



**World Health  
Organization**

**PROGRAMME, BUDGET AND ADMINISTRATION  
COMMITTEE OF THE EXECUTIVE BOARD  
Thirty-fourth meeting  
Provisional agenda item 2.1**

**EBPBAC34/2  
14 May 2021**

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## **Independent Expert Oversight Advisory Committee: annual report**

The Director-General has the honour to transmit herewith to the Programme, Budget and Administration Committee of the Executive Board, for the Committee's consideration at its thirty-fourth meeting, the report submitted by the Independent Expert Oversight Advisory Committee (see Annex).

ANNEX

**REPORT OF THE INDEPENDENT EXPERT OVERSIGHT ADVISORY  
COMMITTEE TO THE PROGRAMME, BUDGET AND  
ADMINISTRATION COMMITTEE, MAY 2021**

**BACKGROUND**

1. The Independent Expert Oversight Advisory Committee (IEOAC) was established by the Executive Board in May 2009 under resolution EB125.R1, with terms of reference **to advise the Programme, Budget and Administration Committee (PBAC)**, and through it the Executive Board, on matters within its mandate, which primarily include:

- reviewing the **Financial Statements** of WHO and significant financial reporting issues;
- advising on the **adequacy of the Organization’s internal controls and risk management systems**;
- reviewing **management’s risk assessment** and the comprehensiveness of the ongoing **risk management processes**;
- reviewing the effectiveness of the Organization’s **internal and external audit functions, investigation function and the evaluation function**;
- monitoring the timely, effective and appropriate **implementation of all audit findings and recommendations**.

2. This report is the eleventh annual report of the IEOAC to the PBAC and summarizes progress achieved in its work from May 2020 to April 2021. It covers the thirty-first (30 June 2020–1 July 2020), thirty-second (3–6 November 2020) and thirty-third (29–31 March 2021) meetings of the IEOAC.

3. Due to the current COVID-19 health pandemic, all meetings were held virtually.

4. The Committee received the required support from management.

5. The members of IEOAC who participated in the above three meetings were: Mr Christof Gabriel Maetze (Chair), Mr Jayantilal Karia and Mr J. Christopher Mihm. Mr Bert Keuppens participated as an observer in the thirty-second and thirty-third meetings.

**WHO REVIEW**

6. At its thirty-first, thirty-second and thirty-third meetings the Committee received updates from WHO senior management on key issues. These included how WHO was adjusting to work under the COVID-19 pandemic circumstances as well as the status of the Organization’s continued programme implementation.

7. The IEOAC was informed that as of today, WHO is operating largely in a remote environment. Despite the restrictions imposed through travel restrictions and remote working, 40% of the Thirteenth

General Programme of Work, 2019–2023 (GPW 13) has been implemented at the end of 2020, with a likely implementation rate of 90% at the end of the current biennium.

8. Travel restrictions have made support for country office operations and the usual alignment across the three levels of the Organization more challenging.

9. Apart from increasing virtual engagement and introduction of new ways of working, country offices have been permitted to pursue a temporary local hiring strategy to counterbalance the lack of regional or head office support and the inability of expert staff to travel to countries.

10. Overall, the long period of remote work has been mastered well from a technical standpoint of view; however, like most organizations working remotely over an extended period of time, WHO is experiencing visible signs of negatively affected staff well-being, engagement and overall mental health.

11. The Committee takes note of these challenges and applauds WHO's declaration of 2021 as the "Year of the Workforce", underpinned by various concrete measures and activities. It further advises senior management to consider alternative ways of addressing the remote-staff engagement, working fatigue and mental health challenges and to continue strengthening measures to protect staff mental health and well-being.

## **INTEGRITY OF FINANCIAL STATEMENTS, INCLUDING STAFF HEALTH INSURANCE**

12. At its thirty-third meeting, the IEOAC received confirmation from the Director of External Audit, Office of the Comptroller and Auditor General of India that there were no major changes in accounting policies or judgements made by management in the preparation of the Financial Statements in accordance with International Public-Sector Accounting Standards (IPSAS).

13. The Committee reviewed and discussed with management the 2020 Financial Statements. It assessed the key underlying accounting policies, the reasonableness of significant judgements and the clarity of disclosures and noted that the Financial Statements have been prepared and submitted in a timely manner (with a reasonable number of audit recommendations).

14. Given that the accounts were compliant with IPSAS and that the Auditors would be issuing an unmodified opinion on the 31 December 2020 Financial Statements of the WHO, the Committee recommends the submission of the Financial Statements 2020 to the PBAC, and thereafter to the World Health Assembly.

15. The IEOAC also takes note of the External Auditors recommendations pertaining to the need for the Organization to address the increasing trend of misconduct as well as the need for WHO to continue and reinforce the adoptions of a risk-based approach to the prevention of such misconduct.

16. With regard to the recommendations of the External Auditor, **the Committee urges senior management to continue tracking and addressing all recommendations issued in a timely manner and to initiate corrective measures if required. The Committee recommends that the regular self-assessment questionnaires related to risk management should include open recommendations issued by all relevant mechanisms, such as the External Audit, the Office of Internal Oversight Services (IOS), the Joint Inspection Unit (JIU) and the Evaluation Office, in order to enhance the overall value of these self-assessments.**

17. With regard to reported revenues and expenditures in 2020, the Committee takes note that in 2020, WHO reported record revenues of US\$ 4299 million<sup>1</sup> (after US\$ 3116 million in 2019<sup>2</sup>) and total expenditure of US\$ 3561 million<sup>1</sup> (after US\$ 3088 million in 2019<sup>2</sup>). Much of the growth is due to the role of WHO in fighting the COVID-19 pandemic. The implementation of WHO strategic priorities is shown in Table 1 below.

**Table 1. Implementation rate by strategic priority as at 31 December 2020 (in thousands of US dollars)**

Description	Programme budget 2020–2021	Expenses 2020	Total expenses	Difference – Programme budget and expenses	Implementation (%)
<b>Strategic priority</b>					
1. One billion more people benefiting from universal health coverage	1 358 770	557 027	557 027	801 743	41%
2. One billion more people better protected from health emergencies	888 845	262 558	262 558	626 287	30%
3. One billion more people enjoying better health and well-being	431 079	108 194	108 194	322 885	25%
4. More effective and efficient WHO providing better support to countries	1 090 006	444 611	444 611	645 395	41%
Polio eradication, emergency operations and appeals and Special Programmes	2 071 700	1 690 905	1 690 905	380 795	82%
<b>Total</b>	<b>5 840 400</b>	<b>3 063 295</b>	<b>3 063 295</b>	<b>2 777 105</b>	<b>52%</b>

18. As per Figures 1 and 2 below, revenue trends show that voluntary contributions have increased as a proportion of WHO's overall revenue from about 80% five years ago (2016) to about 89% last year, while assessed contributions show a corresponding decline over the same period from 20% to 11%. This trend accelerated in 2020 due to the influx of voluntary contributions received in response to the COVID-19 pandemic. Nominal assessed contributions have roughly stayed the same for more than a decade, while overall requirements and revenues of WHO have grown. The Committee recommends discussion on the change of the calculation formula for such contributions to ensure that they are ensuring stable contribution **in real terms**.

<sup>1</sup> WHO Financial Statements 2020

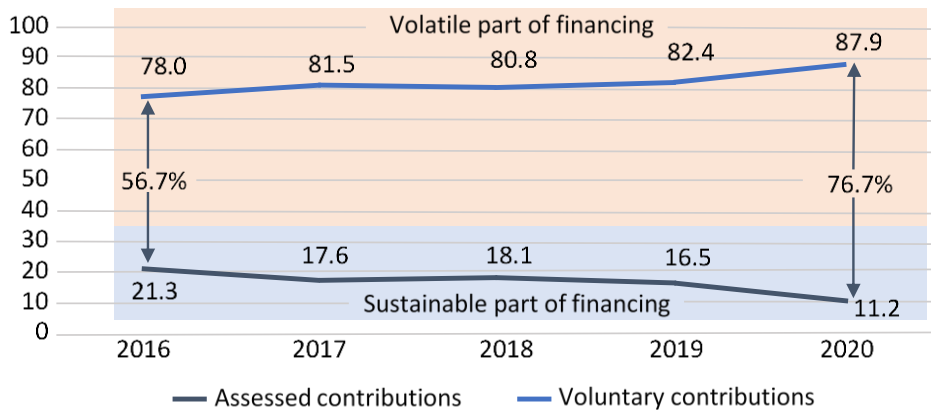
<sup>2</sup> WHO Financial Statements 2019

**Fig. 1. Assessed contribution and voluntary contributions: percentage share of total WHO revenues**

Sustainable assessed contributions are on an unhealthy downward trend that should be reversed



Assessed contributions and voluntary contributions  
Percentage share of total WHO revenues

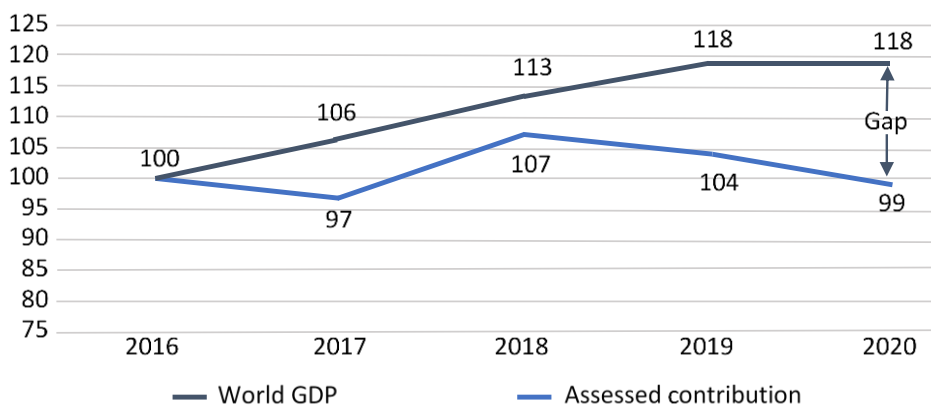


**Fig. 2. Assessed contribution and World GDP development**

Nominal assessed contributions have decoupled from underlying GDP growth since 2016



Assessed contributions and World GDP development  
Indexed back to 2016



19. **The Committee is concerned about the declining part of assessed contributions as part of overall WHO financing and encourages Member States and senior management to continue and accelerate their constructive dialogue and actions with regard to putting WHO finances on a more sustainable path.** The Committee is actively participating in the discussion of the WHO Working Group on Sustainable Finance.

20. With regard to total expenditure, the Committee noted an increase from 2019 to 2020. Expenses were highest in the non-base segment of the Programme budget 2020–2021, for polio eradication, emergency operations and Special Programmes, which totalled US\$ 1691 million, an increase of 24% from 2019 (US\$ 1359 million). The main driver for the increase is the response to the COVID-19 pandemic, for which total expenditure in 2020 was US\$ 912 million.<sup>1</sup>

21. Expenses for medical supplies and materials nearly doubled in 2020, accounting for 15% of total expenses in 2020 versus 8% in 2019. The large increase (US\$ 524 million in 2020 compared to US\$ 259 million in 2019) was due largely to the supply chain operations WHO set up to rapidly procure and deliver the supplies and equipment needed to respond to the COVID-19 pandemic.<sup>1</sup>

22. Given the increased activity level, **the Committee urges management to continue focusing on properly functioning internal control systems to mitigate the risks associated with contractual services, in particular the procurement of medical supplies and materials.**

23. Following an update on the Staff Health Insurance Fund (SHI) provided at its thirty-third meeting, the Committee noted that as at 31 December 2020 the actuarial valuation of the future liability of SHI was estimated at US\$ 2880 million (US\$ 2031 million in 2019), of which US\$ 1145 million (US\$ 947 million in 2019) or 40% is funded.<sup>1</sup>

24. Total funding increased by US\$ 198 million or 21% compared with 2019.<sup>1</sup> The increase in liability is mainly due to the current external economic factors (such as lower interest rates leading to decreased discount rates, exchange rate fluctuations and medical inflation among others).

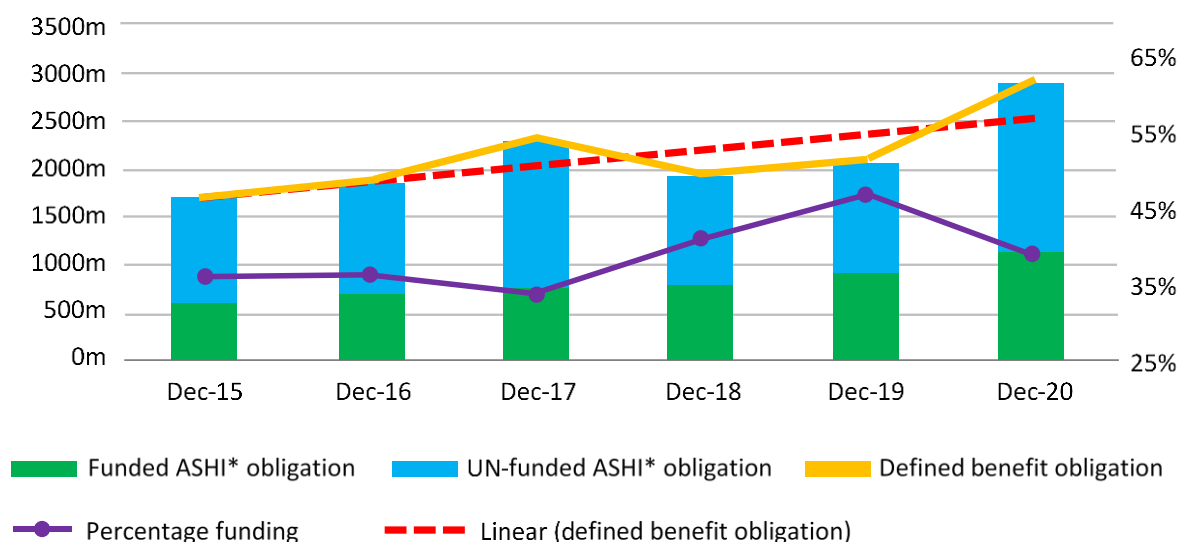
25. The Committee has for many years reported the year of SHI's likely full funding. After intensive discussions, however, it has come to the conclusion that such a presentation is most likely not fully appropriate for SHI. The future value of SHI's obligations is dependent on a number of assumptions that are subject to significant change and volatility that would distort the quality of this measure. The Committee therefore believes that a report on **the long-term trend of SHI funding** appears to be more informative. Despite major changes in assumptions, as shown in Fig. 3 below, the overall SHI funding trend in 2020 continues to appear to be on a reasonable mid-term trajectory.

26. In this regard the IEOAC encourages senior management to continue its efforts aiming at reasonable funding of the SHI in the medium-term.

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<sup>1</sup> WHO Financial Statements 2020

Fig. 3. SHI liability funding status



## INTERNAL OVERSIGHT

27. At both its thirty-first and thirty-third meetings, the Committee was provided with an update on internal oversight functions. Particular focus was given to timely implementation of oversight recommendations and the backlog of investigations. Senior management briefed the Committee about the Director-General's weekly meetings on accountability functions and an implementation plan to address systematic issues such as delayed reporting and the backlog of investigations. This is complemented by additional resources to fund fixed-term and short-term staff to address the backlog of investigations. The Committee is pleased to note that the increased funding will finally permit the investigation function of the WHO to address both (1) the likely inflow of new investigation matters and (2) the backlog of existing investigations.

**28. The Committee reiterated its earlier recommendation to deal with the backlog of investigations, which is necessary to ensure full closure of all cases in a reasonable time frame, and in this respect appropriate benchmarks should be established based on lessons learned following review of the outcomes of investigations.**

29. The Committee also noted the positive action of moving key documents into Cloud Files, thus facilitating access for audits. It was also briefed on the importance of replacing the current enterprise resource planning (ERP) system to enhance the first and second lines of defence on internal controls and was informed that funds had been allocated for the temporary and fixed-term staff required to support the ongoing work of the department.

**30. For the new ERP-system, the Committee reminded management that it should continue its efforts to minimize customization of the system and use the system change as a unique opportunity to review and, where applicable, change internal processes instead, including control processes.** The WHO should try to avoid adapting its new ERP system to the current process flows but instead initiate an end-to-end review and adoption.

## COMPLIANCE, RISK AND ETHICS

31. The Committee was pleased to receive a detailed update on the compliance, risk management and ethics work under way at WHO, including in the area of sexual exploitation and abuse as well as in preventing and addressing abusive conduct.

32. It was also informed that a global review of WHO's compliance landscape to ensure it is fit for purpose is currently under way, with external subject matter expertise.

33. The IEOAC noted the comprehensive policies, procedures and processes of WHO in the area of compliance, risk management and ethics. However, it reminded management that the true test of quality is in the application of these policies and urged the Organization to move from policy to action and the embedding of procedures in operational practices across the three levels of the Organization in order to ensure that potential disconnects between WHO procedures and the reality on the ground are proactively avoided.

34. Specifically, the IEOAC urges management to:

**(a) issue guidance on risk tolerance levels for key risks and how to translate those tolerances into operational level decisions;**

**(b) ensure that all principal risks are updated in the risk register and that the Risk Committee meets on a regular basis to update and review WHO's risk management efforts; and**

**(c) ensure that decisions are not taken on risks or perceived risks in isolation but by weighing risk and reward.**

## ACCOUNTABILITY FUNCTIONS, ANTI-CORRUPTION AND FRAUD PREVENTION

35. Following the PBAC's request in which "... it asked the Independent Expert Oversight Advisory Committee to assess the anti-fraud and anti-corruption work in WHO",<sup>1</sup> a review of anti-fraud system, policies, guidelines and their comprehensive application across the three lines of defence as well as the three levels of the Organization was undertaken and reported to the PBAC at its thirty-first meeting.

36. A similar exercise in the area of anti-corruption was carried out during the thirty-third meeting of the IEOAC, at which it noted that a number of positive measures such as the creation of a toolbox with various fraud prevention policies, will be established by February 2022; The IEOAC also noted that due to the COVID-19 pandemic, there have been huge challenges with respect to the availability of medical supplies. The Committee appreciates the ambitious road map of the WHO and invites management to ensure that the relevant functions are appropriately staffed and funded.

37. The IEOAC recommends that WHO should ensure the embedding of anti-fraud and anti-corruption work into programmatic implementation work in order to ensure that they become an integral part of the overall delivery of programmes.

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<sup>1</sup> See document EB146/3, para 11.



## REVIEW OF THEMATIC AREAS

38. Similar to previous reviews carried out in 2020 in the area of transformation, human resources, and IT and cybersecurity at its thirty-first and thirty-third meetings, the IEOAC received an update on WHO's work on the Framework of Engagement for Non-State Actors (FENSA); the WHO Foundation; and the evaluation of the WHO transformation.

(a) **FENSA.** The Committee was pleased to note that the Organization is working towards putting in place a correctly calibrated system. However, it urged the Organization not to focus only on the quantitative results of FENSA but also to seek to regularly derive high-level qualitative lessons learned that will ensure a permanent feedback loop, which in turn will permit a FENSA policy and application that is fit for WHO purposes. The balancing of well-intended policies with operational realities at regional and country levels remains an ongoing challenge.

(b) **WHO Foundation.** The WHO Foundation was established as an independent foundation in accordance with relevant Swiss law to permit a wider range of donations for the WHO. The contractual arrangements between the WHO and the WHO Foundation attempt to strike a delicate balance between the required independence of the Foundation and the assurance of the overall goals with the WHO. Having received a general update with regard to how WHO manages its interactions with the WHO Foundation, and with the objective of protecting the Organization, the IEOAC **recommends that WHO Internal Oversight should include a review of the WHO Foundation in its workplan in the coming 24 months. In addition, the agreement with the WHO Foundation should be interpreted in such a way that the audit clause ensures that the WHO has the authority to conduct an audit of the Foundation periodically and as part of its overall assurance cycle.**

(c) **Evaluation of WHO transformation.** The Committee has actively participated in the shaping, performance and review of the evaluation of the WHO transformation. The overarching objective of the evaluation was to assess the progress of WHO transformation at all levels of the Organization from July 2017 to 2021 and the status of implementation of the WHO transformation plan and architecture. More specifically, the evaluation was tasked with:

- documenting key achievements, good practices, challenges, gaps and areas for improvement in the implementation of WHO transformation thus far;
- assessing whether change management issues and barriers to implementation have been appropriately considered and addressed; and
- making recommendations, as appropriate, on the way forward to enable the full and consistent implementation of WHO transformation.

39. In light of the ongoing implementation of the transformation, this evaluation was a formative exercise – that is, forward-looking in its orientation – with a view to providing key stakeholders (that is, the Secretariat, Member States and others) with an independent, objective and impartial assessment of progress to date and in so doing, identifying any necessary course corrections to help inform the implementation of the transformation moving forward.

40. Overall, it is recognized that WHO transformation design is an ambitious, complex change management endeavour that addresses many areas requiring organizational change that will be crucial for enhancing the Organization's potential impact at country level. This process was extensive and

multifaceted, relying on a methodical review of prior reform efforts, both globally and at regional levels: what these initiatives had and had not accomplished; the lessons they had generated; and where they had left off. What resulted was a suite of organizational changes that address both the “hard wiring” aspects of organizational change (for example, structural, process and policy refinements) and the “soft wiring” aspects (for example, cultural change). **If these continue to be implemented well, WHO transformation could help reorient the Organization for enhanced impact at country level.**

41. Within this broad positive assessment, however, two significant gaps – one in the design and another in the process underpinning the design and its ongoing implementation – could hinder WHO transformation’s success if they are not addressed. **First, while the design is appropriately multifaceted in its breadth and organizational reach, it is not clear precisely how comprehensive it is in addressing all critical areas requiring change or how its individual initiatives work together in a coherent and complementary manner to truly transform the Organization, because the design was not informed by an overarching theory of change or logic model.** An inferred theory of change was retroactively developed by the evaluation team at the outset of the evaluation, with active engagement by the evaluation reference group, for the purpose of understanding the initiative so as to evaluate it effectively; however, this externally developed framework to aid the evaluation is not a substitute for an internally developed management tool to aid the management of this ambitious, complex and high-visibility process in a strategically sound manner. Such an internally-developed instrument would serve as a clear road map to concretely articulate what the desired end state of being transformed “looks like” and precisely how the elements of transformation will work together, both individually and in tandem with each other, towards this desired end state. In so doing, it would also assist those most directly engaged in and responsible for the transformation in implementing important aspects of the change management process, including the phasing and prioritization of activities; the management of resources, process efficiency and cost-effectiveness; and risk management. Importantly, it would also serve as a vehicle for transparent communications with key stakeholders, including staff and Member States, in order to ensure a clear shared understanding of the road map beyond the “what” aspects of the transformation (for example, what the objectives are and what activities WHO is undertaking towards these ends) to include also the “how” and “why” (for example, how multiple activities might mutually reinforce each other towards a single shared objective, how a single activity might be pursued to influence multiple objectives, how to avoid operating at cross purposes, why certain activities have been pursued over others towards a desired end state, and so on).

42. **The lack of such consistent and clear communications, specifically as it relates to Member States, constitutes the second significant gap identified in the evaluation.** There is strong evidence that staff were actively engaged in the process – in consultations, as change supporters and at the highest level of the Global Policy Group – and WHO staff participating in the staff survey reported a reasonably high degree of understanding of, and support for, the WHO transformation’s overarching objectives and what is being undertaken to achieve them. By contrast, Member States contributing to the evaluation generally express a lack of familiarity with key aspects of the initiative, coupled with dissatisfaction at having been insufficiently engaged during the design phase or informed throughout implementation. Fundamental issues – such as what activities of the Secretariat are and are not considered to be directly related to transformation; what the end state of being transformed will look like; how and when they will know the Secretariat has been transformed; and where the Organization is in achieving these outcome-level objectives – all constitute important information and knowledge gaps expressed by numerous Member States. The shortcomings in engagement with Member States to date are likely linked to a lesson garnered in previous reform efforts, whereby these efforts were noted to have been Member State-driven and top-down in approach. However, the lack of adequate engagement of Member States prevents them from adequately exercising their role and responsibilities. For some Member States, it has also resulted in missed opportunities to contribute to key change initiatives and instead may have led to perceptions that the Secretariat was not communicating as transparently as it should. **Coupled with the lack of a theory of change or logic model that would form the basis for such interactions,**

**the lack of active engagement reported by numerous Member States poses a risk to the ultimate success of WHO transformation if not remedied.**

43. It is important to underscore that while progress has been substantial, the roll-out of the transformation is taking longer than envisioned in the 2018 transformation plan and architecture document, in which it was suggested that changes would be consolidated by mid-2019. The activities that are focused on external partnerships and building a results-focused strategy are the closest to being considered fully implemented, while several business processes and human resource initiatives have lagged but progress is expected in these areas in 2021. Less progress has been made in the activities that are focused on fostering a motivated and fit-for-purpose workforce. However, given the uniquely decentralized structure and characteristics of WHO, the scope of the transformation agenda, the interdependencies of many of its initiatives – and the COVID-19 pandemic response, during which time gains have continued to be made within the seven workstreams despite this significant disruption – progress is nonetheless noteworthy. A majority of staff responding to the survey agree that WHO is on track in delivering the transformation agenda.

44. With respect to stakeholder sentiment about the initiative’s purpose, very few activities were identified as not being useful; where concerns were raised by interviewees, these were mainly with regard to the new headquarters structure, which was clearly challenging on a personal and professional level for some of those most directly affected by it. Somewhat more critical feedback was shared on the sheer number of actions being undertaken in parallel and the impact they had on existing workplans and the onset of “reform fatigue” (not least of all for staff in smaller operational units and in country offices whose work WHO transformation has been seeking to help rather than hinder). The slow pace of quick wins intended to foster early ownership of transformation was another shortcoming that was frequently mentioned: although all but one of these quick wins was reported as being complete in December 2018, there was mixed evidence that this was the case.

45. As indicated, progress in implementing the WHO transformation has been significant, **but it is still incomplete**. As a result, it is premature to provide a definitive or thorough assessment of the end results that these activities have had on the work of the Organization. At the same time, the evaluation did aim to gather the available evidence on any tangible improvements in the functioning of the Organization that have resulted from key changes completed to date, particularly in light of the recognition that, as described above, some activities may entail a shorter time horizon for observing desired changes than others. In this context, there have been some tangible though limited improvements evidenced in the “hard-wiring” aspects of organizational change (that is, structures, processes and policies) and in the “soft-wiring” aspects (that is, more collaborative and results-oriented organizational culture). At the same time, there are areas in which targeted improvements have not yet materialized. With respect to structures, processes and policies, there is widespread recognition by staff and Member States alike that the new operating model pursued by WHO under its transformation, whereby it has reoriented itself around achieving impact at country level to address the triple billion goals, has had concrete positive effects on the work of the Organization. These include an organizational structure that is now clearly aligned to the GPW 13; strengthened strategic planning and programme budget processes that are all aligned to the GPW 13; a cascading of the overarching organizational goals into the workplans of individual operating units and individual performance objectives; a heightened focus on results by way of strengthened monitoring, evaluation and knowledge management systems (embodied in such concrete actions as the GPW 13 Output Scorecard; the GPW 13 Results Framework and WHO Impact Measurement Framework, and the WHO Academy); more women in senior leadership positions; improved career progression opportunities for national professional staff; a deeper appreciation for the role of evidence in the work of the Organization (exemplified in the creation of the Science Division and the role of the Chief Scientist); and importantly, a trend towards increased resources in WHO regional offices and a more creative approach to resource mobilization more generally (aided by the

additional funding received for the COVID-19 pandemic response and the subsequent establishment of the WHO Foundation).

46. Small but positive and significant indications of progress have also been noted in the areas of WHO's organizational culture that were targeted by transformation despite the lower level of implementation progress in this workstream. A range of initiatives have been launched in this regard – for example, the WHO Values Charter, the Change Supporters Network, the open-door policy, the World's Healthiest Organization, #ProudToBeWHO and the Global Task Force on Flexible Working Arrangements – with the aim of transforming WHO into a modern, results-oriented, agile and collaborative Organization that can deliver on the commitments enshrined in the GPW 13. The need for such changes within WHO has been widely and openly acknowledged for some time. At the same time, achieving significant and long-lasting changes in organizational culture are often much more difficult to achieve than structural or process changes. The small but positive changes detected at this stage of transformation are therefore particularly noteworthy. In particular, the level of staff members' belief that they are heard and valued and that staff ideas and expertise are being respected has increased, arguably because the baseline sentiment on these was quite low.

47. Beyond these perceived shifts towards a stronger and clearer results orientation and a more inclusive environment for staff, **few tangible results have been observed to date at the country level.** For example, less progress has been made in resourcing WHO country offices with the staff they need to achieve impact, either through the deployment or creation of posts at this level, the rotation of staff from other corners of the Organization to the field or a combination of both measures.

48. The Committee will continue to engage with senior management to ensure that the lessons learned from the current evaluation are properly translated into corrective action and the implementation of tangible results at the country level.

## OTHER MATTERS

49. The current terms of reference of the IEOAC are from 2013 and no longer properly reflect the organizational realities at the WHO. Also, the JIU has undertaken a review of audit and oversight committees in the United Nations system in 2019<sup>1</sup> and issued several recommendations. The intended revision of the terms of reference of the IEOAC serve to include these recommendations into the IEOAC terms of reference with the aim to bring the WHO up to the UN system standard.

50. While several proposed changes in the envisaged revision are of a more technical nature, there is one issue the Committee would like to highlight. The WHO has an unusual overall oversight architecture, consisting of the IEOAC and the Independent Oversight and Advisory Committee (IOAC) for the WHO Health Emergencies Programme (WHE). Even though the IOAC focuses on the WHE, there is substantial overlap and duplication of work between the IEOAC and the IOAC. The Committee has highlighted this on various occasions; however, concrete steps towards a better delineation of oversight Committee duties at the WHO remain outstanding.

51. The Committee notes the limited support it has received from the Secretariat on issues of terms of reference renewal.

52. After consultation with the Chair of PBAC, the Committee recommends the following process for the amendment of its terms of reference to ensure alignment:

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<sup>1</sup> JIU/REP/2019/6.

1. Presentation of an IEAOC-authored draft of new terms of reference to the members of PBAC in May 2021.
2. Solicitation of feedback from PBAC members and/or the Secretariat to the IEOAC until the end of June 2021.
3. Based on the feedback obtained, the IEOAC would then present a final draft of the new terms of reference to the PBAC meeting to be held in January 2022 for consideration, discussion and – if agreed – forwarding to the Executive Board.
4. The Executive Board considers the proposal of the PBAC and adopts it accordingly.

## **SUMMARY AND RECOMMENDATIONS**

53. **With regard to External Audit recommendations, the Committee urges senior management to continue tracking and addressing all recommendations issued in a timely manner and to initiate correction measures if required.**
54. **The Committee is concerned about the declining part of assessed contributions as part of overall WHO financing and encourages Member States and senior management to continue and accelerate their dialogue on putting WHO finances on a more sustainable path.**
55. **The Committee urges management to continue focusing on properly functioning internal control systems in order to mitigate the risks associated with contractual services, in particular the procurement of medical supplies and materials.**
56. **With respect to internal oversight, the Committee reiterated its earlier recommendation to deal with the backlog of investigations which is necessary to ensure full closure of all cases in a reasonable time frame and in this respect appropriate benchmarks should be established based on lessons learned following the review of outcomes of investigations.**
57. **The Committee also recommends that WHO internal oversight should include a review of the WHO Foundation in its workplan in the coming 24 months. In addition the agreement with the WHO Foundation should include an appropriate audit clause to ensure that WHO has the authority to conduct an audit of the Foundation periodically.**
58. **With respect to the new ERP, the Committee advises management to continue its efforts to minimize the customization of the system and accept changing its internal processes instead.**
59. **In the area of risk management, the IEOAC urges management to:**
  - (a) **issue guidance on risk tolerance levels for key risks and how to translate those tolerances into operational level decisions;**
  - (b) **ensure that all principal risks are updated in the risk register and that the Risk Committee meets on a regular basis to update and review WHO's risk management efforts.**
60. **The IEOAC recommends that WHO should highlight risks that focus on fraud and corruption, which should become part of programme implementation to improve the overall delivery of programmes.**

61. Lastly, the IEOAC recommends that WHO should prioritize its activities within a reasonably designated time frame with the objective of ensuring that lower priority initiatives are not carried out at the expense of the Organization's key normative functions.

**Mr Christof Gabriel Maetze (Chair), Mr Jayantilal Karia,  
Mr J. Christopher Mihm.**

## Appendix

Issue raised	Actions/comments by WHO Secretariat	Status
The lack of a strong organizational structure to deal with emergencies.	This recommendation is superseded by World Health Assembly resolution WHA73.1. In addition, the International Health Regulations (2005) Review Committee, resident coordinators and the Independent Panel for Pandemic Preparedness and Response (IPPR) are reviewing various aspects on how to strengthen the WHE: this will lead to further actions by the Secretariat in the near future.	Completed
Create a formal mechanism or structure to institutionalize the lessons learned from audit findings across the whole Organization.	Progress on implementing this recommendation has been previously reported to the IEOAC and PBAC. An ongoing system exists, in which reviews of recommendations from various evaluations, audits and other reviews/assessments, shortlisting of priority recurring, systemic, cross-cutting issues and their biannual follow-up with business owners are presented to senior management. This is bolstered by annual reports on consolidated management responses to recent evaluations and an implementation status report for JIU report recommendations from the past five years (rolling), which is available on the Evaluation Office website (May). In recognition of the importance of these areas, a Senior Adviser for Organizational Learning was appointed in July 2020 to ensure follow-up on implementation of recommendations and strengthen organizational learning.	Completed
Undertake “what if” or “scenario” planning in order to understand the full impact on programmes of the projected funding shortfall and to share the results with Member States.	At the IEOAC meeting held in July 2019, management briefed the Committee on the issue of the inequitable distribution of funds across programmes. The Committee was informed that most underfunded programmes for which donor funding is not forthcoming receive flexible funds as part of the management decision-making process. In addition, this information is also shared with Member States as part of the PBAC financial implementation agenda item.	Completed

Issue raised	Actions/comments by WHO Secretariat	Status
<p>Concern regarding the sustainability of SHI due to significant unfunded long-term liability.</p>	<p>As of March 2021, the Fund actuary AON Consulting has confirmed that SHI is not legally obligated under IPSAS to set aside funds for the plan in advance. However, SHI has expressed the intention to eventually fully fund the accounting liability. The primary way to achieve this goal is to grow the surplus of contributions over claims and above-target investment returns, thus building up assets.</p> <p>SHI has funded 36% of its long-term liability as at the end of 2020 and compares favourably with other UN ASHI health insurance schemes in terms of the % of ASHI liability funded (it ranks eighth of 25 organizations, based on the last survey).</p> <p>In addition, at its thirty-third meeting the IEOAC came to the conclusion that after many years during which the Committee has reported the year of SHI's likely funding, such a presentation is most likely not fully appropriate for SHI. The Committee therefore believed that a report on the long-term trend of SHI funding is more informative. It confirmed that despite major changes in assumptions, the SHI funding trend in 2020 continues to appear reasonable.</p>	<p>Completed</p>
<p>There are many recommendations coming from various sources such as the JIU, external audits, internal audits, the Office of Compliance, Risk Management and Ethics, and evaluations. Management has recognized the need to have a consolidated process to address all the recommendations in order to ensure that they are managed appropriately and effectively. IEOAC recommends having a central repository to monitor all such recommendations and the corresponding actions to be taken.</p>	<p>Progress has been made to develop a consolidated digital platform for monitoring recommendations from various sources (including from IEOAC, PBAC/Executive Board and accountability functions) and their timely follow-up. This new user-friendly approach will enable more efficient progress updates and relational linkages across sources of recommendations to reduce duplicative effort and will enhance organizational learning (inclusive of the process identifying priority recurrent, systemic issues and their follow-up). The effort is being led by the Senior Adviser for Organizational Learning.</p>	<p>Completed</p>
<p>Management to develop a plan with a root cause analysis of overdue donor reports, strategies for addressing the issue and clear milestones against which to measure progress going forward.</p>	<p>At its meeting held in July 2019, the Committee received an overview of the process of the recording and tracking of the reporting due to donors through the review and signing of donor agreements, establishment of awards and status of donor reports. The Comptroller informed the Committee that most of the donor reports marked as overdue were due to the fact that although the reports were actually submitted to the donors, these were not entered in the WHO system as submitted. In 2019, the Committee noted that the number of overdue donor reports had decreased from 1,016 in December 2018 to 343 in June 2019. As of 2021, although the number of reports are increasing, reflecting increasing volumes of agreements, the key controls implemented in 2019 remain unchanged.</p>	<p>In progress</p>



Issue raised	Actions/comments by WHO Secretariat	Status
The Committee recommends that Management take appropriate actions to ensure that all internal audit recommendations are implemented on a timely basis with appropriate follow-up. Management may also wish to include this item as one of the key performance indicators.	To address this recommendation and therefore ensure appropriate reporting and follow-up to audit recommendations, a results indicator, (percentage of audit observations responded to in a timely manner, with an emphasis on addressing systemic issues) is available in the Programme budget 2020–2021 under output 4.2.2. (The Secretariat operates in an accountable, transparent, compliant and risk management-driven manner, including through <u>organizational learning and a culture of evaluation.</u> )	Completed
The Committee recommends that the transformation process have a dedicated risk register and that WHO’s principal risks be owned and monitored by senior management.	The Office for Transformation Implementation and Change has established a risk register in alignment with the corporate risk management policy, processes and tools. A transformation-related risk has also been included in the corporate/principal risk register.	Completed
The Committee advises management to move forward to improve the coordination and alignment of resources, through the adoption of an enterprise-wide IT, data and cybersecurity approach.	The Secretariat has accelerated several cybersecurity road map activities to strengthen the Organization's cybersecurity detection, protection, and response processes. Key cybersecurity road map initiatives are still waiting for recurring cost–funding approval.	In progress
As part of WHO transformation, the Committee urges senior management to continue to focus on change management efforts and the management of the risk of staff fatigue and exhaustion.	The external evaluation of the transformation agenda is specifically looking at this and is expected to provide recommendations on how to address this as part of transformation implementation going forward. These recommendations, along with recommendations from other reviews (such as IPPR and the International Health Regulations (2005) Review Committee) will be taken into consideration after the Seventy-fourth World Health Assembly.	In progress
The Committee recommends that there be greater alignment between the results and impact framework and key performance indicators across the country, regional and headquarters levels. A locally sensitive and country-centred approach, while appropriate, must be integrated with regional and global goals, targets and results frameworks. Furthermore, key performance indicators should also be continuously examined to ensure that they contribute to the triple billion targets and that synergies are sought continuously with the health-related and other Sustainable Development Goals.	A data governance mechanism has been established and the World Health Statistics Report 2020 and the Global Health Estimates for 2009–2019 have been released. Additional indicators that are important are under review. There is a need to have ongoing discussion with Member States on adding indicators for the GPW13 that are already being monitored by the Secretariat. A proposal will be submitted to Member States this year. The Secretariat will ensure minimizing the additional data-collection burden on countries.	Completed

Issue raised	Actions/comments by WHO Secretariat	Status
<p>The Committee recommends that, starting with a high-level enterprise-wide risk appetite statement, WHO articulates a hierarchy of cascading risk appetite statements, with measures and limits where appropriate.</p>	<p>The definition of a risk appetite approach needs Organization-wide steering and alignment. A three-level approach will allow risk appetite principles to be cascaded down in operations with the definitions of measures/indicators and limits/thresholds where appropriate. On 31 March 2021, the WHO Risk Management Committee endorsed the prioritization of risk appetite work as part of its activities' workplan.</p>	<p>In progress</p>
<p>The Committee recommends that special attention be given to compliance risks within the risk management process and wishes to highlight the importance of compliance because of the dependence of WHO on voluntary contributions and the goodwill of Member States and donors. Furthermore, the health effects of climate change need to be at the centre of WHO's enterprise risk management considerations.</p>	<p>WHO is currently undertaking an independent review of the compliance landscape to further strengthen its compliance strategy, processes and tools, in particular in the COVID-19 pandemic context. The health effects of climate change are discussed in the context of the update of principal risks by the WHO Risk Management Committee.</p>	<p>In progress</p>
<p>While the Committee notes a significant reduction in the number of overdue direct financial cooperation reports, it remains concerned about the direct implementation mechanism. It therefore recommends that root cause analyses be undertaken and that a reset of WHO's financing mechanism be considered.</p>	<p>Since this recommendation was made, several initiatives have been implemented to improve controls and increase the oversight and monitoring of direct financial cooperation agreements and direct investments. Major revisions to direct implementation policy were implemented in mid-2020 and now clearly define when direct implementation can be used and when it may not be used. These clarifications, together with an up-front quality assurance check performed at regional and headquarters levels (within the Global Management System workflow, implemented in January 2020), help ensure that direct implementation is only used as defined in the policy. The implementation in July 2021 of the Global Assurance Hub that will coordinate direct financial cooperation/direct implementation assurance activities across the Organization will greatly enhance the transparency on the use of these country implementation modalities so that targeted follow-up to exceptions and recommendations can be undertaken. In terms of identifying alternative mechanisms, this is not necessarily the approach needed at this stage, given that the direct financial cooperation and direct implementation mechanisms as currently defined are robust and have many built-in controls that can efficiently support ministries of health in implementing their programme of work. Direct implementation is the only way that large public health interventions (such as immunization campaigns) in the field, which involve large numbers of field workers, can be implemented by WHO. As described above, the measures taken to clarify their use, as well as the increased controls and oversight implemented for these two mechanisms, should address the concerns raised under this recommendation.</p>	<p>Completed</p>

Issue raised	Actions/comments by WHO Secretariat	Status
The Committee recommends a strong alignment and integration of data collection and data management efforts across the Organization through a single data repository for all three levels of the Organization.	The WHO Division of Data, Analytics and Delivery for Impact has begun building the World Health Data Hub as the single corporate solution with a country portal (for exchange with Member States); a data lake (to serve as the single repository of all WHO data); and Datadot (an outward-facing modern portal with state-of-the-art visualizations, insights and stories).	Completed
Based on the briefings received during its visit to Rwanda with respect to the emergency preparedness efforts by the country office, the Committee urges WHO to consider the structures and mechanisms needed for countries in the transition between emergency and normal operations.	The WHO Emergency Response Framework is currently undergoing revision and will strengthen the management of acute versus chronic emergencies. A number of tools are being developed (including an emergency toolkit) to support country offices on aspects of compliance, particularly in facilitating the winding down of operations after an emergency. The WHE country business model is also being reviewed. The methodology used by a number of regions to perform functional reviews for each country office remains the best way of assessing the optimal structure required for a given country.	Completed
Furthermore, with regard to the African Region, the Committee advises WHO management to explore partnerships with the national supreme audit institutions in the Region's countries to strengthen public accountability, pinpoint improvement opportunities and identify workable solutions to problems and capacity gaps. The exemplary work done by the Audit Service of Sierra Leone in October 2014 on the Ebola virus disease response in that country suggests how mutually beneficial such partnerships could be.		In progress
Finally, the Committee suggests that the Regional Office for Africa work with national health ministries to improve the capacity of public health systems and ensure that it is making full use of other United Nations system work that has been produced on standards and practices to improve public administration.	The Regional Office for Africa is conducting an annual meeting with the Health Sector's Directors for Policy and Planning to share guidance, experiences and challenges in improving their public health systems in the context of universal health coverage attainment. In addition, the WHO business rules handbook was developed and shared with country ministries.	Completed

Issue raised	Actions/comments by WHO Secretariat	Status
The Committee recommends that all cases of fait accompli noted by the Contract Review Committee be reported to senior management, for review and appropriate actions to ensure accountability, and that a report be made to the Committee on an annual basis, including actions taken by management to address accountability.	All cases of fait accompli have previously been shared with senior management through the annual reports of the Contract Review Committee. The consolidated report for 2019–2020 will be finalized and shared by the end of the second quarter of 2021. By the end of each calendar year, the IEOAC will be provided with a report in follow-up to the Contract Review Committee report of the preceding year, including on actions taken by management to address accountability; the first such report will be submitted at the end of 2021. This recommendation is therefore partly implemented and will be fully implemented by the end of 2021.	In progress
The Committee recommends a review of SHI funding projections as these may need to be adjusted in light of the impact of the COVID-19 pandemic. Although the Committee appreciates the SHI cost containment methods, it recommends that SHI funding projections be reviewed as they may need to be adjusted in light of the impact of the COVID-19 pandemic.)	In 2020, the global effects of the COVID-19 pandemic led to reduced usage/claims for deferred non-urgent health care. The Fund actuary AON Consulting has since confirmed that full funding is now projected to be reached in 2047.	Completed
The Committee recommends that the accountability framework of WHO issued in 2015 be updated as soon as possible so that all stakeholders are aware of their responsibilities related to accountability.	This recommendation is also captured in the PBAC's recommendation, at its thirty-second meeting (see document EB147/2, para. 17(e)), that the Secretariat "[c]ontinue to promote a strong culture of accountability, including by implementing best practice policies and procedures that support robust tracking, monitoring, efficiency and transparency for all core business integrity operations, and by strengthening the relevant dimensions of WHO's accountability and internal control frameworks". This is an ongoing process.	In progress
With respect to FENSA, the Committee reiterates the importance of continuing dialogue with the private sector, especially in the current environment of the COVID-19 pandemic.	The Office of Compliance, Risk Management and Ethics, Due Diligence and Non-State Actors Unit has developed a series of communication tools and training modules to demystify FENSA as an enabling policy that encourages engagement with non-State actors, including private sector and business associations.	Completed
In light of the current pandemic and the use of flexible working arrangements, senior management is invited to consider alternative and/or additional ways of addressing the remote-staff engagement, working fatigue and mental health challenges of staff. In addition, due to the growing threats in the area of cybersecurity, investments in this area should be continued.	The Secretariat has accelerated several cybersecurity road map activities to strengthen the Organization's cybersecurity detection and protection and key cybersecurity road map initiatives. Sustainable financing and predictable financing for full implementation of the road map is being worked on and periodic updates provided to Member States.	In progress

Issue raised	Actions/comments by WHO Secretariat	Status
At the country level, the Committee advises WHO to continue to apply its efforts to transformation and above all to ensure ownership of the overall process and objectives. Senior management is encouraged to ensure continued two-way dialogue with WHO staff so that the spirit of transformation is not lost.	Work is under way to address the major shifts needed to enhance WHO's country presence and fully unlock the Organization's potential to deliver impact at country level (see document EB148/32). With respect to staff engagement, senior managers are actively encouraged to ensure two-way dialogue with their staff through open hours, regular staff meetings and in other forums such as "ask-the expert" sessions.	In progress
With respect to internal oversight, the IEOAC strongly recommends providing additional time-bound project capacity to dealing with the backlog of investigations, as well as providing a milestone plan for this project.	In February 2021, the Director-General approved the overall IOS recruitment plan and approach to addressing the backlog and strengthening the underlying capacity to meet the ongoing caseload. In addition, a draft of the annual report of IOS to the World Health Assembly was shared with the IEOAC in advance of its April 2021 meeting, which contained details of the approved actions to strengthen the investigations function by providing additional resources for full-time staff as well as a surge capacity to address the backlog over a 12–15 month period.	In progress
The IEOAC recommends approval of the three head count (Head of Investigations – Team Lead, Group Lead Investigations, Group Lead Investigations Support) for IOS and the immediate start of the hiring process. The IEOAC recommends the inclusion of independent, external expertise in the selection panel.		
In the area of procurement, the IEOAC advises a continued focus on the area of procurement fraud and proposes regular updating of relevant anti-fraud policies. It encourages WHO to systematically enhance analogue and digital tools for protection against fraud for field use in country offices, as well as to continue or increase efforts to reinforce a zero-tolerance culture.	Since the third quarter of 2020, WHO has been implementing a road map to enhance its anti-fraud/anti-corruption policies, tools and practices through improved prevention, detection and response mechanisms. In this context, WHO is exploring the possibility of incorporating in the next generation of ERP systems a fit-for-purpose anti-fraud/corruption data analytics function. In the meantime, the road map assesses the additional needs of guidance, tools (such as fraud/corruption assessment checklists) and training for the business areas exposed to the risk of fraud and corruption, such as procurement.	In progress
The IEOAC advises that procedures and processes related to pandemic response establish the right balance between perfection and speed.	The WHO Emergency Response Framework is currently undergoing revision taking into consideration experience, in particular in the Ebola virus epidemic response in the Democratic Republic of the Congo and the COVID-19 pandemic response. The eManual, section XVII (covering emergency operation processes) is also undergoing extensive review and will be adapted accordingly before the end of 2021.	In progress

Issue raised	Actions/comments by WHO Secretariat	Status
Senior management to provide written feedback to the IEOAC on proposed new terms of reference as well as an implementation road map by 15 DEC 2020	Written feedback on the terms of reference of the IEOAC was provided to the Committee at its thirty-third meeting.	Completed
European Regional Office to carry out a cost– benefit analysis of geographically dispersed offices (GDOs), with a focus on the need for enhanced collaboration among them.	The Regional Office for Europe is undertaking a full country presence review on how we support the country offices. This will include GDOs and how they function. The Regional Office for Europe review will also be submitted to IOS so that it may audit one or two of the GDOs in its schedule this year.	In progress
IOS to consider adding GDOs in the European Region to the audit programme of 2021.		
Senior management to continue building out FENSA as the primary tool of interaction with non-State actors and a particular emphasis on its enabling rather than its prohibiting elements. Part of this approach may entail identifying specific good practices and case studies to aid in considering individual situations.	The External Relations Division is developing an engagement strategy with non-State actors that responds to recommendation 6. <sup>1</sup> The strategy will also serve as an instrument to encourage engagement with non-State actors in advancing global health and WHO’s priorities as articulated in the GPW 13 and the Programme budget 2020–2021. The engagement strategy aims to establish clear organizational objectives of engagement with non-State actors; define indicators to measure progress towards these objectives; promote organizational coherence in working with non-State actors; and embed regional and cluster-specific strategies. Consultations with technical units and the three levels of the Organization on the draft strategy will allow the sensitization of staff to a more proactive engagement approach in line with both the GPW 13 and FENSA.	In progress
The Regional Office for Europe to continue focus on efficiency in addition to effectiveness focus and further enhancements of digital process support and overall digital infrastructure as well as further aligning outputs to outcomes	The Regional Office for Europe to continue to focus on efficiency, in addition to effectiveness focus and further enhancements of digital process support and overall digital infrastructure, as well as further aligning outputs to outcomes.	In progress
Country office (Turkey) to ensure that regular auditing of accredited implementing partners is carried out in a timely fashion	The Finance, Compliance and Procurement Unit is engaged in a process to streamline the assurance process with the other agencies in Turkey. Letters of Agreement Non-Grant with Turkey is also part of our internal audit and review process.	In progress

<sup>1</sup> <https://www.who.int/docs/default-source/documents/about-us/evaluation/management-response-fensa-evaluation-december2020.pdf>. Management Response Initial Evaluation of Framework of Non-State Actors (accessed 13 May 2021).

Issue raised	Actions/comments by WHO Secretariat	Status
Country office (Turkey) to consider shifting temporary employment contracts to longer terms, with the addition of a provision “subject to renewal or availability of funds and/or extension of mandate” in line with other the practice of other UN agencies.	With regard to the concerns raised, the Ombudsman of the European Regional Office has informally and in a confidential manner engaged with the Turkey country office. In addition, the Department of Human Resource for Health is implementing a recruitment drive to fill revised/vacant positions in the restructured organigrams. Lastly, WHE has agreed that in OCR projects funded in excess of 12 months, staff on temporary appointments will be converted to fixed-term status, where possible. This will have a positive impact in Turkey, which has two major projects funded by European Union and KfW (a German state-owned investment and development bank) for 3 years.	Completed
At the country level, WHO should continue to employ its efforts on transformation and above all should ensure ownership of the overall process and objectives.	Work is under way to address the major shifts needed to enhance WHO’s country presence and fully unlock the Organization’s potential to deliver impact at country level (see document EB148/32). With respect to staff engagement, senior managers are actively encouraged to ensure two-way dialogue with their staff through open hours, regular staff meetings and in other forums such as “ask-the expert” sessions.	In progress
Senior management to continue to ensure that procedures and processes related to pandemic response establish the right balance between perfection and speed.	Various independent and internal review processes that have been established to review the pandemic response (such as the Independent Panel for Pandemic Preparedness, IEOAC, the International Health Regulations (2005) Review Committee and the Global Preparedness Monitoring Board) are informing the further strengthening of WHO's pandemic response and preparedness for further events.	In progress
Senior management to continuously refresh scenario planning with regard to membership changes if and when new information emerges. – As far as reasonably possible, scenario planning should include possible second-round effects beyond financial impact. – The IEOAC advises that WHO ensure that there is no possibility of a perceived conflict of interest during the establishment of the independent evaluation panel.	(a) Scenario planning – two PBAC recommendations (see document EB146/3) address this issue and this work is in progress. (b) IPPR: “completed” as the Panel has been established following all due diligence requirements.	In progress

Issue raised	Actions/comments by WHO Secretariat	Status
The IEOAC recommends continued focus on the area of procurement fraud based on experience from other UN system organizations and the private sector.	Since the third quarter of 2020, WHO has been implementing a road map to enhance its anti-fraud/anti-corruption policies, tools and practices through improved prevention, detection and response mechanisms. In this context, WHO is exploring the possibility of incorporating in the next generation of ERP systems a fit-for-purpose anti-fraud/corruption data analytics function. In the meantime, the road map assesses the additional needs of guidance, tools (such as fraud/corruption assessment checklists) and training for the business areas exposed to the risk of fraud and corruption such as procurement.	In progress
The IEOAC recommends regular updating of relevant anti-fraud policies following the transformation and related changes in processes and organizational set-up.	Since the third quarter of 2020, WHO has been implementing a road map to enhance its anti-fraud/anti-corruption policies, tools and practices through improved prevention, detection and response mechanisms. In this context, WHO is drafting a revised anti-fraud/anti-corruption policy with roles and responsibilities updated to the latest organizational context.	In progress
The IEOAC encourages senior management to systematically enhance analogue and digital tools for protection against fraud for field use in country offices.	Since the third quarter of 2020, WHO has been implementing a road map to enhance its anti-fraud/anti-corruption policies, tools and practices through improved prevention, detection and response mechanisms. In this context, WHO is exploring the possibility of incorporating in the next generation of ERP systems a fit-for-purpose anti-fraud/corruption data analytics function. This should contribute to enhance protection against fraud in remote locations.	In progress
The IEOAC encourages senior management to continue or increase efforts to reinforce a zero-tolerance culture, with particular emphasis on training and education at the country level.	Since the third quarter of 2020, WHO has been implementing a road map to enhance its anti-fraud/anti-corruption policies, tools and practices through improved prevention, detection and response mechanisms. In this context, WHO has been assessing the need for additional guidance, tools (such as fraud/corruption assessment checklists) and training for the business areas that are exposed to the risk of fraud and corruption. Once developed, the roll-out of new tools and guidance to all regions will contribute to reinforce the zero-tolerance culture at country level.	In progress
The IEOAC recommends making an adjusted and modernized Accountability Framework of the WHO a cornerstone of the accountability function enhancement project.	The accountability overview report provided to PBAC provides a high-level summary of WHO's organizational accountability, complementing individual reports of the Office of Compliance, Risk Management and Ethics, IOS and the Evaluation Office. This forum provides an important opportunity for the WHO Secretariat to highlight the implementation of best practice policies and procedures. A system has been established to track all WHO governing body recommendations related to WHO's accountability functions in order to ensure that there is timely follow-up of implementation and reporting back on recommendations.	In progress



Issue raised	Actions/comments by WHO Secretariat	Status
The IEOAC recommends ensuring timely implementation of IOS recommendations through their inclusion in senior managers' compacts.		In progress
With regard to the Evaluation Office, the Committee looks forward to next year's evaluation plan and suggests that the plan include, as a core focus, assessments of how the Organization responded to and managed the COVID-19 pandemic.		New
Senior management is invited to consider alternative and/or additional ways of addressing the remote-staff engagement, working fatigue and mental health challenges of staff.		New
Senior management to consider including both individual and team goals in individual performance contracts.		New
Senior management to consider the introduction of a formal performance management calibration mechanism, including review of the current 5-point rating scale to a more practical scale based on current practices.		New
Senior management to consider publishing the distribution of staff ratings on an aggregated level within WHO to provide a benchmark and transparency to individual staff members.		New
The IEOAC recommends ensuring that governance systems, policies and procedures at the WHO Foundation are established on a priority basis to shield WHO from potential reputational risk.		New
Senior management to ensure continued two-way dialogue with WHO staff so that the spirit of transformation is not lost and staff at all levels feel a sense of ownership for the transformation and so that any concerns are being heard.		New

Issue raised	Actions/comments by WHO Secretariat	Status
<p>The IEOAC recommends a review of overall IT spending in relation to revenues as part of the overall planning cycle.</p> <ul style="list-style-type: none"> <li>– The IEOAC recommends a review of the ratio of “run the WHO” to “change the WHO” IT spending and the consideration of additional “change” investments.</li> <li>– The IEOAC recommends harnessing available systems and platforms from other UN organizations during the modernization of WHO’s Global Management System and considering the overall integration of ERP systems with other UN system organizations rather than integrating only those parts of the ERP that share common use of some functionalities.</li> </ul>		New
<p>At its thirty-first meeting, following discussions with senior management and IT staff, the IEOAC noted that “total IT-spending at the WHO currently stands at below 2% of total revenues compared to 3.7% worldwide average according to expert benchmarking studies (Gartner)”. As there is no perceivable link between cybersecurity and health goals, “the IEOAC recommends the continuation of IT and cybersecurity investments to protect the Organization despite the missing ‘business case’ for such investments”.</p>		New

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