
Compliance, risk management and ethics: annual report

Report by the Director-General

1. WHO continues to follow up on its commitment to 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 (GPW 13). In doing so, the Secretariat has been actively taking stock of the many lessons learned from the COVID-19 pandemic and the publication of the report of the Independent Commission to review Allegations of Sexual Exploitation and Abuse in the Democratic Republic of the Congo during the Response to the Tenth Ebola Outbreak with a view to identifying the immediate changes needed to build a stronger and more efficient WHO.
2. This report provides an update of the actions taken by the Secretariat in 2021 and early 2022 to strengthen its approaches to compliance, risk management and ethics across the Organization in this context. These include: (a) to promote the highest ethical standards, codes of conduct and core values; (b) to reinforce systems for and a culture of risk management across the Organization; and (c) to implement policies through appropriate procedures and tools to enhance organizational accountability and compliance at the three levels of WHO.

ETHICS¹

3. In early 2022, the Ethics Unit in the Office of Compliance, Risk Management and Ethics reviewed and streamlined its mandate to focus on the following four pillars: (a) declarations of interest (annual staff exercise, individual experts, consultants, pre-employment, outside activities, gifts, honours and awards); (b) ethics support and advice (Code of Ethics and Professional Conduct; Code of Conduct for Responsible Research; advice and guidance to the WHO workforce; and as applicable to external parties, including on confidential matters); (c) whistleblowing and protection against retaliation; and (d) education and outreach.
4. Following the streamlining of the mandate and alongside its contribution to strengthening policies and processes related to sexual exploitation and abuse and sexual harassment, the Ethics Unit is currently reviewing WHO policies and processes on the annual staff declaration of interest; the Guidelines for Individual Experts; and the Code of Conduct for Responsible Research and Outside Activities. The

¹ The figures provided in this report date from 16 November 2020 to 31 December 2021 (with the exception of the staff declaration of interest annual exercise, the Convention Secretariat specific declaration of interest process and the WHO Integrity Hotline, which date from 1 January 2021 to 31 December 2021).

recently published review by the Joint Inspection Unit (JIU) of the ethics function in the United Nations system is serving as a guide for this work.

5. **Policy framework** – On 1 March 2021, the WHO Policy on Preventing and Addressing Abusive Conduct¹ was published. Developed in collaboration between the Office of Compliance, Risk Management and Ethics and the Department of Human Resources and Talent Management, the Policy provides comprehensive guidance and support to the WHO workforce on reporting abusive conduct, including sexual harassment, harassment, discrimination and abuse of authority. In 2021, the Department of Human Resources and Talent Management commenced Organization-wide training to promote implementation of this Policy.

6. As noted in the Accountability Overview Report to the Programme, Budget and Administration Committee, the Ethics Unit, together with the Office of the Legal Counsel and the Department for Prevention of and Response to Sexual Misconduct, is revising the existing policy provisions covering whistleblowing, protection against retaliation and the Code of Ethics and Professional Conduct.

7. **Training** – The mandatory e-learning module, “Ethics Empowerment”, which will be available for the entire WHO workforce, remains under development and is due to be released later in 2022. Further training and information sessions based on the ethics mandate will be made available to the entire WHO workforce.

8. **Advice, guidance and support** – In 2021, the Office of Compliance, Risk Management and Ethics received 313 individual requests for guidance and support on ethical concerns and dilemmas. In addition, during 2021, the Office received 171 reports through the Integrity Hotline² from the WHO workforce as well as external parties, which included the following broad range of categories: 27 reports related to breaches of ethical research standards, breaches of the Code of Ethics and Professional Conduct, conflict of interest and discrimination; 31 reports related to human resources issues, harassment, breaches of the WHO staff regulations, rules or policies, personnel health and safety; six reports related to fraud, corruption or bribery, theft or misappropriation; one report related to substantial danger to public health; one report related to retaliation resulting from whistleblowing; 17 reports related to general enquiries and/or feedback; and 80 reports on various other issues including the COVID-19 pandemic. Three reports related to sexual exploitation and abuse were received and transmitted to the Office of Internal Oversight Services. In addition, five reports related to sexual harassment concerns were received: three reports were transmitted to the Office of Internal Oversight Services and two reports were closed.

9. The Office of Compliance, Risk Management and Ethics runs an annual declaration of interest exercise for designated WHO staff. Staff at the P5 level and above and staff members with procurement rights (at the G5 level and above) and undertaking sensitive functions are required to take part in the exercise. The process is administered through an online tool introduced in 2020, which has systemized the annual collection and management of the declarations of interests. The submitted declarations are reviewed and assessed in respect of possible conflict of interest and staff are provided with advice and guidance on mitigating measures in instances where a conflict of interest may be present or may arise. In 2021, 3736 staff members were requested to participate in the annual staff declaration of interest exercise; 3699 staff members submitted their online declarations of interest. In addition, in collaboration

¹ Preventing and addressing abusive conduct: Policy and procedures concerning harassment, sexual harassment, discrimination, and abuse of authority. Geneva: World Health Organization; 2021 (<https://www.who.int/publications/m/item/preventing-and-addressing-abusive-conduct>, accessed 19 April 2022).

² The Integrity Hotline was moved to the Office of Internal Oversight Services at the end of January 2022.

with the WHO Framework Convention on Tobacco Control Secretariat and the Protocol to Eliminate Illicit Trade in Tobacco Products (Convention Secretariat), in 2020 the Office of Compliance Risk Management and Ethics developed a declaration of interest form that complements WHO's annual declaration of interest and addresses the specific needs of the Convention Secretariat in terms of identifying conflicts of interest related to the tobacco industry. This declaration of interest process is complementary to the above-mentioned annual declarations of interest for designated WHO staff. In 2021, 27 Convention Secretariat staff were requested to participate in the Convention Secretariat declaration of interest exercise, which is administered by the Office of Compliance, Risk Management and Ethics/Ethics Unit; 26 staff members had submitted their forms as at the date of reporting.

10. Furthermore, the Office of Compliance, Risk Management and Ethics, in support of and in collaboration with the Department of Human Resources and Talent Management, developed a new declaration of interest form for WHO non-staff workforce. All non-staff workforce must disclose any circumstances that could represent a potential conflict of interest. The disclosures must be made and assessed prior to a person being hired. The Office of Compliance, Risk Management and Ethics supports technical units in the assessment process and provides guidance. The form entered into operation in the final quarter of 2021. Overall and throughout 2021, the Office of Compliance, Risk Management and Ethics provided guidance on 73 requests related to declarations of interests for non-staff workforce.

11. Each year, WHO engages numerous external experts and advisers to participate in technical working groups or provide expert opinions on matters related to WHO's normative work and public health policy. The Office of Compliance, Risk Management and Ethics supports technical units in the declaration of interest assessment process for these experts and advisers and provides guidance. In 2021, 2960 requests were submitted to the Office of Compliance, Risk Management and Ethics, with 960 of those requiring review and advice.

12. The Office of Compliance, Risk Management and Ethics also administers the authorization process for requests received from staff to undertake an outside activity or accept honours, decorations or gifts. In 2021, 147 staff members submitted requests for authorization to undertake an outside activity and 14 staff members sought approval to accept honours, decorations or gifts.

13. The Office of Compliance, Risk Management and Ethics provides regular support and input to technical units and departments across the Organization in connection with its mandate.

RISK MANAGEMENT

14. WHO acknowledges that the world has undergone significant changes and experienced major challenges over the past couple of years, including in relation to the impacts of the COVID-19 pandemic, conflicts and climate change. Consequently, WHO's role in supporting Member States has increased significantly, as have potential risks. WHO's responsibility for implementing the Health Emergency programme has become increasingly critical to achieving the 2030 Agenda for Sustainable Development and the Sustainable Development Goals, as anticipated by the GPW 13. Following the earlier Ebola outbreaks, the COVID-19 pandemic and more recently the invasion of Ukraine, the Organization's risk profile has significantly evolved and will continue to do so. With international risk experts¹ predicting a difficult post-COVID-19 recovery period, with increased exposure to socioeconomic instability and

¹ See The Global Risks Report 2022. World Economic Forum; 2022 (https://www3.weforum.org/docs/WEF_The_Global_Risks_Report_2022.pdf, accessed 19 April 2022).

climate change disruptions, it is likely that WHO will have to respond to an increased number of health emergencies in the near future.

15. In this context, WHO faces a significantly higher level of operational risks. Effectively managing those operational risks at country level requires the Organization to evaluate whether it is adequately equipped to address them at the three levels of the Organization.

16. In response to the above-mentioned issues and previous recommendations of Member States to WHO, in early 2021 WHO launched reviews to take stock of the achievements to date and identify areas in which change is required for risk management, internal controls and compliance in order to best enable the achievement of the GPW 13 objectives in a changing context. The reviews involved intensive consultations at the three levels of the Organization. They helped reconfirm the complementarity between risk management, internal controls and compliance activities and the need to have all three areas operating effectively to reduce to an acceptable level the residual risks the Organization faces. Weaknesses in any of the three areas will inevitably result in increased exposure at country level and create the possibility for several risks to materialize. The outcome of the reviews will be incorporated into a holistic risk management and compliance strategy during 2022.

17. In 2020, WHO adopted the United Nations system-wide reference risk maturity model, which was approved by the High-Level Committee on Management of the United Nations System Chief Executives Board for Coordination at its 38th session, in October 2019, to strengthen risk management approaches in the United Nations. The risk maturity model serves as a common planning tool to help United Nations organizations define a road map for their next risk maturity stage. The United Nations reference risk maturity model spans several dimensions (governance; policy framework; processes and integration with operations; systems and tools; and risk capabilities and risk culture). The following paragraphs present an update on the progress made to date in each of these dimensions and also highlight the areas in which the Organization is investing efforts to improve its maturity.

18. **Governance** – During 2021, one of the main achievements in this area was the revision of the terms of reference of the WHO Global Risk Management Committee, with a renewed representation at senior management levels for each of WHO's major offices (i.e. headquarters and all regional offices), thereby positioning the Committee as adviser to the Global Policy Group (which includes the Director-General, the Deputy Director-General and all Regional Directors) for matters relating to global enterprise risk management and compliance agendas. The Global Risk Management Committee provides an important platform for discussing the risk profile of the Organization and aligning accordingly its divisions, departments, regional offices and country offices on the mitigation of corporate risks (also called "Principal Risks") that require a coordinated response at the three levels of the Organization. Since the beginning of 2021, the Committee has met four times to discuss: (a) the Principal Risks and approaches needed to coordinate their active management within WHO; (b) the maturity of WHO's enterprise risk management system; and (c) the definition of WHO's risk appetite. The Committee builds on the work of the regional risk management committees (or equivalent management structures), for which the regional compliance and risks management network focal points manage the secretariat. For example, the Regional Office of the Eastern Mediterranean has established compliance and risk management committees at both the regional level (chaired by the Regional Director) and the country level (chaired by the respective WHO representatives), thus fostering structured exchanges on critical risk topics between the two levels and alignment in the active management of Principal Risks across the three levels, through a mapping exercise of regional risks and Principal Risks.

19. **Policy framework** – In line with recognized best practices and as requested by the Independent Expert Oversight Advisory Committee for the WHO Health Emergencies Programme’s Subcommittee on the Prevention and Response to Sexual Exploitation, Abuse and Harassment, the Global Risk Management Committee has made significant progress in advancing the definition of risk appetite to guide WHO’s senior management, WHO workforce and its stakeholders, where relevant, on the expected understanding of and attitude to risks in order to maximize health outcomes. This important milestone will help create consistency in the identification and mitigation of risks across the Organization. The regional offices have also been actively engaged in the process and recognize the value of the exercise in guiding daily decision-making. For example, the Regional Office for the Western Pacific emphasized the critical role of defining and operationalizing risk appetite in cultivating a “risk-sensitive culture” and ensure strong accountability to Member States.

20. With regard to the governance and policy framework, WHO is further developing its three-lines-of-assurance model, with clarified roles and responsibilities for each line of assurance at the three levels of the Organization. WHO is piloting an approach in which the key controls needed to manage known risks are defined for each line of assurance and for all actors across the three levels of the Organization for strengthened organizational accountability. This approach, which was piloted for the “procure to pay” process provides a clear framework for defining and allocating responsibilities across the Organization in a transparent and organized manner.

21. **Processes and integration with operations** – Lessons learned from the Independent Commission to review Allegations of Sexual Exploitation and Abuse in the Democratic Republic of the Congo during the Response to the Tenth Ebola Outbreak show that defining and promulgating policies are not sufficient. It has become clear that unless appropriate tools to translate policies into practical and contextualized guidance are developed for the WHO workforce’s use, risks will not be managed effectively. This principle guided the development of the sexual exploitation, abuse and harassment risk assessment tool as part of WHO’s management response to the Independent Commission. With this risk tool, WHO’s budget centres will assess, at least annually, the prevailing risk of sexual exploitation and abuse as a result of factors present in their operational, office or health programmes context. The tool includes a compliance checklist listing all controls that each country office must complete. WHO is currently taking a similar approach to the effective management of its other Principal Risks.

22. It is also important to note that the High-Level Committee on Management approved a revised policy and framework on organizational resilience management systems, which calls for an assessment of all participating agencies’ frameworks and tools for update and adaptation, where relevant.

23. In parallel, the Office of Compliance, Risk Management and Ethics and WHO’s regional network of risk management and compliance officers continued to organize training and briefing sessions with divisions, departments and country offices in order to provide guidance on how to best embed risk management in the different phases of GPW 13 implementation, including biennium planning activities. Regional initiatives raising awareness on the risk of fraud and corruption were undertaken through dedicated workshops in the Regional Offices for Africa and for the Eastern Mediterranean.

24. **Systems and tools** – In the context of the replacement of WHO’s enterprise resource planning system, the Office of Compliance, Risk Management and Ethics and the regional compliance and risk management focal points are collaborating to develop a new risk management tool to further embed risk management into daily activities (including planning), in alignment with principles of the risk appetite framework.

25. With regards to “process integration, systems and tools”, the replacement of the enterprise resource planning system represents a unique opportunity to strengthen risk management activities by

advancing the identification of risks and key internal controls for key business processes, while enabling more “dynamic” compliance monitoring. WHO intends to build a robust internal control component into the enterprise resource planning development road map, through a “business optimization” initiative.

26. **Risk capabilities and risk culture** – The Secretariat continued to carry out activities to further develop risk management capabilities in the Organization with capacity-building and awareness-raising activities. Risk management training and briefing sessions with staff were organized Organization-wide to strengthen skills for and ownership of the topic. Regional offices are investing considerable efforts in this area: for example, in the Regional Office for the Eastern Mediterranean, the outcomes of the risk management maturity survey resulted in, among other measures, the inclusion of risk management as a standing agenda item in all cabinet meetings attended by the WHO representatives and directors. The reviews undertaken by WHO to enhance its risk management and compliance approaches identified the need to invest in additional resources at the three levels of the Organization in order to provide appropriate support to WHO staff in their daily activities, with a specific focus on compliance activities as detailed in the following section.

27. In 2020, the JIU released a report on enterprise risk management in the United Nations¹ and issued four recommendations, one of which recommended that the executive heads of United Nations agencies undertake a comprehensive review of the implementation of enterprise risk management against JIU benchmarks (based on the United Nations Risk Management Maturity Model). The Office of Compliance, Risk Management and Ethics undertook an assessment of the maturity of enterprise risk management in WHO, leveraging past and ongoing independent reviews (e.g. the 2018 Baldwin report on enterprise risk management, ongoing internal control frameworks and compliance reviews). The results of the assessment were presented to the Global Risk Management Committee for endorsement and advice on the next steps. The areas of improvement identified in this assessment will also be incorporated into the comprehensive risk management strategy planned for this year.

28. Although significant efforts have once more been invested this year in the area of enterprise risk management, there still is 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 development of a holistic risk management strategy to increase capabilities where needed, should bring about a significant improvement in this area of work in the future.

COMPLIANCE

29. At the global level, in 2021 the Secretariat reviewed its overall compliance architecture to advise best ways to strengthen the assurance provided over the residual levels of risks in the context of the GPW 13. The Office of Compliance, Risk Management and Ethics is assessing several approaches to improve WHO’s compliance agenda, in the following areas:

- **compliance vision and ambition** – harmonizing the definitions and scope of compliance activities Organization-wide in order for it to efficiently deliver on its mission;
- **governance structure** – clarifying the roles of each line of assurance in contributing to the overall WHO assurance goals and reconfirming the necessity for a strengthened second-line

¹ JIU/REP/2020/5 (available at https://www.unjui.org/sites/www.unjui.org/files/jiu_rep_2020_5_english.pdf, accessed 19 April 2022).

compliance function to assess the level of residual risks for high risk areas and advise senior management in all major offices and at the global level on the related improvements required;

- **compliance programme** – establishing a harmonized risk-based system whereby compliance activities would differ, depending on the risk profile of a given country or programme in terms of scope, the frequency of verifications and reporting and related resource investments; and
- **capabilities and resource requirements** – defining levels of compliance resources for each major office, based on the risk profile of their programmes and country mix and promoting the establishment of dedicated compliance and risk management functions in high-risk programmes and countries.

30. WHO also reviewed its internal control framework to identify the needs for adaptation given recent events and considering the most recent above-mentioned organizational context. Initial conclusions include the necessity to advance the maturity of WHO's internal control framework by further developing the tools to support clarified roles and responsibilities in the first line of assurance, with a view to confirming what minimum controls require robust monitoring for effective management of the risks in all key business processes that contribute to the successful achievement of GPW 13 objectives. The Secretariat conducted a pilot on the procure-to-pay process in order to identify key risks and controls across the three levels of the Organization. Rolling out this approach to additional key business areas in the context of the replacement of the enterprise resource planning system will provide valuable information to embed fit-for-purpose automated controls in the design of the new system, the Business Management System. Regional initiatives in the area of internal controls are a critical complement. For example, the Regional Office for the Western Pacific recently expanded accountability and risk management practices in the daily work of the Regional Office by implementing "risk checklists" and monitoring activities by functional leads.

31. Pending the full integration of enhanced internal controls tools and approaches into the future Business Management System, WHO offices have continued to self-assess the effectiveness of internal controls by completing the annual internal control self-assessment checklist exercise on key aspects of business processes. The consolidated results for 2021 continue to show good results, with risk management and monitoring being identified as an area for further improvement in operations and planning activities. The current disconnect between risk management and budgeting tools limits the full integration of risk management into planning activities. Pending the integration of tools in the context of the enterprise resource planning replacement project, the regional compliance and risk management focal points continue to provide guidance to budget centres to overcome this limitation.

32. Following the easing of COVID-19 restrictions, the regional offices have also resumed on site risk-based compliance reviews in order to check processes and internal controls, identify gaps and help country teams improve overall compliance. Other regional initiatives contributed to further strengthen WHO's accountability functions, such as the country functional reviews in the African and Eastern Mediterranean regions and the country presence review in the European Region aimed at increasingly considering accountability issues in country offices' set-up moving forward.

33. As part of the Secretariat's efforts to update and develop its anti-fraud and anti-corruption framework, WHO has adopted a revised policy to address the prevention, detection and response of fraud and corruption. While WHO was equipped with a series of policies and procedures that address fraud prevention and contribute to the fraud risk management cycle (prevent, deter, detect, sanction), the 2005 "WHO fraud prevention policy" needed to be aligned with: (a) the latest organizational changes; and (b) a more contemporary definition of fraud that goes beyond the strict financial perimeter and considers diverse aspects of corruption. A comprehensive implementation plan was developed that

includes a communication and training strategy to ensure that all aspects of WHO's operations are included. A communication campaign will accordingly be launched during the year to raise awareness and build capacity at the three levels of the Organization.

34. The Office of Compliance, Risk Management and Ethics, in collaboration with an organizational, three-level fraud risk assessment working group, defined a fraud risk assessment methodology, prioritizing business areas according to fraud and corruption vulnerabilities. The area judged to present the most vulnerability was that of the procure-to-pay process.¹ An in-depth assessment of the risk of fraud and corruption was completed for this priority area. The fraud risk assessment exercise was conducted from October 2021 to February 2022 and included a series of bilateral meetings with relevant stakeholders in the supply chain (headquarters and the global service centre procurement teams), as well as dedicated workshops involving colleagues from all three levels of the Organization covering the procure-to-pay process to discuss the different steps of the procure-to-pay process, from needs assessment to payment. An assessment of the inherent fraud risk factors, control environment analysis and recommendations for actions to respond to the fraud exposure (including opportunity for automation) has been formally documented and is being discussed with senior management for inclusion in the BMS business process optimization phase in order to ensure that appropriate automated controls are designed accordingly.

35. In parallel, the Office of Compliance, Risk Management and Ethics has benchmarked fraud risk assessment methodologies in international aid and is designing a tool based on this to assist WHO's workforce in assessing the risk of fraud and corruption with respect to the external and internal factors that their programmes may be facing. A handbook to increase awareness on the risks of fraud and corruption in WHO's operations is also in the final stages of preparation in order to increase awareness in WHO operations.

36. The Secretariat remains committed to delivering a high level of accountability while delivering its mandate; however, the challenges in the area of risk management and compliance are many and will require significant efforts to ensure that risk management and compliance activities fully enable impacts at country level, in line with the GPW 13. Continuous support from Member States on the initiatives contained in this report will contribute to building a stronger WHO that is fully capacitated to deliver on its promise of promoting health, keeping the world safe and serving the vulnerable.

ACTION BY THE PROGRAMME, BUDGET AND ADMINISTRATION COMMITTEE

37. The Committee is invited to note the report.

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¹ Covering key steps of the procurement process from needs assessment to delivery of goods and services.