

Report of the Internal Auditor

1. The Office of Internal Oversight Services transmits herewith its annual report for the calendar year 2016 for the information of the Health Assembly.
2. Rule XII of the Financial Rules – 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 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 to 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 2016.

OBJECTIVE AND SCOPE OF WORK

5. 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.
6. 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 in a manner 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.
7. At the conclusion of each assignment, the Office prepared a detailed report and made recommendations to management designed to help to manage risk, maintain controls and implement effective governance within the Secretariat. Crucial issues identified during each assignment are summarized in this report. Annex 1 lists the reports issued by the Office under its 2016 plan of work, along with information on the status of implementation as of 8 March 2017. In accordance with harmonization of practices across many United Nations Agencies considered in the meeting of the

Representatives of Internal Audit Services of the United Nations organizations in September 2016, the Office adopted 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.

8. 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 paragraphs 64 and 65 for conclusions).

MANAGEMENT OF THE OFFICE

9. 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 Guidelines for Investigation, endorsed by the 10th Conference of International Investigators in 2009.¹

10. The plan to strengthen the audit capacity of the Office – in response to the concerns expressed by Member States, the External Auditor and the Independent Expert Oversight Advisory Committee – was completed in 2015. In addition, in 2016, some positions vacated through transfer or promotion (Coordinator Audit and an Auditor) were filled in order to complete the audit team. At the same time, in early 2016, a plan for additional human resources for the investigation function was proposed and approved. The number of reports of concern received by the Office increased significantly in recent years and, at the same time, a backlog of cases arose, necessitating additional temporary staff and consultants to cover the shortfall of working days. As a result, two temporary Investigators were recruited for a period of six months, and two consultant contracts were renewed. In late 2016, although an improvement was noted in the number of cases to be processed or closed, the Office reassessed its resource requirements and the human resources plan was amended to include two fixed-term Investigator posts (one new P4 post and one reallocated P3 auditor post). At the time of drafting this report, the selection process was well underway for both positions.

11. Once these two positions are filled, the Office will comprise, in addition to the Director, a Coordinator for Audit and a Coordinator for Investigation, a total of 11 auditors, four investigators and two support staff.

12. Available human 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 scheduled work and then adjusts the schedule in order to compensate for any unexpected assignments. During 2016, the Office also provided support to certain hosted entities (for example, the Joint United Nations Programme on HIV/AIDS² and the International Computing Centre).

13. 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 2016, the Office was able to cover all its expenses, including temporary staff, with the funding available and savings from

¹ Available at http://www.conf-int-investigators.org/?page_id=13 (accessed 11 April 2017).

² A P5 Auditor post is financed by UNAIDS and dedicated to the audits of that Programme.

delays in recruitment. The Office continued to monitor its expenses very closely, maintaining its efforts to reduce travel costs through efficiency measures and by conducting desk reviews performed from headquarters (using the information available from the Global Management System and the supporting documentation uploaded in the Enterprise Content Management system).

14. With a view to maximizing internal oversight coverage within available resources, the Office (a) continuously refines its 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; and (d) has continued to develop the use of its audit software system to manage work papers electronically.

15. The Office recognizes that the initiatives to implement Organization-wide risk registers and internal control self-assessment checklists have continued in 2016; however, in anticipation, the Office has adapted its approach to report to stakeholders in line with the five components of the model issued by the Committee of Sponsoring Organizations of the Treadway Commission,¹ which has been adopted by WHO as the basis for its accountability framework. As the related Organization-wide risk and control information becomes available, this will permit greater alignment in the reporting of assurance across the “three lines of defence”, from management’s assertions on internal control to internal audit findings. Regarding the risk assessment for 2016, it should be noted that the preparation of the Office’s plan of work for 2016 was based on the Office’s assertions of the risks. It is understood that the WHO Corporate Risk Register information will be available to be used as the basis for 2018.

16. 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 the External Auditor with a copy of all internal audit reports. The Office also provides copies of internal audit reports to the Independent Expert Oversight Advisory Committee and participates in that Committee’s meetings in order to maintain an open dialogue with its members and implement their guidance and recommendations. The Office uses a secure external web-based platform which can provide, upon request from Member States, remote access to internal audit reports.

AUDITS

Integrated audits

17. 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; the contribution of WHO towards improving health outcomes in the countries; and the operational capacity of the respective departments/country offices to support the achievements of results. Integrated audits focus on several areas and functions grouped under three components: (1) the organizational setting (strategic positioning, coherence of collaboration, and organizational profile); (2) the process (programme budget development and operational planning, resource mobilization, operational support including staffing, monitoring, effectiveness of key internal controls, risk management and information, and communication); and (3) the achievement of results (readiness to support the Organization’s response to public health emergencies, implementation of the workplan, achievement of expected results, contribution to public health outcomes, continuation of results at the beneficiary level, and knowledge management for continued organizational improvement).

¹ Defines the main areas as the Control Environment; Risk Assessment; Control Activities; Information and Communications; and Monitoring.

18. **Health Systems Governance and Financing.** The Department of Health Systems Governance and Financing works with Member States to help to develop and maintain effective health systems governance, equitable, efficient and sustainable health-financing mechanisms, and equally importantly, to promote aid effectiveness and cooperation between countries and their development partners. The performance of the Department was considered to be partially satisfactory, with some improvements required in most areas and processes. The audit found several issues that needed to be addressed, such as: (a) the adequacy of workplan funding and award budgeting; (b) the effectiveness, quality and coherence of communications; (c) insufficient oversight of the work of the Secretariat of the P4H Network for universal health coverage and social health protection; (d) the quality of monitoring and completeness of reporting; and (e) adherence to donor agreements, including compliance with donor reporting requirements. The audit also recognized that full achievement of expected results required actions to be taken at headquarters to resolve systemic issues. At the same time, the audit noted several good practices in terms of sustainability of the work in health governance and financing across the three levels of the Organization as well as in countries, such as the establishment of focal points for interactions with other departments to promote cross-cluster/departmental collaboration, the Global Learning Programme on National Health Policies, Strategies and Plans to strengthen the capacity of staff and coherence of support across the three levels of the Organization, and the strengthening of national capacities in the use of standard tools and approaches for health governance and financing. The Department is co-hosting two global partnerships, which advance the work of the Organization in coordinating the work and contributions of several donors and partners in several countries. The experiences and challenges in leveraging Organization-wide collaboration, as well as those in coordinating global partnerships to address public health priorities, could contribute to organizational learning.

19. **WHO in the United Republic of Tanzania.** The performance of WHO was assessed as partially satisfactory with some improvement required. The audit concluded that, based on the residual risks and the mitigation measures being deployed, there was a reasonable level of assurance supporting the achievement of expected results. Additionally, some good practices were found, notably the support provided to develop capacity at the level of regions and districts and the concept of “peer-learning districts” as examples of the crucial role that WHO can play in improving health service delivery in large countries with decentralized health services. Similarly, the gradual expansion of the scope of work of sub-offices from polio and immunization to integrated disease surveillance and response (and potentially to other programmes) is seen as adding value to the presence of WHO in the field. The audit also noted WHO’s outstanding contribution to the development and implementation of national policies on better access to pharmaceuticals and health technologies. The United Republic of Tanzania is one of the few countries in the African Region meeting the Millennium Development Goals for child survival. However, the audit noted that there was a need to reassess the organization and responsibilities of the country office, including the sub-office in Zanzibar and field offices. This would involve evaluating the technical, managerial and administrative capacities of the country office to implement the workplan for 2016–2017, including reviewing cross-cutting policies such as mainstreaming gender, equity and human rights. In addition, the country office needs to invest more to better leverage the comparative advantages of other United Nations organizations and partners, for example through enhancing intersectoral collaboration. The number of planned outputs (83) in the Programme budget 2014–2015 was found to be too ambitious and, although the workplan for 2016–2017 has fewer outputs, it remains somewhat aspirational, lacking adequate resources to achieve results in various programme areas. The audit found there is a need to critically review operational modalities, and gradually move away from service substitution towards higher-calibre policy advice. There has been limited success with mobilizing resources from United Nations organizations not represented in the country for under-funded programmes or to use the Delivery as One project to advance intersectoral collaboration. Similarly, opportunities to mobilize resources from donors present in the country have not been fully explored. With regard to the operational processes, the audit found

that several internal controls for operational processes did not fully comply with WHO's rules and regulations, notably in the area of implementation of direct financial cooperation, which required immediate action. Other areas requiring improvement related to: (a) the recruitment process; (b) ensuring segregation of duties in the finance and administrative functions; (c) approving travel in a timely manner; and (d) ensuring full compliance with Minimal Operating Security Standards. Additionally, outputs in some programme areas, such as mental health and violence and injury prevention, were not achieved and lack of funding and the need to respond to public health emergencies, including the recent cholera outbreak, were often cited as the reasons for not fully achieving expected results. The audit noted that the risk of failure to produce sustainable results at the beneficiary level was insufficiently mitigated and that some of the demonstration projects tested were unlikely to be scaled up nationally without significant support in the future.

20. Communicable Diseases Cluster at the Regional Office for Africa. Based on an assessment of significant residual risks and their mitigation measures, the audit concluded that the performance of the Cluster at the Regional Office was partially satisfactory with major improvements required in several areas and processes. In terms of technical workplan implementation, the Cluster contributed to the delivery of the five regional outputs defined in the Programme budget 2014–2015. Three outputs in the areas of HIV/AIDS and malaria were partially achieved. The level of financial implementation for the Cluster's programmes was 94% against the allocations in the Programme budget and 93% against total funds available. The need to respond to public health emergencies, including the Ebola virus disease response, was often cited as the reason for under-delivery of expected results. The major issues identified by the audit included the absence of detailed programmatic multi-year strategic plans to guide the work of the Cluster, a largely reactive approach to emergencies, suboptimal engagement with partners and existing regional partnership platforms, weaknesses in work planning, monitoring, and use of evaluations to improve performance and accountability for results. The audit also noted weaknesses in compliance with WHO's rules in relation to procurement of services, financial monitoring of awards, and quality and timeliness of donor reporting. The restructuring of the Cluster and delays in the recruitment against key positions in the human resources plan, may compromise the achievement of planned results for 2016–2017. The audit found that the level of residual risk was low in one area, moderate in three areas and high in two areas. On the other hand, the audit noted some good practices in line with the objectives of the WHO reform and the transformation agenda of the Secretariat in the African Region. The Cluster has invested in developing an overall strategic vision document defining its strategic directions, in line with the transformation agenda. Following the closure of the African Programme for Onchocerciasis Control in 2015, the Expanded Special Project for Elimination of Neglected Tropical Diseases was established; it has attracted the commitment of key partners, including the private commercial sector, towards achieving the elimination of neglected tropical diseases in the African Region. The establishment of focal points for better coordination with other clusters has promoted cross-cluster collaboration. Trainings and workshops have helped to adapt and expand the implementation of the new global strategies in country contexts. Recognizing that the Cluster is still in a period of significant transition as part of the continuing transformation of the Regional Office as a whole, the audit found several issues, including actions required to be taken by other departments at the Regional Office and headquarters, that, if not addressed in a timely manner, could materially affect the achievement of stated objectives. These issues were raised separately with the appropriate level of management.

21. Maternal, Newborn, Child and Adolescent Health Department at headquarters. The audit found a reasonable level of assurance supporting the achievement of expected results, and concluded that the performance of the Department was partially satisfactory, with some improvement required in most areas and processes to manage high and moderate levels of residual risk. The major issues identified included: (a) the reputational risk to the Organization owing to information products of the Partnership for Maternal, Newborn and Child Health on the WHO website including interventions that

are not in line with WHO's guidelines; (b) the lack of clearly-defined departmental strategy towards WHO collaborating centres; (c) a significant level of staff duty travel that created an obstacle to effective internal communication and coordination; (d) imbalances in funding across teams within the Department; and (e) inadequacy of reporting on monitoring and performance assessment of the workplan and Programme budget. The audit also found that internal controls and several operational processes were found to be non-compliant with WHO's rules and policies and required improvement. These were in the areas of: risk management; compliance with donor reporting requirements; and timely recording of receipt of service deliverables. Areas for potential improvement were also identified with regard to: (a) the guidance available for emergencies and humanitarian crises; (b) the commissioning and use of evaluations to inform the work of the Department; (c) ensuring sustainability of the work of the Department in terms of impact and long-term benefits at the country level; (d) the management of the research agenda; (e) the publishing and dissemination of information products; and (f) the limited geographical mobility of headquarters staff to the regional and country levels of the Organization.¹ On the other hand, the audit also noted several good practices in line with the objectives of the WHO reform. The Department was emphasizing coherence within the United Nations system to deliver effectively and efficiently on the United Nations mandate. The Department also collaborated well with several other WHO programmes as "One WHO", for a common goal of improving the health and saving the lives of women and children. Under programmatic reform and priority setting, the process for multi-stage global consultations for consensus on research priorities in maternal, newborn, child and adolescent health is also considered a good practice. An effective practice for outlining the research agenda was that of inviting research and programme experts with wide-ranging backgrounds and experiences from diverse geographical regions, identified through systematic searches and key informants, to propose research questions related to various areas such as descriptive epidemiology, interventions and policy/systems, which were then prioritized based on five criteria: clarity, answerability, importance or impact, implementation, and equity.

Operational audits

22. 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; compliance with WHO's regulations, policies and procedures; and the safeguarding of assets.

Cross-cutting areas

23. **Global Management System User Provisioning.** The audit concluded that the controls over user provisioning and the overall identity and access management of the Global Management System users were partially satisfactory, with major improvement required. Excessive access rights increase risks of information security breaches, and errors or misuse of privileges can lead to reputational or financial losses for the Organization. The audit found that access rights for specific roles have been granted to a large number of users, but most of them do not use the functionalities linked to this role (e.g. Procurement Requestor). The audit also identified "high-risk combinations" of responsibilities in the Global Management System which, if held by the same individual, would enable performing activities that should be segregated, such as: (a) raising a purchase request for goods or

¹ The audit noted that 13 out of 27 Professional-grade staff members had reached their standard duration of assignment, 10 staff of whom have exceeded their standard duration of assignment by more than 10 years. The audit estimated that 15 Professional-grade staff members (56%) will be required to move by the end of transitional geographical mobility measures on 1 January 2019, creating significant management and operational challenges.

services, approving the request, and subsequently recording receipt for the goods; or (b) creating a supplier record, raising a purchase request with this supplier, approving it, and finally recording receipt for the services. Other such combinations were found in relation with eImprest transactions. Additionally, the audit noted the absence of comprehensive reviews of users' access rights, as well as significant discrepancies between the formal list of responsibility definitions, the Responsibility Authorization Table, and the list of responsibilities actually assigned to users. With respect to technical controls and the overall technical infrastructure of the Global Management System, it was found that technical solutions and technical processes were fragmented – for example, the underlying data about users, their account attributes and access privileges, are currently stored in several data repositories which rely on customized programmes to ensure accuracy and synchronization. Potential duplicate and “orphan” records were also found, which needed to be cleaned. In terms of good practices, the audit noted some efficient controls, such as the system-based automatic termination of access rights based on the user's contract-end date or the fact that no holders of Agreements for Performance of Work were found to have access to the system at the time of the audit, in early 2016. Furthermore, management is in the process of developing and implementing several initiatives designed to resolve issues identified during previous audits, such as the acquisition and integration of a complete identity and access management solution (Oracle Identity Manager); the active monitoring of the creation of new accounts for potential duplicates or incomplete accounts; and the implementation by the Department of Finance of a Standard Operating Procedure for reviewing Global Management System responsibilities.

24. **Oracle workflow and project approval application controls.** The Oracle approval workflow is a concept that incorporates the “delegation of authority” approval hierarchy and related financial limits, and allows for streamlined requisition and approval processes. The objective of the audit was to review and assess the design and effectiveness of the embedded Global Management System application controls, such as approvals, delegations, notifications, alerts and similar mechanisms which are implemented to ensure compliant, effective and efficient business processes and transactions. Controls over the approval workflow were considered partially satisfactory, with some improvement required to mitigate key risks, mainly in the form of improved governance as well as improved monitoring and reporting of delegated approval activities. The key findings related to the risks of (a) staff members self-approving their own requisitions and (b) transactions not being approved by an individual with the appropriate level of management or financial authority. Unrestricted use of powerful functionalities either for the temporary delegation or transfer of approval rights to another user (for example, “vacation rules” and “worklist access”) or the accumulation of multiple approver roles by one person for the same workplan were found to be the main contributors to such findings. Additionally, certain system controls could be implemented with more granularity to better align delegation of authority approval limits to reflect the optimal operating and risk conditions at the budget centre (or workplan) level, rather than being harmonized at the level of the major offices. An effective risk mitigation would require a coordinated effort by the business and information technology leaders, as well as synchronization of administrative and systems controls, over the process of approving expenditures.

25. **WHO Staff Health Insurance.** The audit concluded that the governance, risk management and control processes for the reimbursement of medically recognized health care by the Staff Health Insurance were partially satisfactory, with some improvement required, to mitigate key risks. The audit noted that there have been significant improvements since the previous internal audit in 2009 and external audit in 2016, including those in relation to governance, financing and quality control. However, the major challenge faced by the Staff Health Insurance remains the funding of the long-term deficit of the After-Service Health Insurance (continued insurance coverage after separation from service for eligible staff members, eligible dependants and surviving family members). The decision to fully cover the After-Service Health Insurance liability by 2038, ever-increasing medical

costs, as well as changes in claims processing all require continuous focus on operational improvements and governance. Although the Staff Health Insurance Fund balance at the end of 2015 was some US\$ 724 million, the unfunded deficit amounts to US\$ 1318 million, representing 64% of the total liability. The major component to finance the unfunded deficit has been a gradual increase in contributions, currently at the rate of 4% per year. However, the funding valuation is sensitive to various assumptions, and in particular inflation of medical costs beyond the projected cost growth rate. The actuarial sensitivity analysis showed that a 1% higher increase of projected cost growth resulted in a funding rate of 59% by 2048, that is, 10 years after the planned target date for 100% funding. The Staff Health Insurance Secretariat needs to balance day-to-day service delivery with the capacity to achieve long-term development goals, such as cost containment and access to treatment. Emerging threats of fraud brought, for example, by the new online system for claim submissions, requiring the submission of scanned documents instead of originals, also requires focused attention in terms of quality-control procedures.

On-site audits

26. **Regional Office for South-East Asia.** The audit observed improvements in procedures and controls compared to the previous audit conducted in 2013. Overall, the controls implemented by the Regional Office to mitigate the key risks in the administration and finance area were found to be satisfactory. Some areas requiring timely action were brought to the attention of management, such as: (a) timely submission of the declaration of interest forms by staff; (b) competitiveness of the recruitment process and update of the roster policy for temporary international professional staff; (c) completeness of Regional Contract Review Committee process; (d) completeness of the procedure for goods receipt by governments; (e) timely approval of travel requests; (f) scope of the work of the regional compliance unit; and (g) consistency in uploading documentation supporting decisions and approvals in the Enterprise Content Management system.

27. **Regional Office for the Eastern Mediterranean.** The audit concluded that the controls implemented to mitigate key risks in the administration and finance area at the Regional Office were partially satisfactory, with some improvement required. On the one hand, the audit observed improvements in procedures and controls compared to the previous audit conducted in 2014. The number of effective controls has increased from 66% in 2014 to 77% in 2016. The audit also noted specific initiatives that contributed to improved compliance in the monitoring and follow-up of outstanding reports relating to direct financial cooperation and direct implementation (leading to a reduction of about 50% in the United States dollar value of such outstanding reports as compared to 2014) and in the effectiveness of controls in non-emergency recruitment. Controls over fixed assets and procurement had also been strengthened and elmprest accounts continued to show a high percentage that were reconciled. The work of the Regional Office compliance function also reported improved assurance provided by the “second line of defence”. On the other hand, unmitigated risks persisted in high-risk areas, some of which represented recurring issues, which were brought to the attention of management, such as: (a) there were delays in submitting technical and financial reports to donors; (b) a comprehensive process to formally review and document, on a spot-check basis, activity reports for direct implementation accounted for by country offices as received had yet to be established by the Regional Office; (c) independent assurance activities on direct financial cooperation were not consistently conducted in a timely manner (a plan to strengthen these activities has been prepared, but is only in its initial phase of implementation); and (d) there was no formal plan, including budgetary requirements, to reach higher security compliance for country offices in the Eastern Mediterranean Region through a process of prioritization as funds become available, and therefore staff security could be compromised, with a negative impact on programme implementation. In addition, some recommendations were made, to be considered in conjunction with headquarters, regarding the recruitment of staff members for the polio programme.

28. **Country Office in the Syrian Arab Republic.** It is recognized that the Country Office faces significant challenges impacting many aspects of its operations across the country owing to the ongoing conflict, including the distribution of medicines and the accessibility to some parts of the country (in some locations, the Country Office has to rely on local nongovernmental organizations to deliver essential health care services). Overall, the audit found that the controls implemented to mitigate the key risks that existed in the Country Office during the period under review were partially satisfactory, with some improvement required. In the country there is a higher inherent risk due to the context in which the Country Office operates and the risk appetite of the Organization is higher in this environment. The following issues with high residual risk required immediate attention in relation to control activities: (a) the Country Office procured goods (mainly medicines, medical supplies and equipment) and donated most of them to local authorities, hospitals and health care facilities throughout the country. However, because of the context, verification by the Country Office was limited in terms of the final recipients of the goods donated, including information on the actual amounts of expired or destroyed products; (b) there were limited assurance activities on grants to nongovernmental organizations – that is, a review, on a spot-check basis, of supporting documentation to ensure that it is adequate and that expenditure reporting is in accordance with WHO’s procedures; (c) there were delays in submitting technical and financial reports to donors, ranging from five months to longer than one year – a major reason reported for such delays was the long time required to clear shipping encumbrances relating to supplies, and, as part of the overall reform of WHO’s emergency work, headquarters was involved in introducing changes to supply chain management; (d) there were no local guidelines on the recruitment process for contractors by the United Nations Office for Project Services. Because of the specific context in the Syrian Arab Republic, it was considered important to have a system in place to help to ensure a high level of transparency in the selection process of staff members and of United Nations Office for Project Services contractors. The audit also identified several good practices, including the recent arrangements with a third-party financial institution to do cash payments for workshops and vaccination campaigns; the development of flowcharts for main processes; the implementation of a process to evaluate the main local suppliers on a periodic basis through key performance indicators; and the introduction of a tracking system to monitor the location, speed and other parameters of official vehicles.

29. **Country Office in South Sudan (2015).** The audit found that the overall operational effectiveness of internal controls in the administration and finance areas at the country office was unsatisfactory. It must be recognized that South Sudan faces significant challenges affecting many aspects of the country office operations in the 10 locations where WHO has a presence across the country. These include a weak infrastructure combined with ongoing armed conflicts and political instability. With both the WHO Representative and an Operations Officer recently appointed and their commitment to improve the control environment, it is expected that, with support from the Regional Office for Africa, the internal control environment will be significantly improved in the near future. The audit highlighted the following weaknesses:

- (a) The operational structure of the sub-offices was inconsistent, with significant variations in the level of staffing, and there was a lack of evidence-based criteria for the allocation of human resources to individual offices, thereby increasing the potential risk for ineffective programme delivery and fraud.
- (b) There was no up-to-date detailed organigram available at the Country Office, with the latest available being for 2011.
- (c) Several positions were filled through special services agreements even though the duties to be carried out were incompatible with a non-staff status.

- (d) Key procurement rules were not followed and, as a result, the risk of fraud was considered high. When testing specific transactions, the Office of Internal Oversight Services detected fraud red flags and undertook a preliminary investigation of specific matters and made specific recommendations covering these matters.
- (e) There were no standard procedures detailing the controls to be implemented and standard forms to be used when cash is disbursed for the implementation of polio activities and payments to front-line workers. Also, the quality of the review of the supporting documentation attached to financial statements was inadequate.
- (f) Cash payments, with the associated high risk of misappropriation and insecurity for staff, were extensively used to mitigate the related risks for programme implementation and no significant efforts had been made to reduce them.
- (g) Many special services agreement holders were using their private email addresses for their official duties.
- (h) There was a lack of adequate internal control over travel ticket booking and payments to the travel agent. As a result, the travel agent claimed that invoices totalling US\$ 187 000 had not been paid – the Country Office was reviewing the validity of the claim.
- (i) Until October 2015, the Country Office did not use the fixed assets functionality in the Global Management System and did not have another tool to manage its assets. At the time of the audit, the Country Office was in the process of inspecting and registering all assets in the relevant Global Management System module.
- (j) No tracking tool was used to monitor compliance with reporting to donors.
- (k) According to the assessment of compliance with Minimum Operating Security Standards compliance performed in 2015, neither the main office in Juba nor the 10 sub-offices were compliant.
- (l) The Country Office did not fully participate in the United Nations Country Team activities, in particular regarding its participation in the meetings organized by UNDP, the timely payment of the United Nations shared costs and the management of the United Nations Clinic in the country.

Desk reviews

30. Operational audits were also performed in the form of desk reviews carried out from headquarters (not involving travel on site), using data available from the Global Management System and supporting documentation uploaded in the Records Management System and the Enterprise Content Management system.

31. **Country Office in the Russian Federation.** The audit observed improvements since the review performed in 2015 by the Compliance Team of the Regional Office for Europe, notably in the control environment and control activities, and more specifically in the areas of procurement of services. Overall, the effectiveness of controls in the administration and finance areas at the Country Office was rated as satisfactory. However, some issues brought to the attention of management included the

inadequate segregation of duties in the custody of cash and related record-keeping, and the absence of adequate approval and supporting documentation for eImprest transactions.

32. **Country Office in Lebanon.** Overall, the audit rated the effectiveness of controls in the administration and finance areas at the Country Office as partially satisfactory, with some improvement required to mitigate key risks. Matters with a high residual risk requiring immediate attention by management included: the absence of documented reviews and approvals of financial reports for service contracts, which lead to the risk that the actual amounts reported may not be accurate or justified and supporting documents submitted may not be complete; and inadequate conduct of assurance activities on grants to nongovernmental organizations, to ensure that supporting documents are adequate and that expenditure reporting is in accordance with WHO's procedures, increasing the risk of loss of funds or irregularities not being detected in a timely manner. Other weaknesses found requiring timely action by management were: (a) an absence of formal evaluation of service providers; (b) not using the appropriate service contract type; (c) services and direct implementation deliverables not received in a timely manner; (d) documentation supporting decisions and approvals not uploaded in the Enterprise Content Management System; (e) use of eImprest purchase orders for activities that can be pre-planned and treated as regular procurement; and (f) late approval of travel requests.

33. **Country Office in Maldives.** The effectiveness of controls in the administration and finance areas at the Country Office was considered to be partially satisfactory, with some improvement required. The following issues with high residual risk required immediate attention: (a) the segregation of duties in the custody of cash and bookkeeping was inadequate; (b) technical and financial reports and final deliverables for service contracts were not consistently received and/or reviewed to ensure that the services were performed in conformity with the programme objectives and the work agreed upon in the agreement; and (c) assurance activities for direct financial cooperation were not systematically conducted nor documented. Additionally, on-site monitoring and spot-checks of activities were only conducted on an as-needed basis, and these reviews were not documented. When reviewing financial reports, the expenditure statement is cross-checked with the sub-ledger generated by the Government's financial systems; however, no original invoices were obtained or reviewed.

34. **Country Office in Rwanda.** The overall operational effectiveness of internal controls in the administration and finance areas at the Country Office was rated as partially satisfactory, with some improvement required. The audit noted a high level of residual risk in relation to the failure to conduct assurance activities and spot-checks of supporting documents for direct financial cooperation, which represent 48% of non-staff expenditure; this could lead to loss of funds or irregularities not being detected on time. Specifically, the Country Office relied on the financial management procedures of the Ministry of Health and IOS noted the existence of (a) an integrated financial management system, (b) an internal audit unit and (c) annual reports from the Auditor General of Rwanda. However, the audit noted that, of the 157 reports issued in 2015, 57 (36%) had a qualified audit opinion. Hence, in solely relying on the Ministry of Health audit procedure, it was considered that the Country Office did not obtain adequate information and assurance on results relating to the use of WHO funds. Other areas requiring improvement included monitoring of suppliers' performance and maintenance of the fixed assets register. The fact that the Country Office actively participated in the One United Nations Rwanda was identified as a good practice.

35. **Country Office in Comoros.** The effectiveness of controls in the administration and finance areas at the Country Office was rated as satisfactory, except for the segregation of duties in the areas of cash management and fixed assets which required management attention. More specifically, there was an increased risk of fraud as the Administrative Officer and the Administrative Assistant both had the "Procurement Requestor" and "eImprest" roles in the Global Management System and were both

also bank signatories, and the annual verification of fixed assets was carried out by the Logistics, Procurement and Travel Assistant, who also has the “Fixed Asset Specialist” responsibility. As good practice, it was noted that the Country Office took prompt action in February 2015 to suspend the direct financial cooperation implementation modality, owing to a lack of receipt of technical and financial reports from national partners. Following consultation with the Regional Office for Africa, the Country Office moved to direct implementation as its primary modality.

36. **Country Office in Ghana.** Overall, the audit found that the effectiveness of internal controls in the administration and finance areas at the Country Office was partially satisfactory, with some improvement required. Specifically, the following issues were brought to the attention of management. Assurance activities and spot-checks of supporting documents for direct financial cooperation, which represent 38% of non-staff expenditure, were not performed, which could lead to loss of funds or irregularities not being detected on time. Staffing constraints were the main obstacle to the effective implementation of this control. The Country Office submitted a due diligence self-assessment to the main implementing partners of direct financial cooperation in November 2016 but the results had not been received at the time of issuance of the report. Other areas requiring improvement include the staff selection process; segregation of duties in the eImprest area; physical inventory of fixed assets; and office security.

Special consulting engagement

37. **Operational activities of the Polio Eradication Initiative at the country offices in Afghanistan and Pakistan.** At the request of the Regional Director for the Eastern Mediterranean and the Director of the Polio Eradication Programme at headquarters, the Office of Internal Oversight Services provided consulting assistance to review the operational activities of the polio programme at the country offices in Afghanistan and Pakistan. Field visits were made to Kabul, Islamabad, Peshawar and Lahore. The consulting engagement found that the controls, as described and reportedly implemented by the two country offices, the Regional Office for the Eastern Mediterranean, and the polio programme at headquarters, were partially satisfactory to address the high risk areas. Principally, the review identified a lack of maturity in the supporting tools and procedures that, together with the long-term vacancies in key positions, created an environment that undermined the overall capacity of administration and management functions to support the programme and ensure the effective use of available resources. Although it is recognized that in Afghanistan and Pakistan there is a higher inherent risk due to the context in which the country offices operate and the risk appetite of the Organization is higher in such environments, attempts were made by the polio programme to resolve some of these operational issues. Nevertheless, some problems persist and the Office has made several recommendations to management at the country, regional and headquarters levels, which – if implemented appropriately and in a timely manner – should address the most significant weaknesses.

INVESTIGATIONS

38. In 2016, the Office received 79 new cases or reports of concern. These reports of concern were widely dispersed as they originated from 42 different locations across the Organization. During the same year, the Office issued 14 investigation reports and/or memoranda, and closed 58 cases. Table 1 provides figures on the reports of concerns reported in 2015 and 2016.

Table 1. Summary of reports of concern, by type, for the period 2015–2016

Types of reports of concerns	2015	2016
Fraud	24	32
Harassment	22	10
Failure to comply with professional standards	15	15
Recruitment irregularity	7	5
Corruption	8	8
Retaliation	2	-
Sexual harassment	2	4
Other	3	5
Total	83	79

39. In 2016, the Office requested additional resources to strengthen the capacity of its investigative function, in an effort to clear the backlog of cases created by the significant increase in the number of reports of concern in 2015: 83 cases were received in 2015 compared with 50 in 2014. The Office had estimated that about 780 working days were required to clear the backlog as at the beginning of 2016, while the investigative function had a capacity of only 540 days for the 2016 calendar year. Accordingly, two Investigators were recruited on a temporary basis and two contracts with external investigators were renewed. In addition, a senior auditor has been reassigned to the investigation team for a period of six months in 2017 to assist with the francophone cases.

40. The Office has also focused on improving the procedures and practices supporting the investigative function, including the implementation of a SharePoint site as a repository for case files as well as other information. The Office also provided support to a Member State with a criminal investigation involving WHO procurement.

41. The following paragraphs summarize the cases for which investigation reports were issued during 2016.

42. **At headquarters** (IR2016/1). The Office was provided with email correspondence containing allegations that a headquarters staff member was involved in an outside activity with a university without the prior approval of the Director-General and that he had received remuneration for such activity. Subsequently, the Office received allegations that the same staff member had submitted fraudulent travel claims and may have engaged in mismanagement of contracts with external parties. The investigation revealed that the staff member: (a) received about US\$ 30 000 as honoraria for activities with several outside entities and did not transfer these amounts to WHO, contrary to the Organization's rules; (b) did not declare such outside activities in WHO's Declaration of Interest form for 2014, 2015 and 2016; (c) submitted fraudulent duty travel claims totalling US\$ 15 418; and (d) was responsible for issuing five contracts to a consultant who was unable to provide activity reports supporting the agreed contract deliverables. An investigation report was addressed to the Director-General for appropriate action (taking into account the fact that the staff member had resigned from WHO). The Office recommended that recovery of the fraudulently acquired amounts and honoraria be considered.

43. **At headquarters** (IR2016/2). The Director, Compliance, Risk Management and Ethics referred to the Office an allegation of harassment and retaliation made by a headquarters staff member, including bias in a performance management report, systematic questioning of performance, reducing assigned duties and a unjustified office move. The investigation revealed that there was sufficient documentary and witness evidence to substantiate the allegation of harassment, but insufficient evidence to substantiate the allegation of retaliation. An investigation report was addressed to the Director-General for appropriate action.

44. **At headquarters** (IR2016/3). The Office received information from a staff member alleging that their first level supervisor engaged in misconduct in the form of harassment. In summary, the allegations raised by the complainant were as follows: (a) changing assigned roles and responsibilities; (b) inequality of treatment and discrimination in the Performance Management and Development System process; (c) negative communication; (d) breach of trust through the disclosure of confidential information; and e) inability to work due to health consequences from a destabilizing environment. Owing to the nature of the allegations and some specific, sensitive circumstances surrounding the investigation it was agreed that the investigation should best be conducted by external investigators. The report of the investigation, which found evidence supporting some of the allegations but dismissed others, was submitted to the Director-General for appropriate action.

45. **At a regional office** (IR2016/4). The Office received a complaint regarding unusually high telephone bills (between US\$ 600 and US\$ 700 per month) over a period of one and a half years, which were certified as official calls by a senior staff member. More than half such calls were made to two countries. The regional office asked the staff member to provide details of the relationship between WHO and the persons called on the 10 most frequently called numbers from his assigned mobile phone. The Office reviewed the response provided by the staff member and initiated an investigation. It was concluded that the staff member failed to cooperate fully with the investigation, and that, despite his statement that his mobile phone was used by other staff members, he was accountable for calls made on the telephone assigned to him. An investigation report was addressed to the Regional Director for review and to decide, in consultation with the Director, Human Resources Management at headquarters, on the administrative and/or disciplinary action to be taken. The Office recommended the recovery of telephone call costs declared as official (amounting to US\$ 3660). It was also recommended to the regional office to review any previous amounts relating to phone calls made to the telephone numbers that were inappropriately declared as official phone calls, and to recover these amounts from the staff member.

46. **At a regional office** (IR2016/5). Further to the receipt of several anonymous emails, the Office carried out a preliminary review of allegations of misconduct in connection with personnel and other matters against staff at a regional office. As it was impossible for the Office to determine whether wrongdoing had occurred on the basis of the information provided by the complainant and Global Management System records, the matter was referred to the Director, Human Resources Management at headquarters and the relevant Director at the regional office. The Office recommended that a desk review be carried out to determine whether the allegedly biased recruitment/appointment cases were made in accordance with WHO's rules.

47. **At a WHO hosted entity** (IR2016/6). The Office received a complaint from a former staff member of a WHO hosted entity, claiming that procedures had been violated when the positions of two staff members were reclassified, and when he was removed as their first-level supervisor. According to the complainant, these actions were part of a strategy to remove him from his position. When he was informed by his supervisor that his position would be abolished as a result of budget constraints and restructuring plans, he claimed that the abolition of his post was directed at him

personally. The complainant made several other allegations: (a) the Director of the department allegedly “spread rumours” about him, “maligning” his work on two occasions; (b) he (the complainant) was mobbed by two subordinates by unfair and aggressive criticism; (c) on one occasion, he (the complainant) was prevented from going on duty travel; (d) irregularities occurred in the selection process of the new Head of the WHO hosted entity (a position for which he had applied); (e) information regarding a budget and workplan proposal was shared with a Member State; and (f) the resources of the entity were wasted because a consultant recruited to write a publication had done a poor job. An interview was conducted with the complainant, and clarification and supporting information were requested in order to establish the facts and present the evidence gathered in relation to the allegations made. The Office concluded that the allegations did not merit further investigation. Given that none of the allegations made were found to be substantiated, the Office recommended that the case be closed.

48. **At a country office** (IR2016/7). The Office investigated a complaint that a country office staff member had carried out an unauthorized business trip, without proper clearance from the WHO Representative and/or the relevant country ministry. The investigation confirmed that the staff member failed to (a) submit a request for approval of his outside activities abroad; (b) inform the WHO Representative and the local Government authorities; (c) follow the United Nations security clearance procedure; and also (d) used his United Nations laissez-passer for non-official travel. An investigation memorandum was addressed to the Regional Director for appropriate administrative and/or disciplinary action.

49. **At a country office** (IR2016/8). At the beginning of 2016, a WHO Representative addressed a report of wrongdoing to the Regional Director, according to which a country office staff member had allegedly requested a supplier to pay a bribe in relation to the repair of two WHO official vehicles. The request for a bribe was allegedly communicated through the country office driver, as well as a third party. Subsequently, the regional office transmitted to the Office a petition letter signed by staff members of the country office, alleging inappropriate behaviour on the part of the same individual. The Office was informed by the regional human resources department that an informal resolution process had been initiated to address these allegations, including consultation with the regional ombudsperson. Pending the outcome of the informal resolution process, the investigation focused on the corrupt activities allegedly conducted by the country office staff member. The investigation did not yield evidence supporting the allegation that the staff member requested a bribe in exchange for facilitating business with the supplier. It appeared that the staff member had flagged internal control weaknesses shortly before the allegations of request for a bribe. An investigation report was addressed to the Regional Director, for review and appropriate course of action. The Office recommended that the WHO Representative take corrective action regarding weaknesses in the process for soliciting quotations for vehicle repair/maintenance, and that the case be closed.

50. **At a country office** (IR2016/9). The Office received allegations of inappropriate action by a country office staff member in connection with a donation made to WHO. This donation, which was unknown to the WHO Representative or regional office management, came to light subsequent to an attempt by a country office staff member to transfer the balance of the undistributed funds to his personal bank account. The Office carried out a review of the supporting documentation and evidence, and concluded that the country office staff member failed to comply with the provisions contained in the policies and procedures governing resource mobilization. An investigation memorandum was addressed to the Regional Director for consideration of appropriate action.

51. **At a country office** (IR2016/10). The Office reviewed allegations of fraud and unauthorized use of WHO identity by a country office staff member – specifically: fraudulent purchases of travel

tickets; unauthorized use of WHO seals and letterhead; and falsification of the signatures of two WHO Representatives. Such allegations stemmed from a meeting between country office staff members and the local travel agent regarding a “debt” seemingly owed by WHO in the amount of US\$ 88 500. The staff member finally admitted having issued falsified documents in order to obtain travel tickets for third parties, and formally recognized that charges were brought against him and that he was held in custody before being released from detention after a successful appeal. The Office concluded there was sufficient evidence to support the staff member’s misconduct, and addressed an investigation memorandum to the Regional Director to determine whether disciplinary or other proceedings should be initiated. The Office furthermore recommended that travel management procedures at the country office be reviewed.

52. **At a country office (IR2016/11).** The Office received a complaint of fraud implicating a staff member at a country office, who allegedly submitted a fraudulent travel claim for duty travel and used his United Nations laissez-passer for travel that was unrelated to his WHO duties. The travel claim was reviewed by country office staff, and the conflict between the claim and the entry and exit stamps in the laissez-passer raised concerns about possible overpayment in per diem allowances, and therefore potential fraud. The Office therefore initiated an investigation which revealed that the staff member had not stayed at the hotel/guest house on the dates indicated in the receipts and travel claims. Additional examination of the staff member’s laissez-passer also revealed that it had been used for three trips that were not related to official duties. The staff member admitted the use of the laissez-passer to bypass long immigration lines at airports and explained he was unaware that this document was not to be used for non-official travel. There was also sufficient evidence to support the fact that the staff member claimed to be on duty travel but subsequently travelled to another country, contrary to the supporting documentation submitted, in which he claimed that he remained in the same place for the entire period of the mission. The manager of the guest house stated that the signatures and handwritings on the receipts did not match any of the guest house current or former staff members. As the receipts for accommodation submitted by the staff member could not be authenticated, the investigation concluded that he submitted fraudulent receipts to support his travel claims and thereby received an unauthorized benefit of US\$ 10 296. The investigation further revealed that the staff member neither advised his supervisor nor submitted a leave request for several days that he considered as local non-working days. An investigation report was addressed to the Regional Director for review and to decide on the administrative and/or disciplinary action to be taken. The Office recommended that the estimated total of US\$ 10 296 paid as unauthorized benefit be recovered from the staff member.

53. **At a country office (IR2016/12 and IR2016/13).** The Office received a complaint of fraud alleging that a country office staff member had received payments for four claims submitted for reimbursement to the WHO Staff Health Insurance unit, for medical treatment purportedly provided by a medical care centre in the country. Such claims were identified as potentially fraudulent by the Staff Health Insurance unit at headquarters after submission of a fifth claim for an amount which was inconsistent with the salary of the staff member. A further review subsequently revealed that another staff member working in the same country office had also been reimbursed for two claims submitted with supporting documentation from the same medical care centre. The investigation revealed that the two country office staff members submitted false documentation in support of their claims purportedly relating to treatment at a medical care centre, and were reimbursed respectively US\$ 15 410 and US\$ 25 300. Based on these findings, the investigation concluded that, by submitting false documentation to obtain unauthorized benefits from the WHO Staff Health Insurance, the two staff members violated the WHO Staff Rules, Fraud Prevention Policy and Awareness Guidelines, Staff Health Insurance Rules, and the Standards of Conduct for the International Civil Service. Two investigation reports were addressed to the Regional Director for review and to decide on relevant

administrative and/or disciplinary action. The Office also recommended recovery of the payments made as they constituted unauthorized benefits from the WHO Staff Health Insurance.

54. **At a country office** (IR2016/14). The Office received allegations that a staff member had altered documents submitted in support of a travel claim. The investigation revealed that there was sufficient evidence to support the fact that the staff member had altered four invoices for accommodation and thereby violated WHO's rules and obtained an unauthorized benefit of about US\$ 1000. The Office recommended appropriate action against the staff member.

IMPLEMENTATION OF AUDIT RECOMMENDATIONS

55. 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. For the purposes of reporting to Member States, the Office prepares cumulative implementation statistics for all its open recommendations since the date of the Office's last report to the Health Assembly (see Annex 1). It should be noted that since January 2015 the Office has modified its method of reporting on the status of outstanding recommendations, as it now uses the agreed expected date of implementation for each recommendation rather than relying on the time elapsed from the initial date of the report. This more-accurate approach suggests that progress on implementing audit recommendations has remained stable with only 3.7% of outstanding open recommendations being considered as "past due", compared with 3.6% the previous year.

56. The Office has categorized the audit recommendations made in 2016 by audit risk category and significance (see Annex 2). In addition, attention has been focused on monitoring the progress of implementation of high-priority recommendations for most open audits, that is, those considered as being highly significant and that require a relatively low level of effort to implement (see Annex 1).

57. Since the previous Health Assembly in May 2016, the Office has received updates on the progress of implementation of its recommendations. After review of the effectiveness of the progress reported, the Office was able to close 25 audits (see Annex 3).

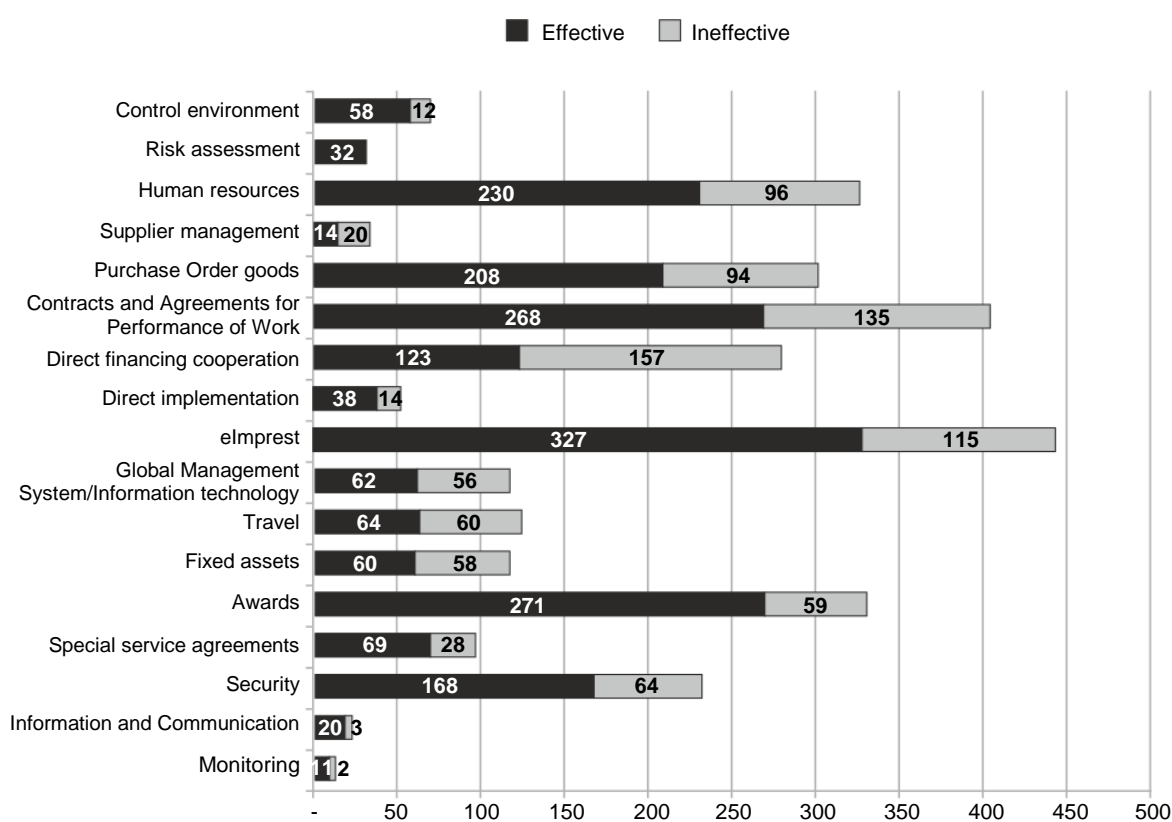
58. Table 2 highlights the cumulative annual and overall implementation rates as at 8 March 2017 for all reports issued since 1 January 2015.

Table 2. Overall audit recommendation implementation rates, as at 8 March 2016

Recommendation status	Number of recommendations		%		Average days in advance/ (late)	
	2015	2016	2015	2016	2015	2016
Implementation not yet expected	-	262	0	53	-	-
Closed as agreed	50	20	11	4	67	4
Closed with delay	296	81	65	16	(168)	(100)
In progress overdue	110	24	24	5	(315)	(211)
Open overdue	1	108	0	22	(434)	(83)
Total	457	495	-	-	-	-

59. In order to achieve continuity in perspective on specific areas of concern arising from its audit work at country level, the Office updated the “meta-analysis” of the results obtained from the country audits conducted in the period 2013–2016, in order (a) to demonstrate the trend in compliance with WHO’s rules and regulations (see Annex 4) and (b) to highlight the process areas¹ that represent the greatest challenges. In relation to (b), the graph (see Figure 1) provides a proxy indicator suggesting that the disparities in compliance effectiveness in the major process areas mean that further progress is required, as reflected in the high level of “control ineffectiveness”² and that important weaknesses in the internal control environment persist – for example, regarding travel, eImprest, procurement of goods and services, and direct financial cooperation.

Figure 1. Operating effectiveness of internal controls in country audits, by process (results of audits performed in 2016, *n* = number of tests performed)



¹ 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 15) and individual process areas: awards; human resources; Global Management System/information technology; security; supplier management; contracts for services; eImprest; procurement of goods; direct financial cooperation; direct implementation, fixed assets; travel; and special services agreements.

² The internal control framework identifies control objectives and control activities which, if implemented and operated effectively, could address the high-level risk considerations identified.

60. The charts contained in Annex 4A and 4B provide a more detailed analysis of the audit findings by process area. The results of the work carried out based on the 2016 workplan continue to demonstrate that, although there is a wide range of compliance effectiveness with WHO's rules and regulations, overall all the process areas indicated an improved level of operating effectiveness, with only travel and supplier management being considered as unsatisfactory.

61. Additionally, the trend in the overall conclusions on the operating effectiveness of internal controls at the country offices significantly improved during 2016, with 100% found to have either satisfactory or partially satisfactory ratings (respectively 75% in 2015 and 70% in 2014). Similarly, the conclusions on the operating effectiveness of internal controls at regional offices and global cross-cutting areas also improved, with partially satisfactory ratings achieved for 100% of the audit missions in 2016, (respectively 50% in 2015, 60% in 2014). Although mostly still partially satisfactory (that is, with some or major improvements required to address high-risk areas), these data suggest that the initiatives to improve accountability and compliance across the Organization are starting to be reflected in a positive trend at all levels. It is expected that work being carried out to strengthen risk management, the completion of the new internal control self-assessment checklists in 2016 and the strengthened monitoring by the compliance functions should further enhance awareness of internal controls and help to focus the Organization-wide efforts to improve accountability in the supervisory roles and functions, that is, strengthen the "tone in the middle", in 2017 and in doing so, form the basis for management's assertions on the overall internal control environment. However, in the context of the decentralized internal control activities and self-assessment, it is imperative that these various initiatives interface with each other in a harmonized manner and are monitored for effectiveness so that they jointly contribute to mitigating risks and enhance control effectiveness to a satisfactory level across the Organization.

ASSESSMENT OF CORPORATE RISKS

62. It is standard practice in all the Office's audits to request and review the risk registers of the units audited as part of the planning process. The scope of all audits includes standard testing in relation to risk management (risk training, risk identification and risk mitigation).

63. 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. In response to requests from Member States, the Office has analysed the scope of the audit work conducted in 2016 against the principal risks, the result of which is available in Annex 5. 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:

- WHO Health Emergency Programme: audit report 15/996 provided recommendations to help the design of the new programme's administrative procedures and functions. The Office is monitoring the implementation of the recommendation issued in that report.
- Fraud/corruption: specific fraud-related controls are reviewed as part of the routine audits. Standard audit testing includes addressing areas at risk of fraud and/or corruption, such as: (a) segregation of duties in the payments, eImprest and fixed assets areas; (b) review of procurement processes and supporting documentation; and (c) review of user access rights in the Global Management System. Two information technology audits (reports 16/1026 and 16/1027) provide input for the enhancement of system controls, including Global Management System user provisioning and Oracle workflow and project approval application controls.

REGION OF THE AMERICAS

64. With regard to the situation in the Region of the Americas, the Auditor-General of the Office of Internal Oversight and Evaluation Services (IES), has confirmed in his 2016 report to the Pan American Sanitary Bureau (PASB) that there had been a slight deterioration in the internal control environment in 2016, owing to teething problems with the implementation of the Bureau's project to modernize its management information system (PMIS): "In the medium to longer terms, the PMIS project is expected to enhance the automation of internal controls and to improve the efficiency and effectiveness of information flows in the PASB. However, in the first year of its implementation the expected benefits were not fully realized, with a resulting reduction in the effectiveness of some internal controls. The deterioration of the internal control environment in 2016 therefore appears to be a temporary consequence of a transitional period until the enhancements of PMIS become established."

65. The Office of Internal Oversight and Evaluation Services also reports that "notwithstanding the problems arising from the PMIS implementation, IES's overall opinion is that the PASB's internal control environment continued in 2016 to provide reasonable assurance over the accuracy and timely recording of transactions, assets and liabilities; the mitigation of risks to the achievement of the Organization's objectives; and the safeguarding of assets". As in previous years, it continued to advise management that "to further strengthen the PASB's internal control environment, the linking of risks to Organizational objectives and to risk-mitigating internal controls needs to be clearer. The development of a more clearly-defined Internal Control Framework and, in parallel, a more comprehensive Enterprise Risk Management process that prioritizes key risks and their mitigating measures, would define more clearly the connections between the Organization's objectives, risks, and risk-mitigating internal controls."

ACTION BY THE HEALTH ASSEMBLY

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

ANNEX 1

STATUS OF OPEN RECOMMENDATIONS AS AT 8 MARCH 2017

Audit No.	Audit title	Responsible manager	Date of final report	Number of years since report issue	Latest response from auditee*	Number of months since last response or report issuance	Number of recommendations	Status as at 8 March 2016			Current status as of 8 March 2017			Implementation rate (excluding not yet due)	Overdue implementation**	High significance overdue not closed***	High priority overdue not closed***	Comments on changes since previous status report			
								Implementation not yet expected	Overdue open	Overdue in progress	Closed	Number of recommendations	Implementation not yet expected						Overdue open	Overdue in progress	Closed
Audit reports of workplans between 2008 and 2011																					
08/779	Global Insurance Coverage at Headquarters	ADG/GMG	2008/11	N/A	N/A	N/A	45	0	0	15	30	N/A	N/A	N/A	N/A	N/A	100%	0%	0	0	Audit closed since previous status report
11/872	Integrated audit of WHO in Angola	RD/AFRO	2012/02	N/A	N/A	N/A	32	0	0	9	23	N/A	N/A	N/A	N/A	N/A	100%	0%	0	0	Audit closed since previous status report
11/882	Intercountry Support for West Africa, Ouagadougou, Burkina Faso	RD/AFRO	2013/01	N/A	N/A	N/A	9	0	0	9	0	N/A	N/A	N/A	N/A	N/A	100%	0%	0	0	Audit closed since previous status report
Audit reports of 2012 workplan																					
12/884	Review of Declarations of Interests	Director/CRE	2012/06	4.7	2016/10	4	21	0	0	15	6	21	0	0	7	14	67%	33%	5	0	All recommendations in progress
12/885	Payroll at the Global Service Centre	ADG/GMG	2012/09	N/A	N/A	N/A	25	0	0	2	23	N/A	N/A	N/A	N/A	N/A	100%	0%	0	0	Audit closed since previous status report
12/905	WHO Country Office, Pyongyang, Democratic People's Republic of Korea	RD/SEARO	2013/09	N/A	N/A	N/A	23	0	0	1	22	N/A	N/A	N/A	N/A	N/A	100%	0%	0	0	Audit closed since previous status report
12/906	Performance audit of the Department of Governing Bodies	Director/GBS	2013/04	3.9	2017/01	2	30	0	4	11	15	30	0	0	9	21	70%	30%	6	2	All previously open recommendations in progress
Audit reports of 2013 workplan																					
13/924	WHO Country Office, Addis Ababa, Ethiopia	RD/AFRO	2013/09	N/A	N/A	N/A	68	0	0	3	65	N/A	N/A	N/A	N/A	N/A	100%	0%	0	0	Audit closed since previous status report
13/926	Procurement at the Global Service Centre	ADG/GMG	2013/12	3.2	2017/02	1	18	0	0	14	4	18	0	0	7	11	61%	39%	4	0	All recommendations in progress
13/927	WHO Country Office, Islamabad, Pakistan	RD/EMRO	2013/10	N/A	N/A	N/A	62	0	0	3	59	N/A	N/A	N/A	N/A	N/A	100%	0%	0	0	Audit closed since previous status report
13/928	WHO Country Office, Antananarivo, Madagascar	RD/AFRO	2013/10	N/A	N/A	N/A	43	0	0	10	33	N/A	N/A	N/A	N/A	N/A	100%	0%	0	0	Audit closed since previous status report

Audit No.	Audit title	Responsible manager	Date of final report	Number of years since report issue	Latest response from auditee*	Number of months since last response or report issuance	Number of recommendations	Status as at 8 March 2016			Current status as of 8 March 2017			Implementation rate (excluding not yet due)	Overdue implementation**	High significance overdue not closed****	High priority overdue not closed***	Comments on changes since previous status report			
								Implementation not yet expected	Overdue open	Overdue in progress	Closed	Number of recommendations	Implementation not yet expected						Overdue open	Overdue in progress	Closed
13/937	Accounts Payable at the Global Service Centre	Director/GSC	2014/01	N/A	N/A	N/A	14	0	0	2	12	N/A	N/A	N/A	N/A	N/A	100%	0%	0	0	Audit closed since previous status report
13/939	WHO Country Office, Colombo, Sri Lanka	RD/SEARO	2014/06	N/A	N/A	N/A	23	0	0	2	21	N/A	N/A	N/A	N/A	N/A	100%	0%	0	0	Audit closed since previous status report
13/935	Integrated audit of WHO in Nepal	RD/SEARO	2014/11	N/A	N/A	N/A	42	0	0	8	34	N/A	N/A	N/A	N/A	N/A	100%	0%	0	0	Audit closed since previous status report
Audit reports of 2014 workplan																					
14/943	WHO Country Office, Kinshasa, Democratic Republic of the Congo	RD/AFRO	2014/09	N/A	N/A	N/A	54	0	0	17	37	N/A	N/A	N/A	N/A	N/A	100%	0%	0	0	Audit closed since previous status report
14/944	Direct Financial Cooperation Activities at WHO	Comptroller	2014/09	2.5	2016/09	5	33	3	2	10	18	33	0	0	6	27	82%	18%	1	1	All previously open recommendations in progress
14/946	WHO Country Office in Abuja, Nigeria	RD/AFRO	2015/06	N/A	N/A	N/A	47	0	6	24	17	N/A	N/A	N/A	N/A	N/A	100%	0%	0	0	Audit closed since previous status report
14/958	Global Audit of Travel	ADG/GMG	2015/04	1.9	2016/10	4	23	15	0	7	1	23	0	0	9	14	61%	39%	6	0	All recommendations in progress
14/961	WHO Country Office, Thimphu, Bhutan	RD/SEARO	2015/05	N/A	N/A	N/A	32	0	0	2	30	N/A	N/A	N/A	N/A	N/A	100%	0%	0	0	Audit closed since previous status report
14/973	Regional Office for Europe (EURO)	RD/EURO	2015/08	1.6	2016/11	3	16	6	10	0	0	16	0	1	4	11	69%	31%	2	0	Action taken for 15 of previously 16 open recommendations
Audit reports of 2015 workplan																					
15/981	WHO Regional Office for Africa (AFRO)	RD/AFRO	2015/06	N/A	N/A	N/A	57	1	4	18	34	N/A	N/A	N/A	N/A	N/A	100%	0%	0	0	Audit closed since previous status report
15/983	WHO Country Office, Amman, Jordan	RD/EMRO	2016/02	N/A	N/A	N/A	25	25	0	0	0	N/A	N/A	N/A	N/A	N/A	100%	0%	0	0	Audit closed since previous status report
15/985	Agreements for Performance of Work at Headquarters	ADG/GMG	2016/01	1.1	2017/02	0	29	29	0	0	0	29	0	0	14	15	52%	48%	1	0	All previously open recommendations in progress
15/986	WHO Country Office, Nairobi, Kenya	RD/AFRO	2016/02	1.1	2016/05	9	31	31	0	0	0	31	0	0	1	30	97%	3%	1	0	All previously open recommendations in progress
15/987	WHO Country Office, Dhaka, Bangladesh	RD/SEARO	2015/12	N/A	N/A	N/A	22	22	0	0	0	N/A	N/A	N/A	N/A	N/A	100%	0%	0	0	Audit closed since previous status report

Audit No.	Audit title	Responsible manager	Date of final report	Number of years since report issue	Latest response from auditee*	Number of months since last response or report issuance	Number of recommendations	Implementation not yet expected	Status as at 8 March 2016			Current status as of 8 March 2017			Implementation rate (excluding not yet due)	Overdue implementation**	High significance overdue not closed***	High priority overdue not closed***	Comments on changes since previous status report		
									Overdue open	Overdue in progress	Closed	Number of recommendations	Implementation not yet expected	Overdue open						Overdue in progress	Closed
15/991	WHO Country Office, Bagdad, Iraq	RD/EMRO	2016/05	N/A	N/A	N/A	19	19	0	0	0	N/A	N/A	N/A	N/A	N/A	100%	0%	0	0	Audit closed since previous status report
15/992	WHO Country Office, Pretoria, South Africa	RD/AFRO	2016/01	N/A	N/A	N/A	9	9	0	0	0	N/A	N/A	N/A	N/A	N/A	100%	0%	0	0	Audit closed since previous status report
15/993	WHO Country Office, Manila, Philippines	RD/WPRO	2016/02	N/A	N/A	N/A	7	7	0	0	0	N/A	N/A	N/A	N/A	N/A	100%	0%	0	0	Audit closed since previous status report
15/994	WHO Regional Office for the Western Pacific (WPRO)	RD/WPRO	2016/02	N/A	N/A	N/A	21	21	0	0	0	N/A	N/A	N/A	N/A	N/A	100%	0%	0	0	Audit closed since previous status report
15/995	WHO elmprest System	ADG/GMG	2016/03	1.0	2016/10	4	15	15	0	0	0	15	0	0	5	10	67%	33%	1	0	All previously open recommendations in progress
15/996	Containment of the 2014 Ebola Virus Disease - Operational Support to Affected Countries	EXD/DGO	2015/10	1.4	2016/09	5	89	89	0	0	0	89	0	0	83	6	7%	93%	59	7	All previously open recommendations in progress
15/1000	WHO Country Office, Khartoum, Sudan	RD/EMRO	2016/03	N/A	N/A	N/A	37	37	0	0	0	N/A	N/A	N/A	N/A	N/A	100%	0%	0	0	Audit closed since previous status report
15/1011	WHO Country Office in Juba, South Sudan	RD/AFRO	2016/06	0.7	2016/11	3	N/A	N/A	N/A	N/A	N/A	40	0	4	29	7	18%	83%	24	1	Response received, progress noted
15/1025	Technical Service Agreements of the Special Programme of Research, Development and Research Training in Human Reproduction	ADG/FWC	2016/03	1.0	2016/11	3	3	3	0	0	0	3	0	0	1	2	67%	33%	0	0	All previously open recommendations in progress
Audit reports of 2016 workplan																					
16/1020	WHO Country Office, Moscow, Russian Federation	RD/EURO	2016/06	0.7	2017/01	1	N/A	N/A	N/A	N/A	N/A	12	0	0	1	11	92%	8%	0	0	All previously open recommendations in progress
16/1021	WHO in the United Republic of Tanzania	RD/AFRO	2016/05	0.8	2016/12	3	N/A	N/A	N/A	N/A	N/A	37	0	11	2	24	65%	35%	3	1	Response received, progress noted
16/1022	WHO Country Office, Beirut, Lebanon	RD/EMRO	2017/03	0.0	Not due yet	0	N/A	N/A	N/A	N/A	N/A	13	13	0	0	0	N/A	0%	0	0	Not due yet, Initial response not yet recieved
16/1023	WHO Country Office, Malé, Maldives	RD/SEARO	2016/10	0.4	Not due yet	4	N/A	N/A	N/A	N/A	N/A	21	21	21	0	0	N/A	100%	11	0	No initial response for overdue recommendations
16/1024	WHO Country Office, Kigali, Rwanda	RD/AFRO	2016/09	0.5	Not due yet	5	N/A	N/A	N/A	N/A	N/A	13	13	7	0	0	N/A	54%	4	1	No initial response for overdue recommendations
16/1026	GSM User Provisioning Audit	ADG/GMG	2017/02	0.0	Not due yet	0	N/A	N/A	N/A	N/A	N/A	20	20	4	0	0	N/A	20%	0	0	No initial response for overdue recommendations

Audit No.	Audit title	Responsible manager	Date of final report	Number of years since report issue	Latest response from auditee*	Number of months since last response or report issuance	Number of recommendations implemented not yet expected	Status as at 8 March 2016			Current status as of 8 March 2017			Implementation rate (excluding not yet due)	Overdue implementation**	High significance overdue not closed****	High priority overdue not closed****	Comments on changes since previous status report			
								Overdue open	Overdue in progress	Closed	Number of recommendations	Implementation not yet expected	Overdue open						Overdue in progress	Closed	
16/1027	Oracle Workflow and Project Approval Application Controls	ADG/GMG	2017/03	0.0	Not due yet	0	N/A	N/A	N/A	N/A	15	15	0	0	0	N/A	0%	0	0	Not due yet, Initial response not yet recieved	
16/1033	Health Systems Governance and Financing Department (HGF)	ADG/HIS	2016/11	0.3	Not due yet	3	N/A	N/A	N/A	N/A	36	36	32	0	0	N/A	89%	20	11	No initial response for overdue recommendations	
16/1043	Integrated Audit of the Communicable Diseases Cluster at AFRO	RD/AFRO	2017/03	0.0	Not due yet	0	N/A	N/A	N/A	N/A	82	82	0	0	0	N/A	0%	0	0	Not due yet, Initial response not yet recieved	
16/1049	WHO Country Office, Moroni, Comoros	RD/AFRO	2017/01	0.1	Not due yet	1	N/A	N/A	N/A	N/A	11	11	9	0	0	N/A	82%	0	0	No initial response for overdue recommendations	
16/1059	WHO Country Office, Accra, Ghana	RD/AFRO	2017/03	0.0	Not due yet	0	N/A	N/A	N/A	N/A	17	17	0	0	0	N/A	0%	0	0	Not due yet, Initial response not yet recieved	
16/1060	WHO Regional Office for South-East Asia (SEARO)	RD/SEARO	2017/03	0.0	Not due yet	0	N/A	N/A	N/A	N/A	14	14	0	0	0	N/A	0%	0	0	Not due yet, Initial response not yet recieved	
16/1062	WHO Staff Health Insurance	ADG/GMG	2017/03	0.0	Not due yet	0	N/A	N/A	N/A	N/A	32	32	0	0	0	N/A	0%	0	0	Not due yet, Initial response not yet recieved	
16/1069	Audit of the Maternal, Newborn, Child and Adolescent Health Department	ADG/FWC	2017/01	0.1	Not due yet	1	N/A	N/A	N/A	N/A	51	51	20	0	0	N/A	39%	0	0	No initial response for overdue recommendations	
16/1071	WHO Regional Office for the Eastern Mediterranean (EMRO)	RD/EMRO	2017/01	0.1	2017/03	0	N/A	N/A	N/A	N/A	31	20	0	1	10	91%	3%	0	0	All due recommendations closed or in progress	
TOTAL							1 024	332	26	182	484	846	345	109	179	213					
								32.4%	2.5%	17.8%	47.3%		40.8%	12.9%	21.2%	25.2%					
Excluding "Not yet due"							717	25	26	182	484	428	20	16	179	213					
								3.5%	3.6%	25.4%	67.5%		4.7%	3.7%	41.8%	49.8%					

* Response currently under consideration by Office of Internal Oversight Services

** Only valid to 2014 and 2015 audits (previous audits considered as being overdue beyond average implementation period (1.3 years) after final report date)

*** Not closed = either open or in progress

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

See legend for explanations of colour coded conditional formatting

Audit reports issued and closed during the reporting period						
Audit no.	Audit title	Responsible manager	Date of final report	Closing date	Number of months to close	Number of Recommendations
16/1031	WHO Country Office, Damascus, Syria	RD/EMRO	2016/09	2017/01	3.9	29
16/1040	WHO Country Office, Cambodia	RD/WPRO	2016/08	2016/12	3.4	11

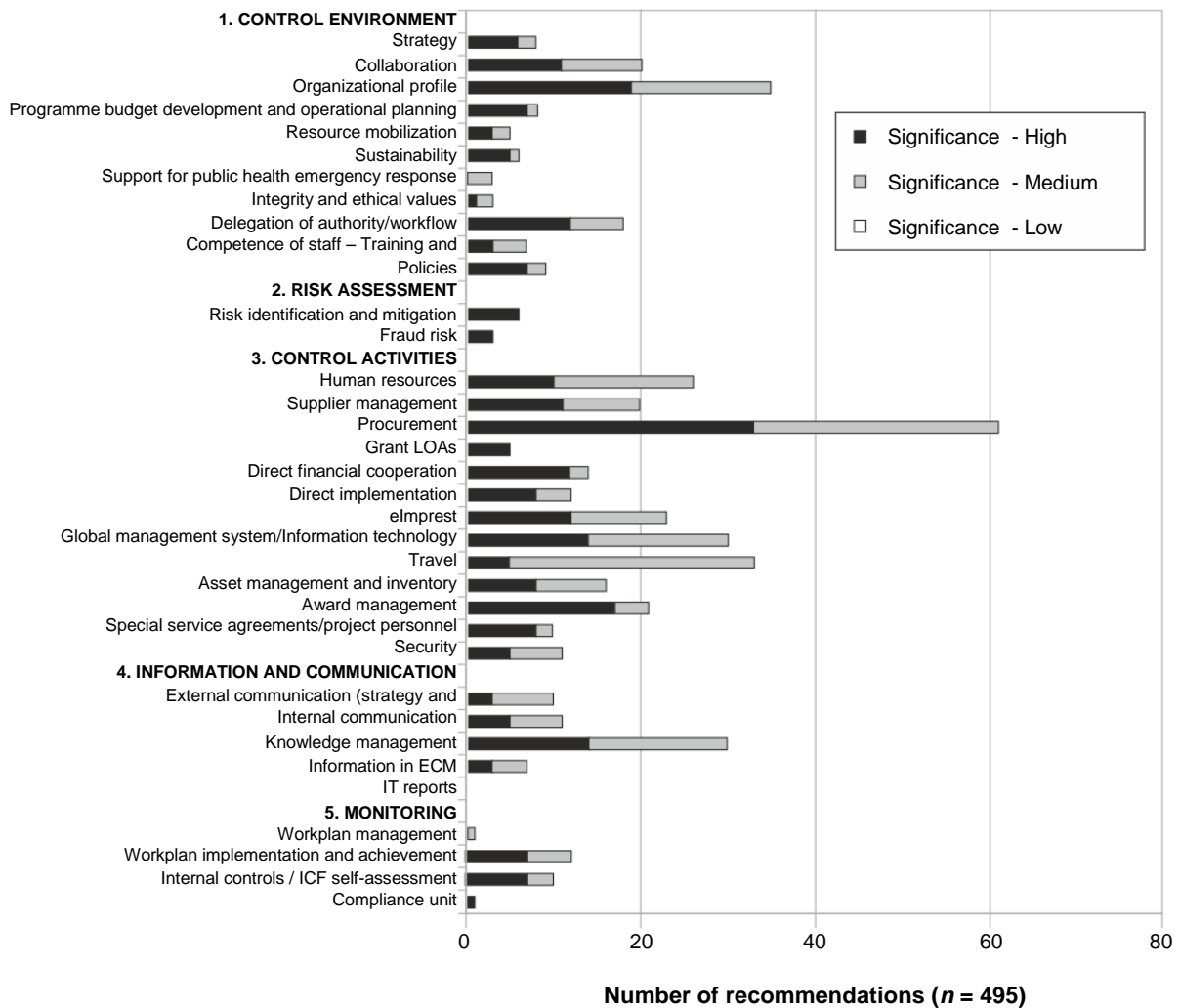
Legend: Explanations of conditional formatting

Number of years since report issue: criteria	
0.8	Final report issued less than one year ago
1.1	Final report issued between 1 and 1.3 years ago (1.3 years corresponds to the current average closing time for an IOS audit)
1.3	Final report issued more than 1.3 years ago (i.e. > than the current average closing time for an IOS audit)
Number of months since last response or report issuance: criteria	
4	Latest response received from auditee or final report issued less than or equal to six months ago
9	Latest response received from auditee or final report issued between six and twelve months ago
15	Latest response received from auditee or final report issued more than twelve months ago
Implementation rate: criteria	
90%	Implementation rate more than 85%
60%	Implementation rate between 50% and 85%
15%	Implementation rate less than 50%
Percentage of overdue implementation**: criteria	
50%	More than 50% overdue
15%	Between 15% and 50% overdue
1%	Less than 15% overdue
High significance overdue not closed: criteria	
N/A	Response from auditee not due yet
1	One or more recommendations of high significance overdue
0	All recommendations of high significance closed
High priority overdue not closed: criteria	
N/A	Response from auditee not due yet
1	One or more recommendations of high significance and low implementation effort overdue
0	All recommendations of high significance and low implementation effort closed

ANNEX 2

**BREAKDOWN OF THE AUDIT RECOMMENDATIONS MADE IN 2016
BY AUDIT RISK CATEGORIES AND SIGNIFICANCE (n = 495)**

Significance per area of recommendation



ANNEX 3

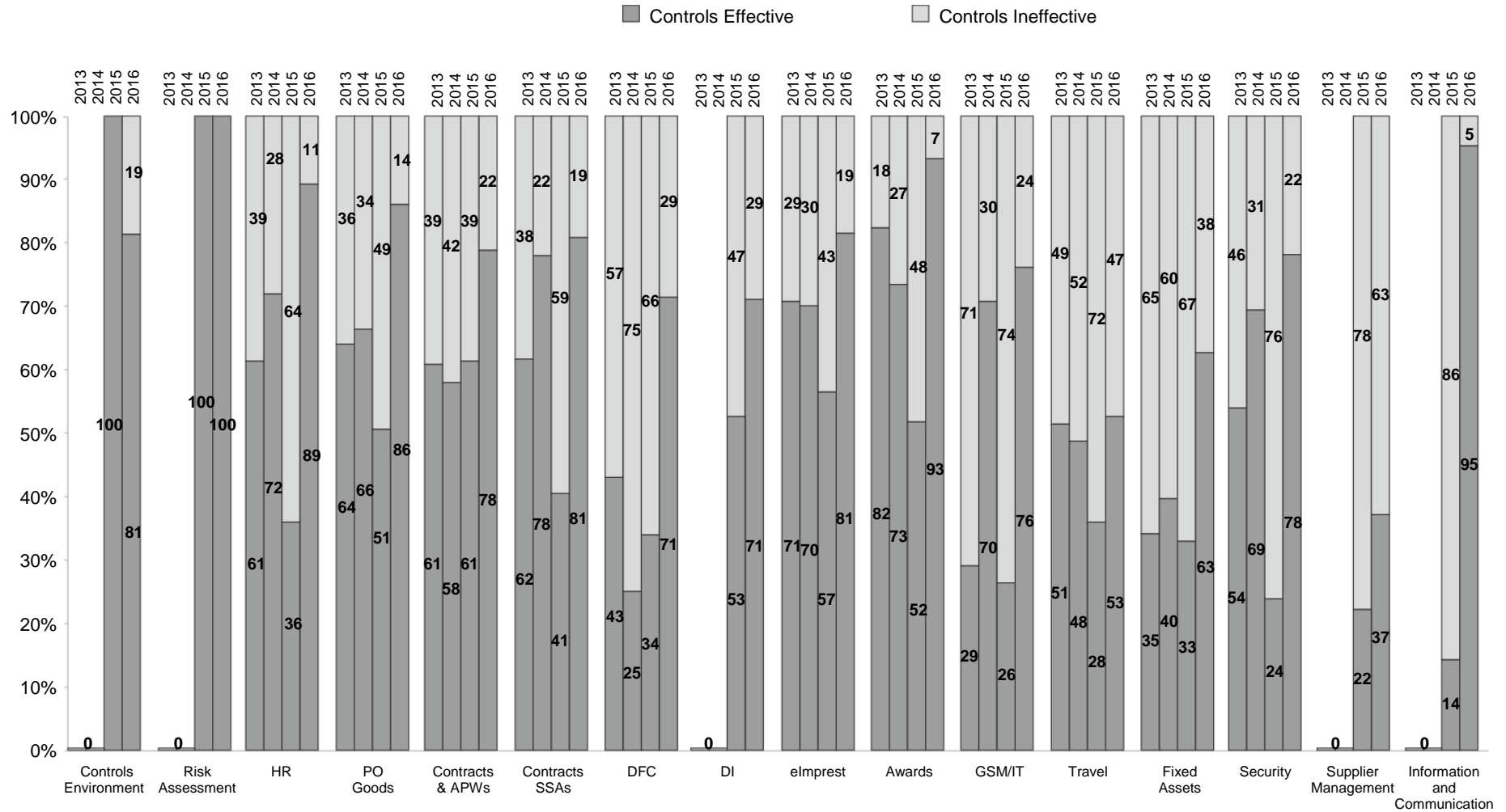
LIST OF AUDITS CLOSED SINCE MARCH 2016 AS AT 8 MARCH 2017

Audit reports closed since March 2016

Audit no.	Audit title	Date of final report	Closing date	Months to close the audit
08/779	Global Insurance Coverage, Headquarters	11/2008	09/2016	117
11/872	Integrated audit of WHO in Angola	02/2012	01/2017	73
11/882	Intercountry Support for West Africa, Ouagadougou, Burkina Faso	01/2013	01/2017	60
12/885	Payroll at the Global Service Centre	09/2012	02/2017	66
12/900	Global Human Resources at the Global Service Centre	06/2013	03/2016	41
12/905	WHO Country Office, Pyongyang, Democratic People's Republic of Korea	09/2013	05/2016	39
13/924	WHO Country Office, Addis Ababa, Ethiopia	09/2013	12/2016	48
13/927	WHO Country Office, Islamabad, Pakistan	10/2013	09/2016	44
13/928	WHO Country Office, Antananarivo, Madagascar	10/2013	02/2017	50
13/935	Integrated audit of WHO in Nepal	11/2014	10/2016	28
13/937	Accounts Payable at the Global Service Centre	01/2014	04/2016	32
13/939	WHO Country Office, Colombo, Sri Lanka	06/2014	09/2016	34
14/943	WHO Country Office, Kinshasa, Democratic Republic of the Congo	09/2014	01/2017	35
14/946	WHO Country Office, Abuja, Nigeria	06/2015	12/2016	22
14/961	WHO Country Office, Thimphu, Bhutan	05/2015	03/2016	12
15/981	WHO Regional Office for Africa	06/2015	03/2017	25
15/983	WHO Country Office, Amman, Jordan	02/2016	04/2016	2
15/987	WHO Country Office, Dhaka, Bangladesh	12/2015	07/2016	8
15/991	WHO Country Office, Baghdad, Iraq	05/2016	03/2017	12
15/992	WHO Country Office, Pretoria, South Africa	01/2016	05/2016	4
15/993	WHO Country Office, Manila, Philippines	02/2016	05/2016	3
15/994	WHO Regional Office for the Western Pacific	02/2016	07/2016	6
15/1000	WHO Country Office, Khartoum, Sudan	03/2016	05/2016	3
16/1031	WHO Country Office, Damascus, Syria	09/2016	01/2017	4
16/1040	WHO Country Office, Cambodia	08/2016	12/2016	4

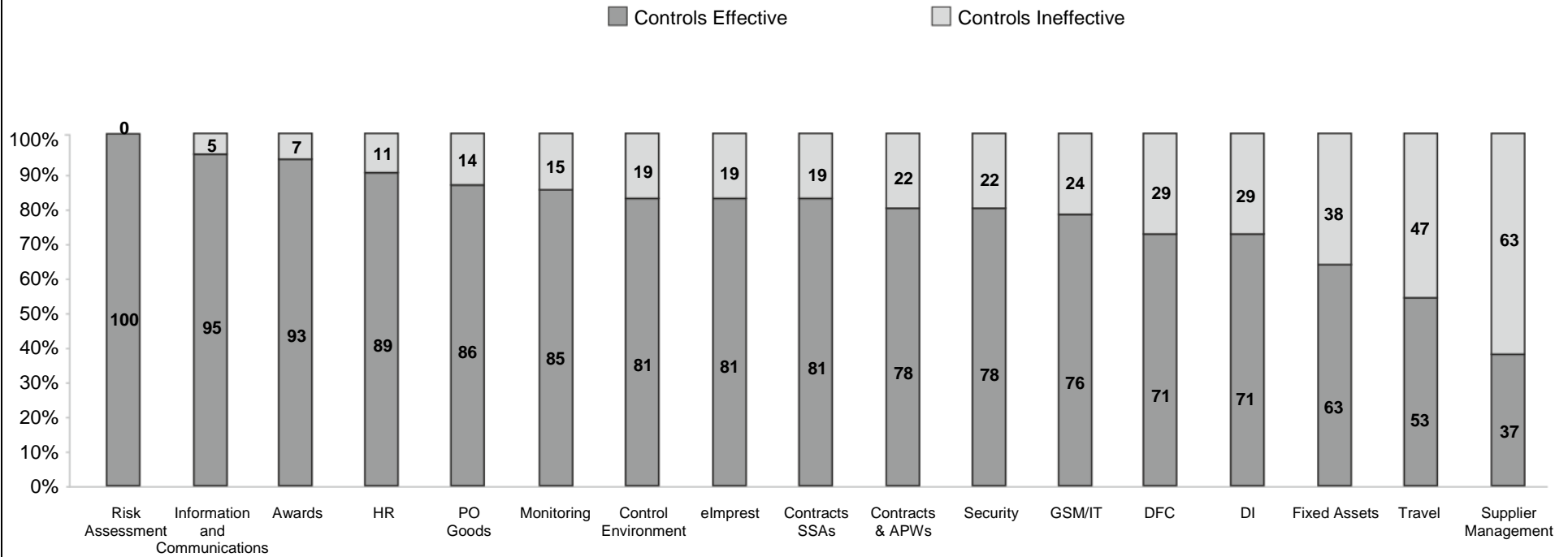
ANNEX 4A

TRENDS IN OPERATING EFFECTIVENESS OF INTERNAL CONTROLS IN COUNTRY AUDITS, OVER TIME, CONDUCTED BETWEEN 2013–2016



ANNEX 4B

TRENDS IN OPERATING EFFECTIVENESS OF INTERNAL CONTROLS IN COUNTRY AUDITS, CONDUCTED IN 2016



ANNEX 5

**ASSESSMENT OF COVERAGE OF WHO'S PRINCIPAL RISKS
IN AUDITS, CONDUCTED IN 2016**

WHO Principal Risks (January 2017)*			Examples of the Office's specific audit work related to the risks (2016)
Risk reference	Risk area	Current level of risk criticality	
RR01	Financing of Programme budget 2016–2017	Severe/moderate	<ul style="list-style-type: none"> Implementation of internal measures to reduce expenditures were reviewed in specific assignments such as the audit of the Staff Health Insurance (report 16/1062). Routine audits cover internal measures to reduce expenditures as part of the review of the procurement and travel areas.
RR02	WHO Health Emergency Programme	Severe	<ul style="list-style-type: none"> Follow-up 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 new Programme's policies.
RR03	Director-General's election and transition	Significant/moderate	–
RR04	Polio transition	Severe	<ul style="list-style-type: none"> The Office conducted in 2016 a consulting engagement of operational activities of the polio eradication programme at the WHO country offices in Afghanistan and Pakistan. The engagement did not specifically cover polio transition aspects; however, it provided input to strengthen the risk management and controls over polio operations at the two country offices.
RR05	Fraud/corruption	Significant	<ul style="list-style-type: none"> Two of the information technology-related audits conducted in 2016 (reports 16/1026 and 16/1027) provide input on the enhancement of integrated system controls and exception reporting. Routine audits include the review of the Global Management System user access rights. Standard testing in most of the audits includes fraud related areas such as segregation of duties in the eImprest, payments and fixed assets areas.

WHO Principal Risks (January 2017)*			Examples of the Office's specific audit work related to the risks (2016)
Risk reference	Risk area	Current level of risk criticality	
RR05	Fraud/corruption	Significant	<ul style="list-style-type: none"> • Previous audit reports have highlighted the need to conduct due diligences in relation to implementing partners (direct financial cooperation and nongovernmental organizations). • Standard audits review management assertions on the due diligence process.
			<ul style="list-style-type: none"> • A plan for additional human resources for the Office investigation function was approved, including two fixed-term posts of Investigator.
RR06	Business continuity	Significant	<ul style="list-style-type: none"> • Standard testing in audits of WHO country offices includes the review of information technology back-up procedures and other physical security information technology controls.
RR07	Cyber security	Significant	<ul style="list-style-type: none"> • Partially covered with the two information technology audits conducted in 2016 (see section "fraud" above). • A review of "Office 365 Outlook" email environment is currently in progress as part of the 2017 audit plan.

* WHO Principal Risks (January 2017), prepared by WHO management: <http://who.int/about/finances-accountability/accountability/en/>. http://who.int/about/finances-accountability/accountability/WHO_Principal_Risk_2017.pdf (accessed 10 March 2017).

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