRV has extensive audit expertise at its disposal to assist securing internal quality and control. As the RRV has a broad spectrum of professional skills we will be able to respond to a wide set of requirements from the WHO and its members. The RRV's audit approach has a strong emphasis on the role and responsibilities of the management functions and consequently all senior auditors have extensive experience from interacting with and establishing good communication with the management. Furthermore the RRV's skills are consolidated and continuously brought up to-date by our experience from audits of international organisations. The RRV's experience gained from the numerous cooperation projects we operate, demonstrates our ability as an interactive and competent supportive partner.

The audit philosophy of the RRV emphasises a constant dialogue with the auditee. This means that our recommendations will be thoroughly discussed with the WHO and tailored to meet the specific requirements of the organisation. The RRV's professional auditors are highly qualified and all members of staff are well acquainted with data processing and the latest audit aided software and tools.

In the light of the above we are confident that we can offer audit services of high quality, structured according to the specific needs of the WHO.

Understanding of the audit needs of the WHO

The minimum requirements of an external audit of the WHO is that it should meet the demands stipulated in the *Financial Regulation XIV* and in its appendix on *Additional terms of reference governing the external audit of*

the WHO. In addition to this the RRV will respond to any extra requirement from the WHO that may be performed within the cost and time frames specified below.

The WHO has a world-wide representation which implies an audit approach with full understanding of regional differences and the managerial challenge to ensure economical, efficient and effective deployment of resources in a geographically diversified organisation. The RRV has gained experience in this regard from auditing international organisation with similar organisational structure and diversification.

Main Audit Emphasis

The principal emphasis in the RRV's external audit of the WHO will be the financial audit aspect, but a performance audit aspect will also be included in the External Audit Report.

Time Estimates and The Audit Team

The research of the WHO-organisation leads the RRV to estimate that the yearly external audit at the WHO will require a total of twenty-eight (28) auditor-work-months for the biennium 2004-2005 and twenty-four (24) auditor-work-months for the biennium 2006-2007. This estimate is structured to well meet the requirements stipulated in the *Financial Regulations*.

In order to perform a high quality audit of the WHO the RRV will appoint an Audit Team of four (4) experienced auditors. A senior audit officer (Audit Director or above), with documented international audit experiences, will be appointed as the Team Leader. The Team Leader will lead the audit work in Geneva and visits at regional offices or field-projects and take responsibility for the planning of the detailed audit priorities. The audit priorities will be exclusively planned on the basis of materiality and risk. The other members of the audit team will be three internationally experienced senior auditors, two in the field of financial auditing and one in the field of performance auditing. All auditors in the Audit Team will have a good command of English, and knowledge of French will be available if required.

The Audit Team will be in constant contact with the Senior Management at the RRV in Stockholm. The Auditor General of Sweden who ultimately will be responsible for the audit leads the Senior Management.

Ms Inga-Britt Ahlenius, B Sc Ec and BA
Auditor General RRV

The role of the Auditor General will be to assume the ultimate responsibility of the audit and to report to the World Health Assembly.

Ms Ahlenius was appointed Auditor General in 1993 and has played a leading role in securing the independence of the Auditor General, which has been instrumental in the constitutional change the Office of the Auditor General is now undergoing.

Ms Ahlenius has been the chairman of the Governing Board of EUROSAI and is at present chairman of the INTOSAI Auditing Standards Committee.

In addition to her role as Auditor General Ms Ahlenius has chaired or been member of a number of commissions. She was one of five members in the Committee of Independent Experts appointed by the European Parliament to scrutinize the management of the European Union.

Ms Ahlenius is a strong advocate for the mission and vision the RRV stands for including it's strive to maintain its position as a world-class audit institution.

Ms Ahlenius will terminate her term of office 30 June 2003 when the new Supreme Audit Institution is established.

Mr Kjell Larsson, B Sc Ec and BA
Auditor General Riksrevisionen

Mr Larsson has been appointed one of three Auditors General of the new Supreme Audit Institution in Sweden, Riksrevisionen. He will commence his tenure 1 July 2003.

Mr Larsson has served as acting Director and Head of Unit at the European Anti-Fraud Office (OLAF), European Commission, where he has been responsible for the investigations of fraud and corruption within the European Commission work area. The work has included fraud and corruption cases linked to the European Commission different external aid programmes. His international experience also includes support to the establishment of external and internal audit in Central and Eastern Europe as well as extensive knowledge of financial management of complex and international organisations.

Between 1983 and 1996 Mr Larsson served as Audit Director responsible for performance audits and as Director and Assistant Auditor General at the

RRV responsible for all financial audit activities. He has been in charge of numerous audit assignments.

**Mr Anders Hjertstrand, B Sc Ec and M Political Science
Audit Director**

Mr Hjertstrand is Audit Director and Head of Unit at the RRV. Mr Hjertstrand has extensive management experience both in his role as Head of Unit and in his audit work. He is auditor in charge for a number of agencies related to the Ministry of Defence. Mr Hjertstrand has long international experience from international audit assignments and international co-operation projects.

**Mr Dan Pederson, B Sc Ec and BA, Masters of Law
Audit Director**

Mr Pederson has long audit experience both from the public sector and the private sector and has been a member of the Swedish Institute of Authorized Public Accountants. Mr Pederson is at present auditor in charge for agencies related to the Ministry of Education. Mr Pederson has served as auditor in the CERN assignment.

**Mr Jonas Hällström, B Sc Ec and BA
Audit Director**

Mr Hällström is Audit Director and deputy Head of Unit as well as auditor in charge for a number of audit assignments. He has extensive experience from the private sector where he had a special focus on IT-audit.

Mr Hällström is a member of the Swedish Institute of Authorized Public Accountants and the Information System and Control Association.

**Mrs Margareta Hart, PH.D in Sociology
Audit Director**

Mrs Hart is Audit Director at the Performance Audit Department. She has been project leader for performance audits covering the Ministry of Labour, Ministry of Education and Science, Ministry of Transport and Communication, Ministry of Social Welfare and Services

Mrs Hart has served as Head of Unit at the unit dealing with Education and science, Industry and commerce, Culture as well as the unit responsible for Transport, communication and Agriculture.

Mrs Hart has international experience from conducting a research in India on the Social impact of the green revolution. She has served as facilitator in training-courses in performance auditing for the SADDCC-countries held in Lesotho, Botswana, Malawi, Tanzania and South Africa.

Pool of experts

The RRV has a substantial pool of additional experts to support the audit team. The pool consists of well qualified staff members with several years of experience from financial audit, performance audit and IT audit. All experts have been carefully selected and most staff members have international experience. All experts have a university degree.

The audit team will have the possibility to staff separate parts of the audit assignment with the relevant and necessary expertise but ensuring continuity and efficient audit work.

The Financial Audit of the WHO

The financial audit aspect will thus be the main focus in the RRV's audit of the WHO throughout the full audit period. However, as the RRV acquires a more thorough understanding of the financial routines and practices of the organisation, as well as identifying the areas characterised by the most significant materiality and risk, room will be available for more emphasis placed on performance auditing.

An audit of the WHO will initially require the RRV to reserve two man weeks to survey the internal financial organisation of the WHO. This will be the responsibility of the Team Leader and one of the financial auditors. The work will mainly rely on interviews with a number of officials responsible for key routines at the WHO. A survey of the financial routines will only be conducted the first year and for the following years these weeks will be devoted to a stronger emphasis on performance audit.

In the financial audit the focus will be placed at the interim accounts and final closing of the accounts. The most active period for the Audit Team in the WHO Headquarters would therefore be during September, for the interim audit, and in February/March, after the closing of the accounts, for the final audit and the drafting of the Annual Report. However, a focus on interim and final audit will not prevent the RRV to address other financial audit aspects such as financial reporting procedures, reviews of the supporting documents and the IT-audit aspect.

The financial audit mission will utilise the full range of the RRV's skills and experience, which entails that relevant collaboration will be established with

the Financial Audit Department, the IT unit and all other necessary support units in Stockholm. The audit will be computerised with the RRV's software resources, and communication between the RRV and the auditors will be facilitated by electronic mail, telefax and other required communications.

The Performance Audit of the WHO

In view of the fact that the first year will focus on surveying the financial structures and functioning of the WHO, the performance audit focus will be more pronounced from the second year and thereafter. The first year audit will only allow a brief and general survey of the performance accounting in the WHO, eg. the goals, the achievements, the productivity and the quality of the work. From year two the tender permits enhanced performance studies in a limited number of areas. These studies will correspond to what the WHO identifies as material risk areas, any available comments from the former auditors, and based on the RRV's own understanding of the operations in the WHO.

Due to the time consuming nature of the performance audit aspect these enhanced studies can still only be expected to illuminate areas of importance and suggest some brief proposals for amendments. A more thorough study of the performance aspect of the WHO would require more time than what is estimated in the total cost calculation. As the RRV holds this competence as well as the international experience relevant for performance audits of this kind, we are able to offer this component as an additional extension of the RRV's tender. The extension would allow a more detailed study of the organisational structure and the quality of accounting and the way it is performed. Additional costs relating to this option would have to be specified separately.

Reporting

The reporting procedures of an external audit are of essential importance to maximise the added value generated to the WHO from the work of the RRV. Although the report on the financial operations to the Health Assembly, through the Executive Board, is the formal line of communication between the WHO and the external auditors, the continuous dialogue is an important aspect of the audit philosophy of the RRV. The Audit Committee, which shall assist the Executive Board in its functions with respect to audit matters, will be an important counterpart in this regard.

Costs

The RRV estimates that the total cost for the external audit of the WHO accounts would require 52 man month for which the RRV will charge in total USD 980 000 for the biennium 2004-2005 and USD 1 020 000 (incl. a 4% inflation rate) for the biennium 2006-2007. The total cost for the two biennia would be USD 2 000 000. This will cover, in addition to the direct audit expenses, the total expenditure for airfares, hotels and living expenses. Please refer to Appendix 3 for the detailed Financial proposal.

Total Cost Calculation

The RRV's proposal for the appointment as external auditor of the WHO is based on a total cost calculation. The RRV's independence is to a large extent operationalised through our own control over resources and the autonomy of the audits would be severely curtailed if financial considerations were imposed. We therefore do believe that a general standard of full cost calculation must be the basis for all tenders competing for external audit assignments in international organisations.

APPENDIX 1

Curriculum Vitae

Mrs Inga-Britt Ahlenius, Auditor General of Sweden

Mrs Inga-Britt Ahlenius was appointed Auditor General of the Swedish National Audit Office on October 1, 1993. Prior to her appointment as Auditor General Mrs Ahlenius worked for the Ministry of Finance as Head of the Budget Department, 1987-1993.

Mrs Ahlenius is at present chairman of the INTOSAI Auditing Standards Committee. She was chairman of the Governing Board of the European Organisation for Supreme Audit Institutions (EUROSAI) during 1993-1996.

During Mrs Ahlenius' career in the Ministry of Finance she also served as Head of Ministerial Department during 1980-1987, responsible for issues related to education, agriculture, environment, energy, and the judiciary. Her work in the Ministry of Finance started 1975-1980 as Head of Section in the International Department and in the Budget Department.

Mrs Ahlenius' public employment started 1968 in the Ministry of Commerce and Industry where she was engaged in the programme of cooperation among the Nordic countries, and participated in the negotiations and preparations for Sweden's free trade agreement with the EEC.

Mrs Ahlenius' public career has been founded on experiences from the private financial sector. From 1962-1968 Mrs Ahlenius worked in the economic secretariat of Sweden's largest commercial bank, Svenska Handelsbanken. During 1963-1964 she was granted a leave of absence to work at the Societe Tunisienne de Banque in Tunisia where she was employed in the department for medium term credits.

Mrs Ahlenius is a member of a number of Governing Boards in Sweden, primarily in the area of commerce and industry.

Mrs Ahlenius' education includes humanities and languages and she holds a degree in business administration from the Stockholm School of Economics.

APPENDIX 2

Curriculum vitae

Mr Kjell Larsson, Auditor General of Sweden (as from 1 July 2003)

Name: Kjell LARSSON
 Address: Börjegatan 38A, 752 29 Uppsala, Sweden
 From 4/2/03: Gustav III:s Boulevard 43, 169 73 Solna, Sweden
 Telephone: +46-(0)18-50 18 82
 From 4/2/03: +46-(0)8-655 09 55
 Nationality: Swedish
 Date of birth: 10 January 1946
 Civil status: Married, two children

Educational Background

School for Photography and Film, 1963-1964
 Upper Secondary School, 1968
 University Degrees in Economics and Business Administration, 1973
 Doctoral Courses in Political Economy, Econometrics, 1972/74
 Lecturer at the Uppsala University (Organisational Theory; Budget Theory) 1979/88

The Swedish Public Management Training Program for Higher Officials, 1988/89 (one of 15 selected higher officials)

Professional Background

Dec 2002 Elected by the Swedish Parliament as one of three independent Auditor Generals for a new Supreme Audit Institution attached to the Parliament. I will gradually take up the post during this winter.

**Feb 2002-
Feb 2003** **Head of Unit, Support to Candidate Countries and External Relations**

I am responsible for establishing a new support function within OLAF co-ordinating the investigations and intelligence operations in all Candidate Countries to the EU and other Third Countries. My responsibilities does also include the implementation of a 15M€ institutional building project aimed at supporting all Candidate Countries in building up their anti-fraud coordination structures for protection of the national financial interests and the interests of the Communities. These structures will be at the centre in the fight against fraud and corruption. The support includes activities to establish new legal bases, enhance the operational knowledge by co-operation on investigations and investigative practices, and develop the co-operation between police and administrative

investigative bodies, customs, prosecutors and courts inside the respective country and with the Members of the EU. It also includes setting up information and communication systems and to improve the technical facilities linked to this.

June 2001- Director (acting) Intelligence, Operational Strategy and IT. European Anti-Fraud Office (OLAF), European Commission

As acting Director and head of the Directorate C I have had the pleasure to set up and develop an entirely new directorate. This work includes, besides all the activities normally linked to the creation of a new service, to develop our intelligence gathering, system capacity and analytical competence in the area of anti fraud. The Directorate C has broadly speaking three work areas; gathering and analyses of intelligence information to be disseminated as bases for anti fraud operations to the Member States or to OLAF investigators; information support and technical support (including computer forensic work) to the relevant authorities working on specific cases in the Member States or other countries as well as to OLAF investigators; development, maintenance and operation of the IT infrastructure of the Office and a wide variety of IT systems used by many services in more than 30 countries. The directorate has grown and has now about 50 staff and 20 contractors.

May 2000- Director (acting) Investigations and Operations, European Anti-Fraud Office (OLAF), European Commission (OLAF)
June 2001

As acting Director and head of the Directorate B with about 110 staff I was responsible for all investigations carried out by OLAF and for the development and implementation of a fundamentally new organisation and new procedures for all OLAF investigations and operations. I was active in recruitment and replacement of staff. I was also responsible for developing the first “Book of Rule”, or manual, laying down all procedures and guidelines to be used in the external and internal investigations, operations and assistance to Member State authorities and Third Countries by OLAF. I also initiated and implemented a new Case Management System, and contributed actively to the strategic development of the Office. I was recruited to OLAF to oversee its relations with third countries, especially the central and eastern European countries. I have been actively involved and represented the Office in assisting Poland and Moldova to build up their anti fraud capacities but my other obligations have not made it possible to develop this part of the work.

1996-2000 Senior Counsellor and Head of Sector at OECD/SIGMA

I joined OECD/Sigma October 1996 as head of sector “Administrative Oversight and Management” (from October 1998 “External Audit and Financial Control”) responsible for assisting 13 countries in central and eastern Europe to build up their capacities for control of public finances, the public administration and

Central Banks. I recruited and managed a team of eight senior auditors and legal experts from different countries and legal systems. We established a close relation to many professional public (Supreme Audit Institutions inside the EU, US, Canada) and private audit organisations from most OECD Member Countries as a base for recruitment of experts to our teams assisting the 13 CEEC in establishing the legal bases, institutions, processes, working standards and practices for external audit, internal financial control and for Ombudsman institutions.

We developed a new approach (peer reviews, strategic development plans and implementation actions) for institutional support. We worked close with the European Commission and the European Court of Auditors in assessing the current situation and developments in the ten Candidate Countries. We were asked by the European Commission to develop the methods to be used in the yearly country assessments establishing how far the respective country met the *acquis* (the legal, institutional and procedural requirements laid down in the EU Treaties and other legal and similar texts). We also carried out all major yearly assessments of the situation in the respective Candidate Country in these areas.

1992–1996 Director and Assistant Auditor General at Riksrevisionsverket, the Swedish National Audit Office; Annual Audit Department

The Annual Audit Department had at this time 130 – 160 professional auditors organised in 11 units (7 audit units and 4 expert units for special investigations and technical support). About 25% of the audits were outsourced to private audit firms following specific contractual arrangements. As head of the Annual Audit Department, I was responsible for the daily management of the Department and all annual audits of activities related to the state budget including reporting to the auditees, the Government and the Parliament. My responsibilities included also having contacts with the police and the penal authorities when potential fraud or other severe irregularities were detected.

The annual audits covered each year more than 500 organisations; the entire Swedish Government sector (state agencies) and some 200 additional organisations with financial or contractual relations to the government (fully or partly state owned companies, funds, Nordic and international organisations).

The Department was responsible for issuing Statements of Assurance and Audit Certificates to the auditees and the Government. The audit opinions covered legality and regularity of the accounts and the underlying transactions as well as financial management and efficiency aspects of the activities. The Department also performed each year a number of special investigations covering effectiveness aspects at the request of the Parliament or the Government.

Besides heading the Department, I carried out several audits myself when the subject of the audit was of very complex or sensitive nature.

1986-1992 Director and Assistant Auditor General at Riksrevisionsverket; Financial Management Department

I managed, as head of the Financial Management Department, 50-100 employees and external consultants. The Department was responsible for development and implementation of new financial and performance systems and methods to be used by the entire Swedish Government administration. I was also responsible for the daily operations, maintenance and development of the Swedish Government centralised payment and accounting systems through which all transactions made by the state sector was made and accounted for (annual turnover of more than 2 000 billions SEK).

The work included e.g. development of a new strategy for financial management, procurement, implementation and maintenance of accounting and payment procedures, standards, methods and IT based systems supporting the implementation of the new strategy adopted by the Government in the late 1980's. During my time as head of this Department the accounting and payment systems for the entire state sector were replaced by network based solutions. I also created a new support organisation for all state agencies within the Department.

1983-1986 Audit Director at Riksrevisionsverket; Performance Audit of IT/EDP systems

Head of an expert unit with 5-9 employees and 4-6 external consultants. The unit was responsible for audit in the field of development, implementation, use, control and maintenance of IT/EDP systems in all sectors of the Swedish Government. We reported our findings and recommendations for improvement to auditees, the Government and the Parliament.

During this time I had a leading role in the development of the Swedish standards for best practice in maintenance of IT systems assisted by representatives of public and private associations.

1982-1983 Project leader at the County of Stockholm; Evaluation and performance follow-up

I headed a group of 4 members assigned to evaluate the effectiveness and productivity of organisations subordinated to the County (with its 80 000 employees the largest single employer in the public sector). The main areas were public transports, building and construction, education and health-care. We also developed training courses on evaluation and carried out training programmes for evaluators.

1974-1982 Project leader at the Riksrevisionsverket; Evaluation

I was responsible for performance evaluations of state programmes on education, industry, trade, environment and agriculture. I was also engaged in development of methods for evaluations and performance auditing as well as training of auditors.

Miscellaneous

- 1979-1988 Lecturer and responsible for courses at University of Uppsala in Organisations and Planning Theory; Budgeting and Budget Theory; Public Budgeting.
- 1984-1986 Chaired working group for assessment of needs, procurement and implementation of an internal computer network system at the Riksrevisionsverket.
- 1986 Head of Delegation and main lecturer at a four week audit training course in China.
- 1987 Invited expert to the Office of the Auditor General of Canada taking part in a countrywide audit of public owned computer sites.
- 1988 On the spot evaluation of the Swedish six year aid programme for Institutional and Administrative Development in Lesotho (one of two evaluators assigned by the Ministry for Foreign Affairs)
- 1988 Responsible for an evaluation of the Swedish Agency for Forestry resulting in a proposal of its reorganisation (assigned by the Ministry of Agriculture)
- 1990-1992 Member of the Board of the Swedish Agency for Salary and Pension Administration (appointed by the Government).
- 1992 Responsible for an evaluation of the entire Swedish Forestry Administration (assigned by a Parliamentary Commission).
- 1992-1996 Swedish representative to the IT/EDP Standing Committee of INTOSAI. Chairman of group 3 on Performance Audit and IT.
- 1992-1996 Liaison Officer to Nordic Supreme Audit Institutions.
- 1992-1996 Evaluation of the conditions for Audit and Financial Control in Russia, including development and co-ordination of different training activities assigned by the Ministry of Finance (a joint initiative between the Russian and the Swedish Ministries of Finance).

- 1994-1996 Vice Chairman at several conferences and expert in seven missions arranged by OECD/SIGMA. The missions were mainly focused on how to build up management and financial control in central and eastern European countries.
- 1996 One of six invited international experts to the Tokyo International Audit Forum, Japan.
- 1985- Speaker at several national and international conferences and seminars on financial management and control, evaluation and audit.

Publications

Author and co-author of many publications.

Language skills

Swedish	Mother tongue
English	Fluent

Financial Proposal concerning the RRV as external auditor to the WHO

	N° of auditor-work- months	Total days	Total cost
<u>2004-2005 biennium</u>			
Audit services, financial audit	20	420	700.336
Audit services, performance audit	8	168	280.134
		588	980.470
<u>2006-2007 biennium</u>			
<i>(Fees increased by 4 %)</i>			
Audit services, financial audit	18	378	728.350
Audit services, performance audit	6	126	291.340
		504	1.019.690
TOTAL AUDIT FEE, all-inclusive (USD)			2.000.160

ANNEX 10

SUMMARY TABLE OF NOMINATIONS

Nominating country	Name and title of nominated candidate	Financial period	Duration of auditing work	Proposed audit fees (US\$)
Colombia	Dr César Augusto López Botero, Auditor General of the Republic of Colombia	2004-2005 2006-2007	100 weeks 100 weeks	1 500 000 1 500 000 + 198 301 standard emoluments
Germany	Mr Norbert Hauser, Vice-President, German Federal Court of Audit	2004-2005 2006-2007	68 months 68 months	827 000 840 000
Ghana	Mr Edward Dua Agyeman, Acting Auditor-General, Ghana Audit Service	2004-2005 2006-2007	95 months 95 months	875 000 875 000
India	Mr Vijayendra N. Kaul, Comptroller and Auditor General of India	2004-2005 2006-2007	87 months 87 months	790 000 829 500
Mauritius	Mr Rajun Jugurnath, Director of Audit, Government Audit Office	2004-2005 2006-2007	85 months 85 months	950 000 950 000
Netherlands	Ms Saskia J. Stuiveling, President, The Netherlands Court of Audit	2004-2005 2006-2007	82.5 months 82.5 months	1 360 250 1 360 250
South Africa	Mr Shauket Fakie, Auditor-General of the Republic of South Africa, Office of the Auditor-General of the Republic of South Africa	2004-2005 2006-2007	90 months 90 months	845 000 845 000
Sweden	Mr Kjell Larsson, Auditor General (as from 1 July 2003), The Swedish Supreme Audit Institution (as from 1 July 2003)	2004-2005 2006-2007	28 months 24 months	980 000 1 020 000