
Compliance, risk management and ethics: annual report

Report by the Director-General

1. WHO has continued to follow up on its commitment to fully incorporate transparency and accountability in all its work, with the aim of ensuring that it is able to fulfil its mission, as laid out in the Thirteenth General Programme of Work, 2019–2023. The Secretariat continues to make steady progress in promoting and fostering ethical principles as the basis of WHO's work, establishing a culture of positive risk management in the Organization and improving accountability internally as well as to Member States.
2. This report provides an update of the actions taken by the Secretariat in 2020:¹ (a) to promote the highest ethical standards, codes of conduct and core values; (b) to establish a culture of positive risk management across the Organization; and (c) to implement policies, procedures and tools to enhance organizational accountability and compliance with regulations and rules.

ETHICS

3. During 2020, the Secretariat worked on a policy to prevent and address abusive conduct, covering harassment, sexual harassment, discrimination, and abuse of authority. Finalized jointly by the Office of Compliance, Risk Management and Ethics and the Department of Human Resources and Talent Management, it expands on the draft policy on sexual harassment developed in 2019, with inputs from technical departments specializing in related areas, the Secretariat functions to prevent and address conflict across the Organization, and the staff associations. The policy follows the novel approach taken by the United Nations Chief Executives Board Model Policy on Sexual Harassment, and is consistent with the ethical framework developed by WHO (including the code of ethics and professional conduct and the policy on whistleblowing and protection against retaliation) and the WHO Staff Regulations and Staff Rules. It will be the subject of targeted awareness raising and training throughout 2021, in addition to the mandatory training modules already available on sexual harassment and sexual exploitation and abuse.
4. The Secretariat is fully committed to demonstrating zero tolerance for sexual exploitation and abuse and has established the Independent Commission on Allegations of Sexual Exploitation and Abuse in the Democratic Republic of the Congo during the response to the tenth Ebola virus disease outbreak. The Co-Chairs have appointed the Commissioners, the Commission Secretariat is fully

¹ For the previous annual report, see document EBPBAC32/4.

staffed, and the external company to conduct the fact-finding and related investigations has been selected. The first progress report of the Commission was received at the end of January 2021.

5. WHO actively participated at senior level in the Inter-Agency Standing Committee mission report to the Democratic Republic of the Congo, with a view to strengthening the prevention of sexual exploitation and abuse network in the country, establishing a system-wide strategy for preventing sexual exploitation and abuse, and supporting the network by recruiting a Coordinator in Goma.

6. The Secretariat is fully committed to implementing the recommendations contained in the Inter-Agency Standing Committee mission report, in particular, the deployment of a prevention of sexual exploitation and abuse unit embedded in the epidemic response team which would support an overall Inter-Agency response by the prevention of sexual exploitation and abuse network. Furthermore, the Secretariat – along with its Inter-Agency partners – will refine its scale-up and response model to focus on retaining sufficient oversight of recruitment, procurement and other activities in order to limit the risk of sexual exploitation and abuse. This will contribute to ensuring a survivor-centred approach in the deployment of personnel in emergencies, reporting mechanisms, investigations and survivor protection measures.

7. The Secretariat has continued to make available to all staff and affiliated personnel the mandatory training in the prevention of sexual exploitation and abuse with a completion rate approaching 95%.

8. WHO's implementing partners have minimum standards in place to prevent and respond to sexual exploitation and abuse: the general contractual conditions for all types of services have been updated to underpin WHO's zero tolerance of sexual exploitation and abuse; and contractors are required to take all reasonable and appropriate preventive measures. The Secretariat also added a question to the checklist for emergencies sent to implementing partners engaged through Letters of Agreement addressing policy and investigations of sexual exploitation and abuse.

9. The Secretariat has finalized its full and accurate reporting of all allegations of sexual exploitation and abuse related to WHO staff and affiliated personnel to the Secretary-General. Furthermore, the Secretariat is fully committed to implementing decision EB148(4) (2021) and is taking steps to strengthen the prevention of sexual exploitation and abuse, and to employ a focused risk management approach.

10. The significant increase in the number of requests for advice reaching the Office of Compliance, Risk Management and Ethics noted in 2019 was further accentuated during 2020 with well over 400 individual requests for advice on ethical dilemmas and related matters being submitted. This was due partly to heightened awareness resulting from communication and awareness-raising efforts undertaken since 2016, and partly to the exceptional challenges posed by the COVID-19 pandemic. In addition, as at the end of November 2020, 276 reports had reached the Integrity Hotline, which receives reports of ethical concerns raised by staff members, as well as the general public globally, including anonymously. These reports have included the following broad categories: 50 reports related to breaches of the WHO code of ethics and professional conduct, conflict of interest, discrimination and favouritism; 25 reports raising human resources issues and breaches of the WHO Staff Regulations and Staff Rules; 22 reports addressing questions of potential fraud, corruption and bribery; 11 reports of abuse of authority and harassment; and 159 reports of substantial danger to public health and personal safety, mainly in relation to the COVID-19 pandemic. Additionally, there were six reports of alleged sexual harassment and three of alleged sexual exploitation and abuse, which were referred to the Office of Internal Oversight Services for investigation.

11. A new online tool was adopted in 2020 to systematize the annual collection and management of the declarations of interests required from staff members in designated employment categories. The aim is for senior staff (at the P5 level and above) and procurement and other staff in sensitive functions (at the G5 level and above) to declare their interests proactively. The Office of Compliance, Risk Management and Ethics reviews declared interests and advises staff members, as appropriate, about mitigating actions. In 2020, this exercise involved over 3000 staff members across the Organization who submitted their declarations of interest online. In addition, over 100 staff members submitted requests for authorization of an outside activity during the course of 2020.

12. Concerning external experts and advisers who are requested to disclose conflicts of interest that may arise when they are invited to participate in technical working groups or provide expert opinions on matters related to public health, 1736 such declarations of interest were reviewed by the Office of Compliance, Risk Management and Ethics in 2020. With regard to consultants, the Office provided advice to technical departments, the Department of Human Resources and the regional offices on managing disclosed interests, as well as specific advice on 114 completed declarations of interest. The Office also provides regular input and support on a range of issues connected with the code of ethics and professional conduct to technical departments across the Organization.

RISK MANAGEMENT

13. The COVID-19 pandemic caused enormous changes and uncertainty in global health and challenged ways of working across the globe. This unique situation brought the concept of risk management to the forefront of daily concerns. It showed that proactive risk management is key to preparedness and strengthened resilience when facing uncertainty.

14. In order to reach WHO's ambitious targets set out in the Thirteenth General Programme of Work, 2019–2023, an enhanced risk management approach is being developed. As part of this approach, the Office of Compliance, Risk Management and Ethics, and WHO's regional network of compliance and risk management focal points, seized the opportunity offered by the pandemic to undertake several capacity-building and awareness-raising activities, with a view to further enhancing a culture of risk management within the Organization.

15. Such an enhanced risk management approach is aimed at ensuring that staff members at all levels of the Organization understand the threats WHO faces in delivering its work, while effectively balancing those threats with opportunities. The ongoing development of a risk appetite framework is a critical element of this enhanced risk management approach as it should, once adopted and endorsed by senior management and other key stakeholders, support rapid and effective decision-making at all levels of WHO.

16. In 2020, WHO adopted the United Nations system-wide reference risk maturity model, which was approved by the United Nations High-Level Committee on Management at its 38th session in October 2019, in order to strengthen its risk management approach. The risk maturity model serves as a common planning tool to help United Nations organizations define a road map leading to the next risk maturity stage, to be used in conjunction with a set of practical guidelines that assist the organizations to identify their risk appetite when pursuing their objectives.

17. The United Nations reference risk maturity model spans several dimensions: policy framework; governance; processes and integration with operations; systems and tools; risk capabilities; and risk culture. The following paragraphs present an update on the progress made in each dimension.

18. **Policy framework** – As a result of the COVID-19 pandemic and the activities and initiatives implemented in response to it, WHO is facing many risks which may significantly impact on its strategy, reputation or financing landscape. Moreover, WHO’s expanding role in delivering complex health emergency services makes it essential for staff to be quick in decision-making at all levels. This situation has increased the urgency for the Organization to define a comprehensive risk appetite framework, building on lessons learned over the past few years. The definition of a comprehensive risk appetite framework should allow staff at all levels of the Organization to understand the boundaries within which they are expected to operate, thus allowing fast decision-making and informed risk-taking. Risk appetite is a key element in the risk management architecture and will need to be re-defined with active senior management buy in and support. Ground work in support of the revision of the risk appetite framework has started with discussions involving senior management at regional and headquarters level and the review of WHO’s risk universe (taxonomy) and related governance.

19. **Governance** – Regional and local (country level) risk committees play a crucial role in promoting the design and implementation of the revised risk appetite framework. In recent years, progress has been made in establishing such committees, and work is ongoing to assess whether the latest corporate risk management committee architecture would enable the integration of risk management into daily activities at all levels commensurate with future revisions to the risk appetite framework.

20. **Processes and integration with operations** – As in the case of other organizations and businesses, the COVID-19 pandemic also had an impact on WHO activities. Business continuity management plans were activated and provided an opportunity to highlight areas of improvement for effective preparedness, as well as to engage with staff in order to advise on the best way to integrate risk management into daily practices. For example, the regional offices for South-East Asia and the Western Pacific developed risk management guidance and tools for assessing risks in the context of COVID-19 business continuity plans. The Regional Office for Europe launched a tool to facilitate the oversight of business continuity activities in all country offices and field locations. Efforts in this area will continue as the United Nations community recently released a revision of its policy on Organizational Resilience Management Systems to the United Nations High-Level Committee on Management for approval.

21. Risk identification remains strongly connected to the delivery of Programme budget 2020–2021 activities, with budget centres across all regions linking their identified risks to the outputs of the Thirteenth General Programme of Work, 2019–2023. Efforts were made to better connect internal controls considerations into the review of organizational performance as measured by the output scorecard. The Office of Compliance, Risk Management and Ethics and the Department of Planning, Resource Coordination and Performance and their respective networks continue to collaborate, with a view to ensuring that planning and performance assessment exercises acknowledge both the risks faced by the Organization and the resources needed to respond to them. On that note, building on the results of the 2019 compliance reviews and audits, analyses are ongoing to re-think how risk management and compliance functions should serve WHO country offices so as to maximize their impact. As a result of this review, a global “investment plan” for risk and compliance functions at the three levels of the Organization will be defined and proposed as part of the planned review of the Programme budget 2022–2023.

22. **Systems and tools** – The Secretariat plans to replace its enterprise resource planning system in the coming years. The Office of Compliance, Risk Management and Ethics and the network of regional focal points collaborate closely with business owners in charge of developing the next generation of enterprise resource planning, with a view to ensuring that: (i) risk responses are informed by reliable data from operations at the three levels of the Organization; (ii) risk-based controls are effectively integrated in the process flows to enable “live” and automated “end to end” risk and compliance monitoring; and (iii) possible operational thresholds reflecting accountability and risk appetite

frameworks are embedded in the system and reported in a timely fashion in order to inform decision-making. While some regions, such as the Eastern Mediterranean Region, have started working on this last point with the establishment of risk management dashboards, the enterprise resource planning system replacement project provides an opportunity to define a common framework of indicators serving global objectives.

23. **Risk capabilities and risk culture** – As highlighted above, the Secretariat undertook several initiatives to further develop risk management capabilities in the Organization. One major achievement was the launch of an online global risk management training programme that will support the Organization’s efforts to maintain a strong risk considerate culture geared towards delivering country impact, in line with the General Programme of Work, 2019–2023. Other important initiatives were launched to assess the state of WHO’s risk culture: in the Regional Office for the Eastern Mediterranean, a risk management maturity survey provided a solid basis for identifying good risk management practices and areas for improvement at the country and regional levels. This resulted, among other measures, in steps being taken to include risk management in the performance appraisals of risk focal points and risk owners. Several risk management workshops for staff were also organized to help capture, in a more dynamic manner, the risks emerging from the pandemic of coronavirus disease (COVID-19).

24. Although significant efforts have been invested this year in the area of risk management, there is still a long way to go in the journey of embedding risk management in operations at the three levels of the Organization. The ongoing work on risk appetite, coupled with the financing of a holistic “investment plan” to increase human resources for risk management-related activities, should be a game changer in this area of work for the next two years.

COMPLIANCE

25. As a result of global travel restrictions to prevent the spread of COVID-19, in 2020 physical oversight activities, such as country compliance reviews, were limited. In response, major offices provided guidance and targeted oversight at facilitating the sound implementation of policy guidelines updated for the pandemic.

26. For example, the Regional Office for South-East Asia, with external partners, disseminated policy guidelines, updated for the pandemic, on various implementation mechanisms, procurement and country implementation tools, while the Regional Office for the Eastern Mediterranean conducted pre- and post-audit compliance desk reviews using a pre-audit self-assessment checklist and an audit dashboard. The Regional Office for Africa has been providing early online support to budget centres, and investigative teams where needed. To further strengthen compliance at headquarters, a compliance unit was established in the Global Service Centre in Kuala Lumpur to assist business operations in headquarters by ensuring adherence to WHO administrative controls, policies, and rules and regulations in the areas of procurement and travel.

27. The COVID-19 pandemic is “creating new opportunities to exploit weak oversight and inadequate transparency, diverting funds away from people in their hour of greatest need”.¹ In this context, and in order to support effective and efficient implementation of WHO activities, the Secretariat is enhancing

¹ United Nations Secretary-General’s statement on corruption in the context of COVID-19, <https://www.un.org/sg/en/content/sg/statement/2020-10-15/secretary-generals-statement-corruption-the-context-of-covid-19-scroll-down-for-french-version>, accessed 15 March 2021.

its anti-fraud and anti-corruption framework. A “road map” has been established to review and strengthen the areas of policy architecture, tools and fraud risk assessment.

28. Furthermore, the Secretariat is currently reviewing its global compliance architecture to ensure lessons learned are effectively captured, good practices are applied globally, and gaps are remedied in a timely fashion. This review is expected to inform WHO’s global compliance strategy and risk appetite framework with a view to ensuring that the diverse compliance-related risks arising from the COVID-19 pandemic are addressed effectively and consistently across WHO, for the successful achievement of objectives at country level.

29. WHO offices continue to assess the effectiveness of their internal controls by completing the annual internal control self-assessment checklist exercise on key aspects of business processes. Despite the challenging operating environment resulting from the COVID-19 pandemic, the consolidated results show that overall, throughout WHO, internal controls have been self-assessed as robust. Across the Organization, monitoring, including country compliance reviews, (ex post facto) on-site verifications and other assurance mechanisms, has been identified as the most challenging control area for 2020. This highlights the implications of limiting oversight ability during 2020 while implementing WHO activities as outlined in the programme budget and in compliance with WHO policies. As part of the compliance review and risk appetite initiatives, the Office of Compliance, Risk Management and Ethics will continue to evaluate the effectiveness of the self-assessment process with a view to better connecting the exercise with the information available from audits, evaluations and other reviews.

30. The Secretariat remains committed to delivering high accountability while fulfilling its mandate. However, there are many challenges in the area of risk management and compliance that will require significant efforts and resources to ensure that associated activities fully support country impact, in line with the General Programme of Work, 2019–2023. Continuous support from Member States for the initiatives contained in this report contribute to building a strong WHO, equipped to deliver against its promise of promoting health, keeping the world safe and serving the vulnerable.

ACTION BY THE PROGRAMME, BUDGET AND ADMINISTRATION COMMITTEE

31. The Committee is invited to note the report.

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