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

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

1. This report provides an update on the Secretariat's actions in 2023 and early 2024 to strengthen ethical standards by reviewing policies and training, enhancing fraud risk management, implementing the Framework of Engagement with Non-State Actors, acting on recommendations made during the initial evaluation of the Framework, and enhancing compliance and risk management strategies across the Organization.

### **ETHICS<sup>1</sup>**

2. The mandate of the Ethics Unit within the Office of Compliance, Risk Management and Ethics comprises four pillars: managing conflict of interest; ethics advice and support; protection against retaliation; and education and outreach.

3. **Policy framework** – The Ethics Unit contributed to the revised Code of Ethics, issued on 1 July 2023, and to the new WHO policy on preventing and addressing retaliation.

4. **Pillar 1: Managing conflict of interest** – WHO staff compliance with the requirement to submit an annual declaration of interest<sup>2</sup> was 100% in 2023.

5. The Department of Human Resources and Talent Management consulted the Ethics Unit to assess and provide guidance on the declarations made by 54 candidates under consideration for recruitment to staff positions, and by 179 candidates for the affiliated staff workforce.

6. In 2023, 326 staff members sought authorization to undertake an outside activity and 36 staff members sought approval to accept honours, decorations or gifts.

7. New guidance on outside activities and on declarations of interest for experts regarding public notice and comments will be issued in 2024. A financial disclosure policy for WHO staff is currently under development.

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<sup>1</sup> The figures provided cover the period 1 January–31 December 2023.

<sup>2</sup> In 2023, WHO received 4092 declaration of interest forms submitted by staff, 28 additional declarations from staff of the Secretariat of the WHO Framework Convention on Tobacco Control, and 2973 from WHO experts and advisors through WHO's Individual Expert System.

8. **Pillar 2: Ethics advice and support** – In 2023, the Ethics Unit received 663 individual requests for guidance and support on ethical concerns and dilemmas, ranging from an inquiry on the applicable declaration of interest process to a complex case of alleged work-related misconduct.

9. **Pillar 3: Protection against retaliation** – Up to 30 June 2023, the Ethics Unit received 13 requests for protection against retaliation under the previous policy on whistleblowing and protection against retaliation. Of these, one case was closed, as a preliminary review by the Ethics unit did not confirm retaliation; four were not pursued by the individuals concerned; and eight were referred to the Office of Internal Oversight Services for action. From 1 July 2023, under the new preventing and addressing retaliation policy, the Office of Internal Oversight Services referred eight retaliation cases to the Ethics Unit. Protection measures were recommended in six cases; one case was closed, as the allegations were found to be unsubstantiated; and in one case no protection measures were required.

10. **Pillar 4: Education and outreach** – The 2023 launch of ethics empowerment training in the form of an e-learning module coincided with a series of WHO policy revisions. To align with the new policies, the Ethics Unit has revised the training module.

11. In 2023, the Ethics Unit provided 16 training sessions, reaching more than 480 participants. The training involved inductions at WHO headquarters and the Regional Office for the Eastern Mediterranean, along with customized information sessions.

12. In 2022, a new generic email address was set up as required under the Organization’s information disclosure policy.<sup>1</sup>

13. **Ethics Network of Multilateral Organizations (ENMO)<sup>2</sup>** –The ENMO Executive Committee has confirmed WHO as host of the 16th EMNO annual conference in July 2024.

## ENTERPRISE RISK MANAGEMENT

14. WHO approved a new Risk Management Strategy in the third quarter of 2023 to improve its enterprise risk management maturity.

15. **Governance** – The development of the new Enterprise Risk Management (ERM) Strategy and Risk Appetite Framework was overseen by the Global Risk Management Committee (GRMC), assisted by regional risk management committees. The GRMC is updating the Organization’s Principal Risks in the context of the draft fourteenth general programme of work, 2025–2028.

16. **Policy framework** – The ERM Strategy was developed with representatives from WHO country and regional offices and headquarters.

17. The Strategy calls for a corporate approach to managing risks during programme design, budgeting and implementation, with particular attention to the Principal Risks, and increased decentralization of the compliance and risk management function to support informed decision-making and accountability at country level. These two objectives will be supported with tools, guidance and resources for risk management and control monitoring, together with increased transparency and

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<sup>1</sup> In 2023, 2695 requests were received, of which 492 required action. Additionally, some 1200 messages were received via the publicly available email address.

<sup>2</sup> ENMO brings together senior professionals responsible for the ethics function in about 50 multilateral intergovernmental institutions, providing a forum for members to exchange information and experience.

capacity for second-line assurance functions (risk management and compliance oversight roles)<sup>1</sup> across the three levels of the Organization.

18. The ERM Strategy road map lists steps to achieve five key outputs: (a) mutual accountability with Member States to ensure that risks are acknowledged and managed jointly and adequate resources for mitigation are secured; (b) clarification of implementing partners' responsibilities in managing risks within their control so that implementers (including Ministries of Health and non-State actors) understand the Organization's expectations with regard to risk management; (c) enhanced management of risk at all three levels through the internal control framework; (d) capacitation of all three levels with sufficient skilled resources, ensuring clear roles and responsibilities within the "three lines of assurance" model and coordination among them for increased assurance over residual risk levels; and (e) capacitation of all staff to make risk-based decisions through training, development and communication of risk management tools (including risk indicators).

19. The Action for Results Group (ARG), in collaboration with the Office of Compliance, Risk Management and Ethics, has improved recognition of the risk function at the country level and supported the creation of risk positions<sup>2</sup> in the regions. This initiative is key for full implementation of the Strategy across the Organization.

20. The Office of Compliance, Risk Management and Ethics will continue to raise awareness of the ERM Strategy and to undertake training in regions and countries over the next biennium.

21. **Systems and tools** – In the context of replacing WHO's enterprise resource planning system, the Office of Compliance, Risk Management and Ethics and its regional network are collaborating to develop a tool to further embed risk management into daily activities, in alignment with the Risk Appetite Framework. The launch of the tool should facilitate the future integration of risk mitigation measures into team workplans, thereby facilitating their monitoring.

22. The Office of Compliance, Risk Management and Ethics has been involved in developing a risk-based Environmental and Social Safeguards Framework, in collaboration with the Climate Change and Health Unit, to facilitate the identification of environmental and social risks at the design stages of any WHO initiative and to support the development, implementation and monitoring of actions.

23. The risk of sexual misconduct was integrated into WHO's corporate risk register as a Principal Risk in 2023. An Organization-wide questionnaire has been designed to assess exposure to the risk of sexual misconduct at the budget centre level. All WHO budget centres at field level are required to complete the questionnaire at least once a year and to develop mitigation plans.

24. **Risk capabilities and risk culture** – During 2023, the Office of Compliance, Risk Management and Ethics and its regional network continued to raise awareness of the Principal Risks across all three levels of the Organization and to introduce the ERM Strategy and Risk Appetite Framework.

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<sup>1</sup> A full description of the "three lines of assurance" model is given in Annex ii to the Risk Management Strategy.

<sup>2</sup> Twelve compliance and risk officer positions have been created in the African Region, five in the South-East Asia Region, four in the Western Pacific Region and eleven in the Eastern Mediterranean Region.

25. WHO's 2021 ERM maturity self-assessment placed the Organization at the "developing" stage of the United Nations system-wide reference maturity model. Since then, the Secretariat has worked extensively to raise this maturity level, and WHO is now entering the "established" level within the reference model. Its risk management maturity level will continue to improve as the Strategy is implemented.

## COMPLIANCE

26. The Organization has made progress in operationalizing its policy on prevention, detection and response to fraud and corruption and its anti-fraud and anti-corruption framework. The Office of Compliance, Risk Management and Ethics held a training of trainers session for anti-fraud and anti-corruption ambassadors in regional and country offices. The programme included administrative and programmatic staff from all three levels of the Organization and all major offices, as well as WHO-hosted partnerships. The 200 staff trained further cascaded training<sup>1</sup> to nearly 1000 staff and non-staff.

27. Online trainings on specific fraud topics were launched in September 2023, and an online training on the policy is planned for the second quarter of 2024. The Secretariat leveraged International Anti-Corruption Day to raise staff awareness of anti-fraud and anti-corruption measures. In November 2023, it launched a certification programme for the WHO workforce to become Certified Fraud Examiners.

28. The Office of Compliance, Risk Management and Ethics is currently consolidating best practices in assurance<sup>2</sup> at the three levels of the Organization into a global compliance programme to align with WHO's latest organizational risk profile, as reflected in the latest Principal Risk update.

## DUE DILIGENCE AND NON-STATE ACTORS

29. Throughout 2023, the Due Diligence and Non-State Actors Unit conducted activities to advance implementation of the Framework of Engagement with Non-State Actors, in line with the recommendations in the initial evaluation of the implementation of the Framework and the comprehensive management response to this evaluation.<sup>3</sup>

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<sup>1</sup> The South-East Asia Region trained all administrative officers as anti-fraud and anti-corruption ambassadors; they cascaded their training to all country office staff, conducting more than 20 face-to-face sessions for regional office staff by the end of September 2023. The Eastern Mediterranean Region's 61 anti-fraud and anti-corruption ambassadors cascaded training to all 34 budget centres, training 370 staff and non-staff from 12 country offices and 152 staff and non-staff in the Regional Office for the Eastern Mediterranean. Within the African Region, 23 ambassadors from 17 budget centres cascaded training across 15 country offices and 3 Regional Office for Africa clusters, reaching about 400 staff. Notably, materials were translated into local languages.

<sup>2</sup> To strengthen control and accountability at the country level, the African Region has shifted towards a combined assurance model capturing compliance, risk management and quality assurance reviews. In addition, the Region has conducted four quality assurance reviews, two programme and administrative reviews, and three ad hoc reviews in response to emerging risks. The Eastern Mediterranean Region has conducted administrative reviews and assurance in five country offices. These reviews have enhanced internal control across business areas. The Region has also used its compliance and accountability platform to streamline ex post facto reviews, making significant progress in communication and collaboration between the Regional Office and country offices, information sharing, problem-solving and programme implementation, and resource allocation.

<sup>3</sup> The management response to the initial evaluation of the implementation of the Framework of Engagement with Non-State Actors is available at <https://www.who.int/docs/default-source/documents/about-us/evaluation/management-response-fensa-evaluation-december2020.pdf> (accessed 29 March 2024).

30. In its role as a specialized Unit responsible for performing due diligence and risk assessment, the Due diligence and non-State actors Unit has intensified efforts to support consistent application of the Framework and expanded the “Demystifying FENSA” initiative launched in 2021. This includes additional tailored communication products, checklists and targeted capacity-building activities across all levels of the Organization. To note, the second edition of the Handbook for non-State actors on engagement with the World Health Organization has been published,<sup>1</sup> and the roll-out of the e-learning course, “Introducing FENSA”, is ongoing.

31. As the Unit’s mandate has shifted towards focusing on complex engagement proposals, consistent application of the Framework and ensuring the integrity of WHO’s normative and standard-setting functions by mitigating or avoiding risks, it has continued providing guidance<sup>2</sup> and recommendations at all levels of the Organization.

32. To further strengthen implementation of the Framework and in collaboration with the regional offices for South-East Asia and the Eastern Mediterranean, the Unit conducted awareness-raising and capacity-building at the regional and country levels to advocate for more engagement with non-State actors, identify common challenges in the application of the Framework and elaborate innovative approaches to better advance the implementation of the policy.

33. While recognizing the importance of strategic engagement with non-State actors across the Organization, the Unit supported the work of technical units at the headquarters and regional levels through the review of multistakeholder initiatives, including networks and partnerships initiated during 2023. Best practices and templates have been created and shared to improve the process.

34. The Unit, in its coordinating role, organized in-person sessions of the FENSA Focal Points network to take stock of tools and actions for strengthening implementation of the Framework and to share lessons learned across the three levels of the Organization. Sessions served also to highlight the achievements and provided an opportunity for participants to share their experience, challenges and successes.

35. In its report to the Executive Board in January 2024,<sup>3</sup> the Unit outlined key achievements with non-State actors during 2023. In the light of comments made at the thirty-seventh meeting of the Programme, Budget and Administration Committee and by the Executive Board at its 152nd session, the Secretariat promptly undertook activities to ensure consistency and coherence in the implementation of the Framework, in particular at the country level, and in accordance with the management response to the initial evaluation of the Framework.

36. The Secretariat continues to make significant strides towards reinforcing a constructive, flexible and positive approach to engagement in line with the Framework, supported by relevant policies and rules, while ensuring a level playing field for engagement with non-State actors. It is important to note that the number of proposals and the volume of engagement have been growing steadily over the last four years, increasing the workload involved in the effective review and management of proposals.

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<sup>1</sup> Handbook for non-state actors on engagement with the World Health Organization, second edition: Geneva: World Health Organization; 2024 (<https://iris.who.int/handle/10665/376253>, accessed 17 April 2024).

<sup>2</sup> In 2023, the Unit conducted over 730 standard reviews. Additional reviews, risk assessments and due diligence were also performed for 250 proposals for the designation or redesignation of WHO collaborating centres (see document EB154/36).

<sup>3</sup> Document EB154/36.

37. To support the Executive Board, the Unit assessed applications from non-State actors for admission into official relations, and for triennial review, for consideration by the Board at its 154th session.<sup>1</sup> In line with the Framework, due diligence and risk assessments were conducted for each non-State actor, and entries in the WHO Register were verified and updated, together with supporting documentation. The Unit also reviewed joint collaboration plans and annual reports on activities implemented jointly with non-State actors in official relations. At its 154th session, the Executive Board approved the renewal of official relations with 75 non-State actors that were due for triennial review, deferring the review of five entities for decision at its 156th session, in January 2025, and discontinuing official relations with one entity.<sup>2</sup>

38. While Member States emphasized their trust in the Secretariat and raised no issues with regard to the application of the eligibility criteria for admission into official relations with WHO and the due diligence and related processes for official relations set out in the Framework, they requested<sup>3</sup> the Programme, Budget and Administration Committee to conduct further discussions regarding the proposal to admit the two entities listed in Annex 1 to document EB154/37, including at its informal meeting, and to provide a recommendation to the Executive Board at its 155th meeting, through the fortieth meeting of the Programme, Budget and Administration Committee in May 2024,<sup>4</sup> to enable the Board to finalize its decision.

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

39. The Committee is invited to note the report and to provide guidance in respect of the questions set forth below.

- What actions should the Secretariat envisage to roll-out the risk management framework across the three levels of the Organization and to fully embrace the “Established” level of maturity in its journey towards the “Advanced” status?
- Which steps should the Secretariat undertake to adopt a robust case management system for ethics, exploring integration with already existing platforms within the Organization, with the ultimate view of having a single case management system?

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<sup>1</sup> Document EB154/37.

<sup>2</sup> Decision EB154(12) (2024), paragraph 1(b).

<sup>3</sup> Decision EB154(12), paragraph 1(a).

<sup>4</sup> See documents EB155/2 and EB155/7.