Report of the Internal Auditor

1.   The Office of Internal Oversight Services transmits herewith its annual report for the calendar year 2020 for the information of the World Health Assembly.

2.   Financial Rule XII on Internal Audit establishes the mandate of the Office of Internal Oversight Services. Paragraph 112.3(e) of Rule XII-requires the Office to submit a summary annual report to the Director-General on its activities, their orientation and scope, and on the implementation status of internal audit recommendations. It also states that this report shall be submitted to the Health Assembly, together with any comments deemed necessary.

3.   The Office provides independent and objective assurance and advisory services, designed to add value to and improve the Organization's operations. Using a systematic and disciplined approach, it helps the Organization accomplish its objectives by evaluating and improving the effectiveness of processes for risk management, control and governance. The Office is also responsible for conducting investigations of alleged wrongdoing.

4.   The Office is authorized full, free and prompt access to all records, property, personnel, operations and functions within the Organization which, in its opinion, are relevant to the subject matter under review. A limitation was placed on the scope of the work of the Office during 2020 due to the restrictions prohibiting travel, and therefore much of the work was conducted remotely. The Office's plan of work was also modified to respond to the challenges arising from the Organization's response to the COVID-19 pandemic and to reflect the emerging risks, such as those related to teleworking and to information technology.

OBJECTIVE AND SCOPE OF WORK

5.   According to its mandate, the Office provides audit and investigation services to WHO, to some WHO-hosted entities (for example, the Joint United Nations Programme on HIV/AIDS,[1] the United Nations International Computing Centre, and Unitaid) and to the International Agency for Research on Cancer (IARC). In the Region of the Americas, the Office relies on the work performed by the Internal Evaluation Services of the Pan-American Health Organization for the coverage of risk management, control and governance (see paragraphs 74 and 75).

MANAGEMENT OF THE OFFICE

6.   The Office, which reports directly to the Director-General, conducts its work in accordance with the International Standards for the Professional Practice of Internal Auditing promulgated by the Institute of Internal Auditors and adopted for use throughout the United Nations system and with the

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[1] A P5 Auditor post is financed by UNAIDS and is dedicated to the audits of that Programme and the Office is developing a Service Level Agreement to guide the work to be performed.

Uniform Principles and Guidelines for Investigations, endorsed by the 10th Conference of International Investigators.

7.   The Office comprises a Director, a Coordinator for Audit and a Coordinator for Investigation, a total of 10 auditors, four investigators and two support staff. Two fixed-term positions have remained vacant in 2020, a post of Senior Auditor and the post of Coordinator, Investigation. The latter position has been covered on an acting basis by a senior auditor with significant investigation experience.

8.   Early in 2019, the Office requested five additional investigator posts to address identified gaps and help clear the investigation case backlog. As an interim measure, during 2019 and 2020, the Office established long-term consultant contracts with three external investigators. Senior Management, in consultation with the Independent Expert Oversight Advisory Committee, agreed to the terms of reference and validated the request for additional staff positions. The Office commissioned an external review (through a competitive process) to assess the current practices, procedures and structure of the investigation function against "best-in-class" benchmarks, and to consider the resource implications of implementing the proposed best-in-class structure. The consultancy firm submitted a report in December 2019, which concluded that a significant increase in resources was required to achieve best-in-class. The proposed additional resource requirements to implement the proposed revised structure are summarized in Table 1 below.

Table 1. New structure proposed as "best-in-class"

Description	Number of investigators
Status quo	
Fixed-term investigators (of which one is a technical resource)	4
Consultants – longer-term external consultants	3
Consultancy firm – to provide contract investigation services	1
Total status quo	**8**
New structure	
Fixed-term investigators at headquarters in Geneva	12 to 14
• Investigators – staff and unit leads	10 to 11
• Technical/specialist staff – i.e. digital forensics, research analysis	2 to 3
Fixed-term investigators with focus on regional support	3 to 4
Consultants/consultancy firms (globally, with flexible support)	3 to 4
Total new structure	**18 to 22**

9.   Following briefings with the Director-General and the WHO accountability functions on the "best-in-class" model, the Office established an action plan and transition strategy with options for further consideration. At the time of preparing this report, this plan had been approved and work was under way to implement the programme of strengthening the investigation function in order to provide additional resources commensurate with the effort required to process the recurring volume of cases, and a separate temporary surge capacity to address the backlog of older cases, ideally with the objective of doing so within the next 12 months.

10.   The resources made available to the Office are assigned in accordance with identified priorities; however, high-risk situations can develop unpredictably, which may divert human resources away from initial priorities. Accordingly, the Office prioritizes its plan of work and then adjusts the schedule in order to compensate for any unexpected assignments.

11.   The budget of the Office is distributed between human resources, travel, consultancies and operating supplies, with a view to fulfilling the mandate of the Office. During 2020, the Office was able to cover its expenses. Expenditure is monitored on a constant basis and efforts are made to ensure value for money through efficiency measures.

12.   With a view to maximizing internal oversight coverage, the Office (a) continuously refines its audit risk assessment model so as to allocate its resources to the highest risk areas; (b) periodically reviews and adapts its approaches to integrated, operational and desk audits; (c) uses short-form reports for operational compliance audits; (d) uses an audit management software system to manage work papers electronically and facilitate the follow-up of the implementation of recommendations; and (e) uses agreed criteria for the prioritization of reports of concerns received for investigation (the highest priority is given to the investigation of allegations of sexual exploitation and abuse, sexual harassment and assault). In 2020, as part of the continuous improvement process, the Office has reviewed its reporting process and issued shorter reports which focus on the most significant recommendations. In 2020, the Office has increased the use of data analytics and enhanced the capabilities for digital forensics. The Office also participated in meetings and discussions with the relevant professional networks of the United Nations system to harmonize its approach and share best practices.

13.   Additionally, the Office has adapted its approach to reporting to stakeholders in line with the five components of the model issued by the Committee of Sponsoring Organizations of the Treadway Commission,[1] which has been adopted by WHO as the basis of its accountability framework. The audit plan of work for 2020 was based on the Office's independent risk assessment and the WHO Principal Risks.[2] The Office continues to work to achieve greater alignment in the reporting of assurance across the three lines of defence from Management's assertions on internal control to internal audit findings.

14.   During 2020, the Office maintained regular contact with the Organization's External Auditor to coordinate audit work and avoid overlaps in coverage. The Office provided copies of internal audit reports to the External Auditor and the Independent Expert Oversight Advisory Committee, and participated in meetings of that Committee in order to maintain an open dialogue with its members and implement their guidance and recommendations on matters under their oversight responsibilities. The Office also maintained regular contact with other departments of the Organization, such as the Evaluation Unit, and it continues to work with WHO's accountability functions to further contribute to the strengthening of WHO corporate values.

15.   The Office has a functional case-management system based on a SharePoint technology which serves as a repository for investigation case files. The Office also uses a secure web-based platform to provide remote access to internal audit reports, upon requests from Member States and other parties, as authorized by the Director-General. To further enhance transparency, in 2020 the Office included on the Organization's website a list of recent audit reports, so that Member States have updated information on audit reports issued during the year.

AUDITS

16.   In accordance with its mandate, the Office provides independent and objective audit, investigation and advisory services, designed to add value and improve the Organization's operations and to enhance

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[1] Defines the main areas as the Control Environment, Risk Management, Control Activities, Information and Communication, and Monitoring.

[2] See WHO Principal Risks at: https://www.who.int/about/finances-accountability/accountability/WHO_Principal_Risks.pdf?ua=1 (accessed 12 February 2020).

the integrity and reputation of the Organization. The Office helps the Organization accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of governance, risk management, and control processes, in order to provide reasonable assurance that (i) risks are appropriately identified and managed; (ii) interaction with the various governance groups within the Secretariat occurs in accordance with all relevant rules; (iii) significant financial, managerial, programmatic and operating information is accurate, reliable, and timely; (iv) staff and other personnel act in compliance with WHO regulations, rules, policies, standards and procedures; (v) resources are acquired economically, used efficiently, and adequately protected; (vi) programmes, plans, and objectives are achieved and contribute to sustainable results; and (vii) quality and continuous improvement are fostered in the Organization's control processes.

17.   At the conclusion of each assignment, the Office prepares a detailed report and makes recommendations to Management designed to help manage risk, maintain controls and implement effective governance within the Secretariat. The crucial issues identified during each assignment have been summarized in this report. Annex 1 lists the reports issued by the Office under its 2020 plan of work, along with information on the status of implementation of open audits as of 19 January 2021. The Office uses a four-tier rating system for its overall conclusions on audits: (1) satisfactory; (2) partially satisfactory, with some improvement required; (3) partially satisfactory, with major improvement required; and (4) unsatisfactory. Given the challenges in the emergency operations, the Office's plan of work for 2020 focused on WHO country offices with graded emergencies.

18.   Owing to the COVID-19 pandemic, the Office has continued to adapt its way of working by adopting an "agile" plan of work. As a result of travel restrictions, most of the audits performed in 2020 were conducted in the form of desk reviews carried out from headquarters. Desk reviews do not involve travel on site and use data available from the Global Management System, and supporting documentation uploaded in the Enterprise Content Management System, supplemented by virtual meetings and interviews with auditees and partners. There are logical scope limitations in relation to the inability to perform certain tasks, such as: the physical verification of inventory and warehouses, other physical assets, petty cash, and some aspects of fleet management and security measures in place at country offices. The previous experience of the Office in conducting desk reviews facilitated the conduct of the audits during 2020. The Office also used the services of an external audit company to complement the remote work done in one audit of a country office.

Integrated audits

19.   The objective of integrated audits is to assess the performance of WHO at the country level, or of a department/division at a regional office or headquarters, in the achievement of results as stated in the relevant workplans, and the operational capacity of the respective departments/country offices to support the achievement of results. Integrated audits focus on risks to areas and functions under three components: (1) the organizational setting (strategy, control environment, risk management, organizational profile, collaboration, and readiness and support for public health emergencies); (2) the programmatic and operational process (programme budget development and operational planning, resource mobilization, information and communication, operational support and effectiveness of key internal controls in transaction processing); and (3) the achievement of results (implementation of WHO's core functions, implementation of WHO's critical functions in emergencies, monitoring and performance assessment, sustainability, and evaluation and organizational learning). These three elements are further composed of up to 28 areas covering up to 180 individual internal control activities, including specific tests designed to assess the effectiveness of the Organization's readiness and response to health emergencies in accordance with the updated Emergency Response Framework performance standards.

On-site integrated audits[1]

20.   **Antimicrobial Resistance Division at headquarters.** The audit concluded that the performance of the Division was partially satisfactory, with some improvement required to address high and moderate levels of residual risk. Issues identified with a high level of residual risk included: (i) insufficient attention to risk management, including its integration with programme management processes; (ii) a significant number of staff positions remaining unfilled, placing the Division at risk of not implementing its workplan and achieving expected results, including in respect of backstopping support to regional and country offices; (iii) limited financial resources which could hinder progress towards achievement of the expected results; and (iv) inadequate vendor selection for the procurement of services, including, financial evaluation not properly conducted, documentation in the form of evaluation forms and bids received not retained, and insufficient controls over deliverables (deliverables of Agreements for Performance of Work not clearly defined in the Terms of Reference and/or Purchase Orders, and the reviews of deliverables not properly evidenced). The audit also found issues with a moderate level of risk that should be addressed in a timely manner, such as: (i) missed opportunities for strategic positioning of the Division and ensuring synergies between technical programmes; (ii) insufficient analysis and attention to mainstreaming gender, equity and human rights; (iii) research projects involving human participants not systematically submitted for evaluation by the WHO Research Ethics Review Committee; (iv) non-compliance with the declaration of interest requirements for WHO experts; (v) unclear reporting lines and post description objectives inconsistent with staff functions; (vi) missed opportunities for learning and accountability for results when publications are not systematically evaluated; (vii) cases of missing approval from the Contract Review Committee for exceptional practices in procurement and non-competitive procurement above US$ 25 000; (viii) insufficient accuracy and timeliness of programmatic reporting; and (ix) the release of unreconciled financial data to external parties via the programme budget web portal.

21.   **Global Tuberculosis Programme at headquarters.** The audit found a sound level of assurance supporting the achievement of expected results, and therefore concluded that the overall internal control environment of the Global Tuberculosis Programme at headquarters was satisfactory. The audit noted several good practices with potential for Organization-wide learning, the most significant of which are: engagement with Heads of State and other leaders in committing to accelerating the response to end tuberculosis and demonstrating high-level leadership on multisectoral accountability; and an agile approach to implementing WHO's core functions in the context of the COVID-19 pandemic, including contributing to the emergency response operations. At the same time, the audit registered concerns about a moderate level of risk that should be addressed in a timely manner to improve the effectiveness of internal controls, as well as several areas of potential improvement, some of which were already being considered by the programme management: (i) a lack of compliance with the declaration of interest requirements for WHO experts; (ii) non-compliance with the requirements of the Framework of Engagement with Non-State Actors; (iii) inconsistent compliance with clearance requirements for publications; (iv) the publication of unreconciled financial data to external parties through information contained in the programme budget web portal; and (v) sub-optimal implementation of the evaluation function that does not ensure accountability and oversight of performance and results, and reduces opportunities for organizational learning.

22.   **WHO in the Lao People's Democratic Republic.** The audit concluded that the overall control environment at the WHO Country Office was partially satisfactory, with some improvement required to address the areas with high and moderate levels of residual risk. The audit noted some good practices

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[1] These audits were either conducted at headquarters or when travel was undertaken prior to the COVID-19 travel restrictions being implemented.

with implications for organizational learning as follows: (i) involvement of international non-State actors with field presence in the expansion of water and sanitation and hygiene facility improvement, following an evaluation of the pilot; and (ii) support provided to strengthen the Health Personnel Information Management System and link it with the District Health Information System 2 and the online civil servant management system. The high priority issue requiring action related to strengthening resource mobilization efforts to address imbalances in funding across programmes. Imbalances in resource allocation across programmes and insufficient funding are a recurrent problem across many country offices in other WHO regions. The audit also noted moderate levels of residual risk associated with the need to: (i) train staff in mainstreaming gender, equity and rights and sharpen the focus on them; (ii) review the approach to technical collaboration and develop a clear medium-term technical assistance strategy to support institutional capacity at the Ministry of Health; (iii) review the staffing requirements to support identified priorities for technical collaboration; (iv) comply with required processes to identify conflicts of interest when recruiting experts; (v) improve risk identification and enhance the involvement of staff in risk management; (vi) ensure compliance with corporate guidance on processes relating to engagement with non-State actors; (vii) ensure adherence to the processes for the recruitment and selection of local staff and Special Services Agreement holders; (viii) obtain and review financial and technical reports for Technical Services Agreements before payments are made; (ix) ensure adequate solicitation and vendor selection processes for procurement of goods; and (x) institute peer reviews between technical teams to improve consistency and objectivity in the reporting of technical achievements and financial implementation against outputs at the end of the biennium.

23. **WHO in Kenya.** The audit concluded that the performance of the WHO Country Office in Kenya was partially satisfactory with some improvement required to address high and moderate levels of residual risk. The audit noted the Country Office's efforts in implementing WHO's core functions. Sustainability considerations were included in the design of the Country Office's projects and initiatives. Areas with a high level of residual risk included: (i) sub-optimal implementation of WHO's critical functions in compliance with the Emergency Response Framework performance standards; (ii) not achieving expected results due to an inadequate resource mobilization plan and insufficient capacities for its implementation; (iii) use of funds not in accordance with the donor agreement specifications for the two awards selected for audit review; (iv) insufficient attention to the accuracy and timeliness of WHO's programmatic reporting when draft products and services are reported as delivered or completed, or not reported in a timely manner; and (v) based on the work performed by staff in the Regional Office for Africa in 2018, a significant percentage of the direct financial cooperation expenditures selected for review was found to be unsupported or ineligible.

Desk-based integrated audits

24. **WHO in Nepal.** The audit concluded that the overall control environment at the WHO Country Office in Nepal was partially satisfactory, with some improvement required to address the areas with high and moderate levels of residual risk. The audit noted some good practices with implications for organizational learning, which included: presence in all seven provinces and support to build the capacity of newly established provincial health offices; and support for practical drills at national and subnational levels to ensure adequate emergency preparedness and response capacities. High priority areas requiring action are: (i) limited capacity to provide the requisite level of technical assistance to the Ministry of Health and Population owing to inadequate funding for implementation of the human resources plan; (ii) need for strengthened resource mobilization to adequately address imbalances in funding across programmes, including health systems strengthening, and emerging areas, such as noncommunicable diseases and climate change and health, in order to achieve the expected targets; and (iii) ineffective controls over the numerous Agreements for Performance of Work issued by the Country Office to contract consultants.

Operational audits

25.   The objective of operational audits is to assess the risk management and control processes in the finance and administration areas with respect to: the integrity of financial and managerial information; efficiency and economy in the use of resources (including value for money); compliance with WHO regulations, policies and procedures; and the safeguarding of assets.

On-site operational audits

26.   **Headquarters new building project (Phase 1 of Geneva buildings renovation strategy).** The audit concluded that the overall effectiveness of controls over the construction project was satisfactory. The initial objectives of the project appear to have been met, the governance and risk management processes put in place by Management were considered to be operating effectively, and the costs of the project have been monitored and controlled. At the same time, the audit identified some areas of potential improvement, and recommendations were proposed for consideration by Management as follows: (i) ensure that a committee of representatives from Member States is given the opportunity to review and comment upon major projects from an early stage; (ii) ensure that the risk register documents the risk response actions in full and assigns risks to individual owners; (iii) ensure that relevant risks identified during the project, namely those in the project risk register, are transferred to the overall department risk register as appropriate; (iv) make explicit the link between the Geneva buildings renovation strategy and the strategic objectives of the Organization as per the General Programme of Work; (v) ensure that a charter is systematically established for future major projects; (vi) consider the costs and benefits of obtaining a formal environmental certification for the new building; (vii) implement a process whereby lessons learned are formally captured and documented; and (viii) ensure that key documents are systematically uploaded in the Global Management System and/or Enterprise Content Management system.

27.   **Regional Office for Europe.** The audit concluded that the controls implemented in the operational processes within the Department of Administration and Finance to mitigate the key risks at the Regional Office were operating satisfactorily. The audit did not consider that any of the ineffective controls identified represented a high level of residual risk. In the context of the Organization's development initiative, which includes the review and renewal of the Regional Office's culture, structures and processes, the audit highlighted areas that should be specifically considered when redesigning the related business processes, namely: ensure that award managers receive adequate support so that implementation with award funds can be started, executed and reported in a timely manner; improve the timeliness of the recruitment process; and enhance support and training to staff in technical units, geographically dispersed offices and country offices. Other issues with a moderate level of residual risk were identified in relation to the need to: (i) update the business continuity plan (including to address lessons learned during the COVID-19 response); (ii) conduct a formal review of the Global Management System user access rights; (iii) strengthen physical verification of fixed assets in some offices; (iv) improve award management; (v) strengthen the Information and Communication Technology Governance Framework; and (vi) refine planning and reporting processes in relation to administrative and programmatic reviews.

Desk-based operational audits

28.   **WHO Country Office in Yemen.** The audit focused on a follow-up of the findings of the 2018 audit of the Country Office in Yemen to validate the implementation of the related recommendations. There were some limitations to the scope of this audit as the audit team was not able to travel to Yemen due to COVID-19 travel restrictions. Overall, the audit observed a general improvement in controls in

comparison with the previous unsatisfactory audit conducted in 2018. The sustainability of these improvements depends on Country Office staff (first-line technical officers) accepting full accountability for their areas of responsibility. The improvements enabled the audit to assess the effectiveness of internal controls in the administration and finance areas at the Country Office as partially satisfactory, with some improvement required. The audit found that the following high residual risk areas needed further attention as a priority: (i) the human resources plan: the revised organigram from February 2020 included a total of 367 posts of which 212 were vacant as of June 2020. The risk arising from these positions remaining unfilled has, reportedly, been mitigated by staff members filling some of them on a short-term basis, and through the use of other temporary contractual modalities. However, the filling of key positions in the longer term had not been prioritized, reportedly due to funding issues; (ii) direct financial cooperation: a decision taken by the Country Office in March 2020 to perform self-assessments (due diligence) of implementing partners had had to be postponed owing to the COVID-19 pandemic. The audit considers that assessing the capacity of implementing partners to properly implement and manage direct financial cooperation is a priority condition for future funding. Furthermore, on-site monitoring and spot checks of activities had not been systematically conducted and documented by the first line of defence; (iii) assurance activities on Grant Letters of Agreements: while noting improvements in assurance activities since the last audit in 2018 – namely, engaging a private audit firm to carry out financial third-party monitoring and assurance activities – the audit team was informed that operational challenges had resulted in delays in the completion of reviews of seven nongovernmental organizations contracted by the Country Office. The audit also noted that technical officers had not made field inspections of non-State actors receiving grant funding and that there was no documented evidence that the findings of third-party monitoring (of activities for technical performance) were followed up and corrective actions implemented; (iv) procurement of goods: the Country Office procurement plan did not include key information for effective planning, such as, the existence of adequate funding for the acquisition, or a strict time schedule for the competitive process. Based on an analysis of a stock report provided by the Country Office, the average time between the issue of the 2019 purchase orders and the arrival of the goods in the WHO warehouses was more than eight months; and (v) warehouse and inventory management: the audit team was informed that in-country absorption capacity in Yemen was currently at its limit and warehouse capacity in Sana'a and Hodeidah was at a critical level. Hence there was a need to revise and address warehouse capacity and update the distribution plan for implementation. Given the anticipated increase in procurement due to COVID-19, all inventory purchases should have a distribution plan before procurement is processed, and controls over the timeliness and completeness of the information in the inventory tracking system should be strengthened.

29. **WHO Office for West Bank and Gaza Strip.** The audit concluded that the effectiveness of internal controls in administration and finance at the WHO Office was partially satisfactory, with major improvement required. The audit identified the following high-residual risk areas which need to be addressed as a priority: (a) organizational structure and reporting lines had not been clearly established as a comprehensive human resources review had not been completed. The vacancy rate at the WHO Office was very high (38%); and (b) there was insufficient coordination in the procurement of goods between the main WHO Office and its sub-offices, and across the Government, technical teams and operational teams, leading to delays. Procurement planning did not include detailed specifications of items and quantities, and options for long-term agreements had not been sufficiently considered for frequently-purchased items. The customs clearance process was lengthy; and there was no consolidated mechanism to track the batches of items shipped, the status of customs document clearance, and the certification of invoices, to ensure that the green light system is strictly followed. For the procurement of goods, bid evaluation forms were not consistently prepared and signed. A moderate level of residual risk was noted in the following areas: (i) insufficient competitive selection of local individual contract agreement holders; (ii) performance appraisals for staff and local individual contract agreements not conducted in a timely manner; (iii) consultant vacancy notices not publicly circulated and the process

of identifying potential candidates not documented; (iv) lack of a systematic and independent vendor prequalification process; (v) inadequate definition of deliverables in the terms of reference for procurement of services; (vi) inadequate quality assurance mechanism for Grant Letters of Agreement; (vii) inadequate use of the United Nations Global Marketplace for procurement over US$ 200 000, as required; (viii) failure to complete the security self-assessment of offices; and (ix) lack of a mechanism to monitor the recommendation implementation status of the functional review of the WHO Office and the review of the Eastern Mediterranean Health Emergencies Programme operations support and logistics.

30.   **WHO Country Office in Guinea.** The audit concluded that the effectiveness of internal controls in administration and finance at the Country Office in Guinea was partially satisfactory, with some improvement required. Areas with a moderate level of residual risk requiring timely action by Management included: (i) the lack of an inclusive risk management process; (ii) slow implementation of the 2018 country functional review human resource plan, reportedly because of insufficient funding; (iii) insufficient segregation of duties for some functions in imprest and fixed assets management; (iv) lack of implementation of the partners' self-assessment for direct financial cooperation; (v) insufficient assurance activities for direct financial cooperation; and (vi) insufficient monitoring of the implementation of recommendations to the Ministry of Health, identified during the 2018 assurance review mission carried out by the Regional Office for Africa.

31.   **WHO Country Office in Burundi.** The audit concluded that the effectiveness of internal controls in administration and finance at the Country Office in Burundi was satisfactory, although some areas required the attention of Management. Areas with a moderate level of residual risk requiring timely action by Management included: (i) the lack of a formal emergency readiness checklist, as prescribed by the Emergency Response Framework 2nd edition; (ii) slow implementation of the 2018 country functional review human resources plan, with numerous vacant positions, reportedly as a result of insufficient funding; (iii) failure to conduct direct financial cooperation implementing partner self-assessment; (iv) insufficient assurance activities for direct financial cooperation; (v) direct transfers of funds to the accounts of the Ministry of Health under the direct implementation modality for further distribution to beneficiaries; and (vi) late reporting to donors.

32.   **WHO Country Office in Bangladesh.** The audit concluded that the effectiveness of internal controls in administration and finance at the Country Office in Bangladesh was partially satisfactory, with some improvement required. The audit identified areas with a moderate level of residual risk as follows: (i) lack of a monitoring system to track non-staff members, such as special services agreement holders, who have conducted the trainings on zero tolerance for sexual exploitation and abuse and prevention of harassment, sexual harassment and abuse of authority; (ii) unclear contractual status of the 23 special services agreement holders working under the direct supervision of Government counterparts; (iii) failure of some members of the local Contract Review Committee to undertake procurement training; (iv) significant number of vacant positions and insufficient resource mobilization activities; (v) failure to update the readiness checklist in a timely manner as prescribed by the Emergency Response Framework 2nd edition; (vi) long lead times to conduct local recruitment, specifically the time taken to organize and schedule interviews with shortlisted candidates; (vii) inadequate prequalification process for vendors of key recurring goods and services; (viii) failure to document spot checks on direct financial cooperation supporting documentation and to communicate results to the Government; (ix) failure to consistently meet deadlines for donor reporting; and (x) failure to consistently carry out the reconciliation of expenditure totals, as per reports on the direct implementation funding authorization and certification of expenditures, to the supporting receipts and other documentation. The audit also issued a recommendation to the Human Resources and Talent Management department at headquarters on the need to improve the dashboard to monitor completion of training by non-staff members.

Other operational audits

33.   **Special purpose audit of the Emergency Health and Nutrition Programme in Yemen**. This special purpose audit was facilitated by the Office and performed by an external audit firm managed from London, with teams in Tunis and Yemen. The overall objective of this special purpose audit was to provide reasonable assurance on the appropriate use of funds in accordance with the International Development Association agreements and the reporting requirements of the WHO programme, such as workplans, procurement plans and budgets. The scope of the audit covered the period from 1 January 2017 to 31 December 2018. It provided the following unmodified opinion: "(1) the summary of expenditure presents fairly, in all material respects, the actual eligible expenditure reported for the project for the period from 1 January 2017 to 31 December 2018, in conformity with the applicable contractual conditions; (2) International Development Association funds have been used for the purposes intended with due consideration for economy and efficiency, and in compliance with the relevant agreements; and (3) the use of funds was made in accordance with WHO accounting policies and workplan or programme documents." At the same time, the audit drew attention to three key control weaknesses, which were not considered material in the context of this special purpose audit, in the following areas: (a) weaknesses in the monitoring of hospital fuel consumption; (b) no detailed review of supporting documentation for expenditure reported by the Ministry of Public Health; and (c) weaknesses in internal control at the Ministry of Public Health. In this regard, the special purpose audit report included three specific recommendations. The Country Office in Yemen reported that implementation of the necessary actions was in progress and expected to be completed by mid-2021.

Advisory services

34.   In accordance with its Charter, the Office "may provide advisory services to WHO Management to the extent that its independence and objectivity are not compromised. Such provision is based on the Office's knowledge of governance, risk management and controls, and of WHO activities. The Office may participate in reviewing draft policies, guidance, systems and work processes, but shall not participate in the decision-making process".[1]

35.   As part of its agile workplan for 2020, focusing on risks related to the COVID-19 pandemic, the Office performed three advisory assignments to help Management during the pandemic. The recommendations of advisory reviews are for Management's consideration and are not formally tracked for implementation.

36.   **Advisory review of COVID-19 teleworking at headquarters.** Teleworking at WHO headquarters was implemented as a health protection measure in response to the COVID-19 pandemic (March 2020), along with other infection control and prevention measures, and in line with similar decisions taken by the Swiss authorities. It was applied in a generalized manner to all staff, except for staff performing critical functions for the emergency response or in support of this, who remained on site. From a technical point of view, users were able to telework successfully. The Office noted that teleworking implemented in response to the COVID-19 pandemic may be further extended as a result of the move to the new office building and renovation works on the existing headquarters building (expected to last until 2024). The requirement for physical distancing exacerbates the current capacity issue. In addition, there is a strong demand from staff for more teleworking in future. According to the survey conducted by Staff Health and Well-being Services and Human Resources and Talent Management in May 2020, 78% of headquarters staff expressed a preference for a mix of teleworking and office presence, with another 17% in favour of full-time teleworking. Faced with this perceived

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[1] Office of Internal Oversight Charter (version March 2019), Section C "Advisory Services", paragraph 12.

"new normal" situation, the Office's key recommendation to Management was to carefully assess experiences of COVID-19 teleworking and to develop a new strategic approach to longer-term teleworking in future. Although challenging, the situation presents a new opportunity to leverage teleworking as a concept in a mutually satisfactory way for both the Organization and its staff. The revised governance framework for the new normal should result in the new teleworking policy taking into consideration broader issues, such as: (i) reasons, objectives and anticipated benefits for teleworking and other flexible arrangements; (ii) potential contractual implications; (iii) opportunities and feasibility of teleworking from outside duty stations; (iv) impact on staff and managers with respect to productivity, performance monitoring and mental health; and (v) the need to revise Staff Rules and Regulations accordingly. The advisory report also included other recommendations, such as providing additional "soft management" tools, guidance, and training for staff and Management in order to raise awareness and successfully address the new working reality, including staff performance management, increased sensitivity to environmental and mental health factors. The Office also recommended continuation of initiatives to foster technical improvements supporting business processes, such as paperless processes, and further efforts aimed at ensuring appropriate cybersecurity controls over teleworking.

37. **Advisory review of pro bono (in kind) contributions at headquarters.** Since the beginning of the COVID-19 pandemic, various types of non-State actor have shown an interest in supporting WHO's response through pro bono (in kind) contributions. According to data recorded by the Department of Finance, as at September 2020, 34 such contributions had been recorded during 2020, in the amount of US$ 43.7 million. Except for three large pro bono contributions of goods (approximately US$ 17 million), the contributions were in the form of services, often technology services. To facilitate the administrative tasks and reduce the time required to start the pro-bono work, WHO Management introduced the "streamlined process for pro bono engagement with non-State actors", which made it possible to start the work sooner than under normal, non-emergency conditions. The advisory review concluded that pro bono partnerships are a viable concept through which WHO can obtain significant benefit from the interest of private companies in its work and their willingness to help. Although pro bono engagement so far has been deemed largely successful by WHO stakeholders, the following process improvements were recommended to ensure that the value from such engagement is consistently achieved and potentially negative reputational impact minimized. In this respect, there is a need for more rigorous technical evaluation of pro bono offers before proceeding with the individual engagement, for example, the need for additional WHO funds, compatibility of the pro bono solution with the existing WHO information technology architecture, and expertise required to operate the pro bono solution. Additional control mechanisms should also be established to prevent unsound business practices, such as: (i) pro bono work starting without a signed agreement and the corresponding award created; (ii) non-transparent valuations of pro bono contributions at the beginning of the relationship when it is highly likely that it will extend to a paid relationship; and (iii) directly linking pro bono work with a subsequent commercial relationship with the same non-State actor by obtaining waivers from the standard procurement process. With respect to governance of pro bono engagements, the Office recommended strengthening the mechanisms for monitoring and oversight, and tracking the progress of the engagement, including introducing requirements for a formal closure report on the value achieved by WHO at the end of the pro bono phase.

38. **Review of the Administrative guidelines for Offices on the novel coronavirus (COVID-19) outbreak – framework for the management of staff members in WHO.** The Office reviewed these guidelines and provided comments for consideration by Management to help ensure that the framework provided consistent guidance to Management and staff across WHO in line with the existing Staff Rules.

39. The Office also participated as an observer in the Project Board for the implementation of the new enterprise resource planning system.

Gender-related areas

40.   To foster compliance with the requirements of the United Nations system-wide Action Plan for Mainstreaming Gender Equality and the Empowerment of Women, integrated audits included specific tests in relation to integrating equity, gender, human rights and social determinants into the work of the audited entity, and the Office issued several recommendations in this area. Operational audits also included recommendations on the need to strengthen the training provided to non-staff members in the prevention of harassment, sexual harassment and abuse of authority and zero tolerance for sexual exploitation and abuse.

ANALYSIS OF AUDIT FINDINGS

Operating effectiveness of internal controls and residual risk

41.   The overall ratings of the operating effectiveness of internal controls from the audits conducted in 2020 were found to be higher than in 2019. In 2020, a total of 92% of the overall conclusions are within the tier 1 and tier 2 ratings – "satisfactory" or "partially satisfactory, with some improvement required" – compared with 53% in 2019 (and 81% in 2018). In 2020, only one audit had the rating "partially satisfactory, with major improvement required" (compared with three audits in 2019) and there was no audit with an "unsatisfactory" rating (compared with one in 2019). Fig. 1 below contains a summary of the audit conclusions for 2020.

Fig. 1. Audit ratings, by audit type for 2020

Integrated audits	- Global Tuberculosis Programme at headquarters	- Antimicrobial Resistance Division at headquarters - WHO in Kenya - WHO in the Lao People's Democratic Republic - WHO in Nepal	
Operational audits	- Regional Office for Europe - Country Office in Burundi - Headquarters new building project	- Country Office in Bangladesh - Country Office in Guinea - Country Office in Yemen	- WHO Office for West Bank and Gaza Strip

■ Satisfactory   ■ Partially satisfactory with some improvement required   ■ Partially satisfactory with major improvement required

42.   The Office has identified recurring issues that should be addressed in a cross-cutting manner. Based on the audit work conducted in 2020, the Office identified the top four process areas with the lowest effectiveness of internal controls, and, more significantly, the highest levels of residual risk (see Annex 2A) with the potential to negatively impact on the Organization's operations and achievement of results. These four areas,[1] some of them recurring from 2019, require focused "holistic" attention by Management:

(i)   Improve vendor management: there is a need for further guidance at the country office level to improve pre-selection and evaluation of vendors, which has a potential impact on fraud risk.

(ii)   Strengthen resource mobilization to enhance the profile of WHO country offices, including the need to: improve human resources plans to better reflect staff requirements for programme delivery; better align post descriptions and staff performance management development

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[1] Travel was excluded from the analysis, as the audit tests related mainly to the timelines of the issue of the travel requests.

assessments with staff functions; and improve the timeliness of human resources plan implementation (high vacancy rates).

(iii)   Improve monitoring and results performance assessment: there is a need to strengthen the accuracy and reliability of performance reporting. The new mid-term review process may bring improvements in this area.

(iv)   Improve assurance activities over direct financial cooperation, Grant Letter of Agreements and Direct Implementation, including timely implementing partners assessments for direct financial cooperation. The intended plans of some regional offices to conduct such activities have not been implemented in 2020 owing to travel restrictions related to COVID-19. Increased attention is required to implement corrective actions, including timely follow-up. Similar to the previous year, audit recommendations included the need to strengthen first-line assurance activities and to systematically follow up with health ministries on the results of such activities.

43.   The Office has also identified and reported to Senior Management for their consideration, systemic issues which need more official guidance to clarify the interpretation of policy requirements. They relate to the areas of the Declaration of Interest for WHO experts and due diligence for the Framework of Engagement with Non-State Actors.

44.   The following chart (Fig. 2) provides an indicator suggesting the relative level of control ineffectiveness compared with the numbers in the audit tests in the major process areas (similar information is also presented in a different format in Annex 2A). The number of high residual risks has decreased in 2020 compared with the previous year, therefore the overall risk profile is improving (3% of the total controls tested in 2020 had a high level of residual risk compared with 10% of the total controls tested in 2019).

Fig. 2. Operating effectiveness of internal controls, by process, for 2020, (n=number of tests performed)
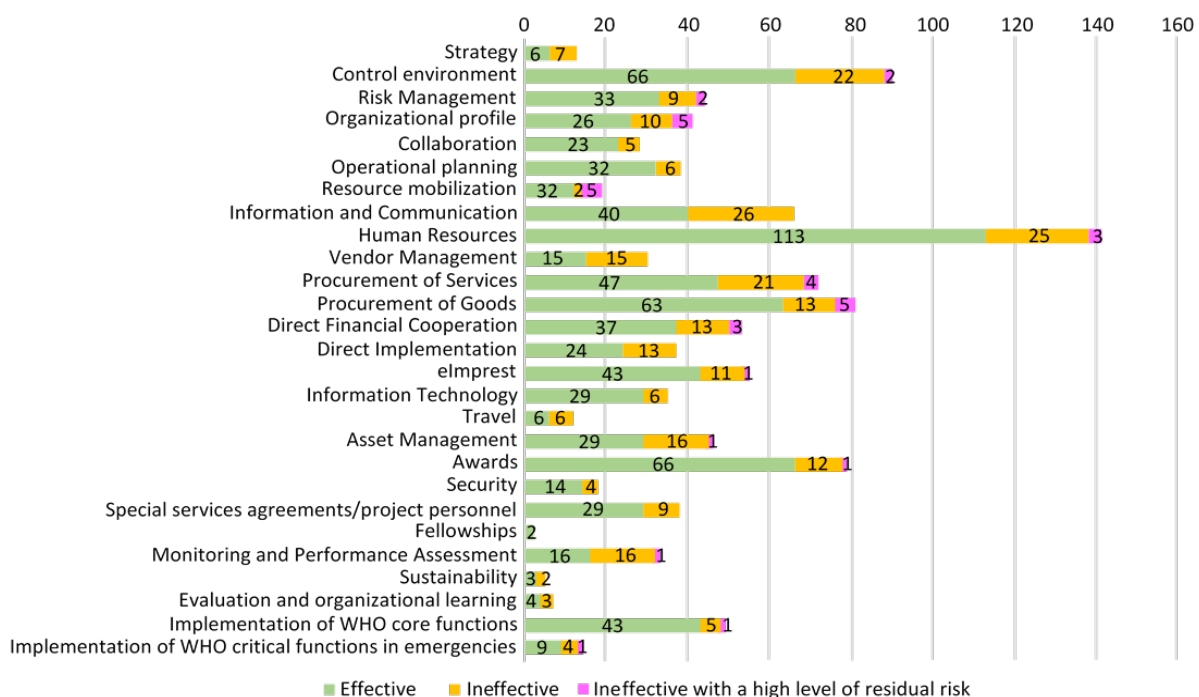
Analysis of trends in audit findings at country offices

45.   The Office has updated its meta-analysis of the results obtained from country audits conducted during the period 2018–2020, in order to (a) demonstrate the trends in compliance with WHO's Rules and Regulations (see Annex 3); and (b) highlight the process areas that represent the greatest challenges in terms of control effectiveness.[1]

46.   The chart contained in Annex 3A provides a detailed trend analysis of audit findings at country offices, by process area and year, for the period 2018–2020. The results of the work conducted at country offices demonstrate that during 2020 there was an overall increase in the range of compliance effectiveness with WHO Rules and Regulations, except for the areas of procurement of goods, asset management and awards. In response to requests from Member States, the Office includes an analysis of the regional differences in relation to compliance and Annex 3B describes the operating effectiveness of internal controls in country offices, consolidated by region.

Implementation of audit recommendations

47.   On a periodic basis, the Office follows up with Management on the implementation status of internal audit recommendations and reports on open audit recommendations, including progress made since the prior reporting period. When reporting to Member States, the Office prepares cumulative implementation statistics for all its open recommendations since the date of its previous report to the Health Assembly (see Annex 1). The Office maintains a web-based portal to facilitate the management and follow-up of audit recommendations – for both Management and auditors – which provides automated email notifications of upcoming milestones for action on the progress of implementation. It should be noted that the Office reports on the status of outstanding recommendations using the agreed target date for implementation for each recommendation. Based on this information, the Office notes that progress on implementing audit recommendations has remained stable despite the additional workload level in some country offices (mainly due to COVID-19 related tasks), with 27.4% of outstanding recommendations being considered as "past due", compared with 28% for the previous year. The overdue recommendations classified as high residual risk and with high priority[2] represent 8% and 12.9%, respectively, of the total overdue recommendations.

48.   The Office has categorized the audit recommendations made in 2020 by audit area and residual risk (see Annex 2B). Attention has been focused on monitoring the progress of implementation of high residual risk and high priority recommendations for most open audits, namely, those considered to require immediate action (see Annex 1).

49.   Since the last Health Assembly in 2020, the Office has received updates on the progress of implementation of its audit recommendations and, after review of the progress reported, was able to

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[1] For the main testing exercise, internal controls have been grouped under the elements of the COSO framework of the Committee of Sponsoring Organizations of the Treadway Commission (see paragraph 13) and individual process areas: (i) control environment; (ii) risk management;(iii) control activities (human resources; vendor management; contracts for service; procurement of goods; direct financial cooperation; Direct Implementation; eImprest, Global Management System/information technology; travel; fixed assets/inventory; awards; special services agreements; security); (iv) information and communication; and (v) monitoring.

[2] In 2020, the Office updated the terminology used in the reporting of audit recommendations and mainly uses "residual risk" and "priority" (versus the previous "residual risk", "significance" and" effort").

close 11 audits (see Annex 4). With regard to long-outstanding audits, the Office will report the issues to the WHO Risk Committee and request Management to initiate specific actions.

50. Table 2 highlights the cumulative annual and overall implementation rates as at 19 January 2021 for all reports issued since 1 January 2018.

Table 2. Overall audit recommendation implementation rates, as at 19 January 2021 (2019 and 2020 audit reports)

Recommendation status	Number of recommendations		Percentage of recommendations		Average days in advance/(late)	
	2019	2020	2019	2020	2019	2020
Implementation not yet due	20	119	3%	54%	–	–
Closed as agreed	190	46	27%	21%	28	57
Closed with delay	293	10	41%	5%	(43)	(7)
In progress overdue	111	27	16%	12%	(54)	(115)
Not started overdue	93	18	13%	8%	(67)	(118)
Total*	**707**	**220**	**100%**	**100%**	–	–

* The total number of recommendations includes: (1) draft reports – therefore, there may be minor differences with the final reports; and (2) reports closed during the period.

External assessment of the audit function – status of implementation of recommendations

51. In accordance with the standards of the Institute of Internal Auditors, an external assessment of the audit function must be conducted at least once every five years. In 2018, the Office carried out a self-assessment of its audit function which was independently validated by a qualified external audit firm. The external validation concluded that the Office "generally conforms" – the highest attainable level of conformance – with the mandatory elements of the International Professional Practices Framework released by the Institute of Internal Auditors. Implementation of the recommendations for improvements has been progressing during 2020 and the Office expects to confirm closure of all recommendations very soon (see Annex 5).

INVESTIGATIONS

52. The investigation function supports the Organization in managing the risk of fraud and other wrongdoing by providing risk-based, value-added and result-oriented investigations, and by contributing to the prevention, detection and deterrence of wrongdoing, including fraud, waste and all forms of abuse. The Office assesses and investigates allegations of suspected misconduct reported to it, such as fraud, corruption, collusion, theft, sexual exploitation and abuse, workplace and sexual harassment, retaliation, and other acts or omissions, which are contrary to the general obligations of WHO staff and other personnel.[1]

53. The receipt of "reports of concern" is the first step in a comprehensive investigation process conducted by the Office to consider the allegations reported. All reports of concern are reviewed by the Office Intake Committee to determine whether the matter falls within the mandate of the Office and is

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[1] With the exception of matters within the scope of the WHO Policy on Misconduct in Research, December 2017.

investigable. When needed, a preliminary review assesses whether there are sufficient grounds to initiate a full investigation.

54.   In cases where a full administrative fact-finding investigation is conducted, the Office reports the results of its work and makes recommendations to the Director-General, Regional Directors and relevant responsible managers, for consideration of any relevant action, including initiating disciplinary proceedings as appropriate. The investigation report concludes whether each allegation raised is one of the following:

- substantiated: there is sufficient evidence to conclude that the alleged facts occurred, the facts could constitute wrongdoing, and the identified subject committed them;

- unsubstantiated: there is insufficient evidence to conclude that the alleged facts occurred or the identified subject committed them;

- unsolved: there is sufficient evidence to conclude that the alleged facts occurred, the facts could constitute wrongdoing, but the subject did not commit them – the subject was cleared – or was never identified;

- unfounded: there is sufficient evidence to conclude that the alleged facts did not occur, or the established facts did not constitute wrongdoing.

55.   The Office uses agreed criteria for the prioritization of reports of concerns received for investigation. The prioritization criteria weight the seriousness, grounds and effort required for investigation of the allegations raised in the reports of concern. The criteria accord highest priority to investigation of allegations of sexual exploitation and abuse, sexual harassment, violent behaviours and retaliation.

56.   The investigation function maintains regular contact with other departments of the Organization, such as Compliance, Risk Management and Ethics at headquarters; the regional compliance units; the Office of the Legal Counsel; and the Human Resources and Talent Management department. The Office will continue to work with these departments to overcome challenges faced in its investigative work, and in particular:

- access to the WHO Integrity Hotline: the Office has currently no direct access to the WHO Integrity Hotline managed by an external service-provider. Currently, alleged acts of wrongdoing reported by whistle-blowers are reviewed first by the Compliance, Risk Management and Ethics department, which decides whether the allegations should be forwarded to the Office. External reviews of the investigation function conducted in 2017 and 2019 have both recommended that direct access should be granted to the Office to comply with best practices and the Office's Charter.

- WHO sexual exploitation and abuse prevention and response policy: the Office is working with the Ethics, Legal and Human Resources departments to clarify the operational interpretation of the application of the WHO policy, in alignment with the principles and reporting requirements set out by the United Nations Secretariat.[1]

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[1] Available at https://www.un.org/preventing-sexual-exploitation-and-abuse/content/data-allegations-un-system-wide (accessed 24 March 2021).

Overview of investigation activities

57.   As detailed in Table 3 below, the Office handled 391 cases in 2020, including 248 cases brought forward from 2019 and 143 cases received in 2020. The Office closed 91 cases at various stages of the investigation process and had 300 open cases at 31 December 2020. The 91 closed cases included full investigation and issue of 29 investigation reports. The 29 reports issued in 2020 included 17 substantiated and 12 unsubstantiated reports. The substantiated allegations included one involving a WHO-hosted entity.

Table 3. Case load analysis

Case load	2018	2019	2020
Carried over cases	100	167	248
Number of cases received	148	162	143
Total number of allegations for investigation	**248**	**329**	**391**
Number of cases closed	(81)	(81)	(91)
Balance of cases as at 31 December	**167**	**248**	**300**
Estimated completion time for open cases (working days)	1646	3106	3732
Number of investigators as at 31 December	6	8	8[1]
Number of investigation reports issued	28	21	29
Number of cases substantiated	19	17	17
Number of cases unsubstantiated/unsolved/unfounded	9	4	12

58.   Although 2020 saw a slight decline in the number of cases received, as in previous years the workload exceeded the Office's limited investigative capacity and the backlog has continued to grow: at the end of 2020, the Office had 300 open cases that were brought forward to 2021. The estimated time to complete these cases is 3732 working days, compared with the current annual capacity of approximately 1450 working days. Based on these figures, the unit would need 2.6 years to clear the current backlog in a situation where no new reports of concern were received during the same period. The forced teleworking imposed by COVID-19 has impaired ways of working over 2020 and the situation is likely to continue in 2021. The Office had to find alternatives to compensate for the inability to travel, such as the systematic use of remote interviews, which has had a positive impact on productivity.

Case trends

59.   The Office updated its comparison of reports of concern received over the last three years, grouped by major office and allegation type, as presented in Tables 4 and 5 below. The number of reported cases in 2018–2019 reflect a certain stability; however, it is difficult at this stage to determine whether the slight decline in reported cases observed in 2020 is mainly due to the COVID-19 pandemic or whether it will be sustainable. In 2020, the mix between regions has changed since the number of cases reported for the Regional Office for the Eastern Mediterranean was higher than for the Regional

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[1] This includes four full-time investigators (three P4 and one P3 staff members); one P4 staff member was on sick leave and worked 50% from 26 July to 31 December 2020; two P5 consultants who worked 240 and 239 days respectively; one P3 consultant worked 232 days and an investigation firm worked 239 days.

Office for Africa (see Table 4). Nevertheless, the number of reported cases by type of allegation remained consistent in 2020, with fraud allegations being the highest (Table 5).[1]

Table 4. Summary of cases, by major office, for the period 2018–2020

Major office	2018	2019	2020
Africa	45	44	37
Americas	–	1	3
South-East Asia	11	12	6
Europe	9	16	11
Eastern Mediterranean	31	36	43
Western Pacific	5	4	1
Headquarters	25	26	27
Total WHO	**126**	**139**	**128**
IARC	1	–	–
UNAIDS	17	19	11
UNICC	1	2	3
Unitaid	3	1	1
Other	–	1	–
Grand total	**148**	**162**	**143**

Table 5. Summary of cases, by allegation type, for the period 2018–2020

Allegation type	2018	2019	2020	Total
Corruption	5	9	7	21
Failure to comply with professional standards	11	11	13	35
Fraud	55	61	40	156
Recruitment irregularity	8	14	13	35
Other	27	26	27	80
Total (cases against assets/property)	**106**	**121**	**100**	**327**
Harassment	25	28	27	80
Sexual harassment	10	6	8	24
Retaliation	4	2	2	8
Sexual exploitation and abuse	3	5	6	14
Total (cases against people)	**42**	**41**	**43**	**126**
Total	**148**	**162**	**143**	**453**

60.   In comparison to 2019, while other types of allegation remain stable overall, there was a 34% decrease in the number of reports of allegations of suspected fraud. As the COVID-19 pandemic context was the major factor that impacted the Organization's ways of working and restricted physical monitoring activities, the pandemic is a probable cause of the decline observed in the number of fraud allegations. However, it is difficult to determine whether there have actually been fewer cases of fraud

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[1] Details of the types of fraud, which were compressed in this category, can be found in Fig. 3.

within the Organization, whether it is the ability to detect potential fraud or whether reporting to the Office has declined.

61.   The Office conducted a trend analysis of reports of concern received in 2020, particularly for allegations of sexual exploitation and abuse, harassment and fraud, with a view to understanding the patterns in order to devise preventive measures.

Sexual exploitation and abuse

62.   Reports of sexual exploitation and abuse increased from five in 2019 to six in 2020. The allegations included the following:

- one report highlighted by the media involved alleged widespread sexual exploitation and abuse implicating WHO and other international humanitarian entities participating in the response to the 10th Ebola outbreak in the Democratic Republic of the Congo. The WHO Director-General has set up an Independent Commission whose role in relation to specific allegations is to establish the facts, identify and support survivors, ensure that any ongoing abuse has ceased, and hold perpetrators to account. In this context, the Office provides technical support as the Independent Commission deems necessary;

- one allegation implicated an employee of an international non-State actor as implementing partner;

- one allegation related to domestic violence and sexual abuse by a staff member against a non-staff member;

- one allegation related to sexual exploitation by a staff member of a beneficiary of another United Nations agency; and

- two allegations related to sexual relationships for money or other benefit involving several staff members.

Sexual harassment

63.   Eight reports of sexual harassment were received in 2020 compared to six in 2019. Two of the allegations received in 2020 implicated staff members of one WHO-hosted entity and the remaining six allegations involved WHO staff members in various offices.

Harassment

64.   In relation to the 27 reports of alleged harassment received in 2020, the Office notes an irregular distribution of complaints, with one region responsible for more than half the cases received, as shown in Table 6 below.

Table 6. Summary of cases, by Major Office/Region/Entity for 2020

Major office/Region/Entity	Number of cases	%
Africa	2	7
Eastern Mediterranean	14	52
Europe	4	15
Headquarters	3	11
UNAIDS	3	11
UNITAID	1	4
Grand total	**27**	**100**

65.   During the period, the Office participated in a series of meetings with the Human Resources and Talent Management department and the Office of the Legal Counsel, and provided its views on the policy on preventing and addressing abusive conduct prior to its finalization.

Fraud

66.   Although, overall, allegations of fraud decreased from 61 in 2019 to 40 in 2020, a trend analysis was conducted with a view to identifying the fraud schemes in the reports of concerns received in 2020, and how they relate to fraud allegations in previous years. The results of the trend analysis detailed in Fig. 3 below apply to the 36 reports of fraud involving WHO.

Fig. 3. Typology of fraud schemes reported in 2020
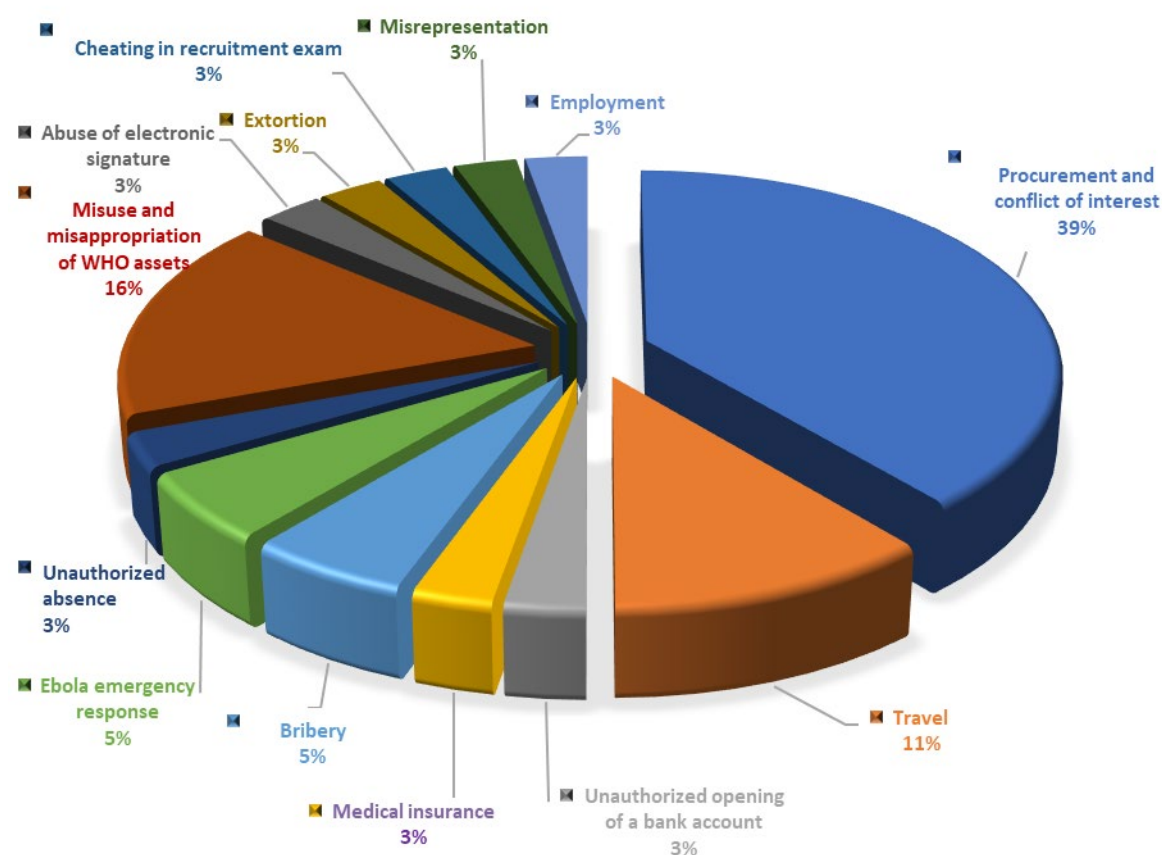
67.   Overall, there were 13 types of fraud scheme in reports of concern received in 2020 as against 17 in 2019. Procurement fraud and conflict of interest were the most prevalent and accounted for 39% of the fraud schemes compared to 26% in 2019; misuse and misappropriation of WHO assets accounted for 16% (9% in 2019); and travel for 11% (14% in 2019). Bribery and events during the Ebola emergency response each accounted for 5%; and unauthorized opening of a bank account, medical insurance claims, unauthorised absence, abuse of electronic signature, extortion, cheating in recruitment tests, misrepresentation and employment each accounted for 3% of the schemes.

ASSESSMENT OF CORPORATE RISKS

68.   An integral element of the planning process in all audits performed by the Office is to systematically review the risk register of the departments/units audited. The scope of testing these aspects of risk management (risk awareness, identification and mitigation) includes, where appropriate, the alignment of the risks identified in the risk register and in the related programme budget reporting.

69.   In January 2017, the Secretariat published the WHO Principal Risks which were reportedly identified based on a top-down assessment of risks by Senior Management to supplement a bottom-up budget centre risk management process. The principal risks were subsequently updated in mid-2017, May 2018, and March 2019. In response to requests from Member States, the Office has analysed the audit work conducted in 2020 and previous years against the principal risks, the results of which are available in Annex 7. The work of the Office will continue to be mapped to these principal risks and the follow-up of the related recommendations supporting significant risks and risk response actions identified by Management – for example, in relation to three risk areas with a severe or significant level of risk in the latest published list of principal risks.

70.   **WHO Health Emergencies Programme:** in 2020, the Office conducted audits of country offices affected by emergencies, such as the operational audit of the WHO Country Office in Yemen (audit report 20/1173) and the special purpose audit of the Emergency Health and Nutrition Programme in Yemen (audit report 20/1170). In 2020, the Office continued with the follow-up of the recommendations raised in previous audits of country offices affected by emergencies, such as Libya (audit report 19/1173), South Sudan (audit report 19/1161), Sudan (audit report 19/1171) and the Syrian Arab Republic (audit report 19/1181), as well as the Ebola virus disease operational support in the Democratic Republic of the Congo (audit report 19/1164-2) and the WHO Health Emergencies Programme at the Regional Office for the Eastern Mediterranean (audit report 19/1177). The Ebola audit provides input to help the design of the WHO Health Emergencies Programme administrative procedures and functions.

71.   **Misconduct in the Organization:** in 2020, the Office participated in the WHO working group on fraud to improve the fraud risk assessment process. Since 2018, the Office has been providing a fraud awareness presentation to staff as part of its audit missions. The Office also provides information on fraud awareness in the induction sessions for new staff at headquarters and induction sessions for Heads of WHO country offices in countries, territories and areas. Standard testing in most of the audits includes potential fraud areas, such as, segregation of duties in the areas of eImprest, payments, procurement and fixed assets. Previous audit reports have highlighted the need to conduct due diligence assessments of the activities of implementing partners (direct financial cooperation) including non-State actors.

72.   **Cybersecurity:** in 2020, as part of the audit of the Regional Office for Europe (audit report 20/1187) the Office reviewed the information technology area. In 2019, the Office conducted a review of the WHO Cybersecurity Roadmap (report 19/1165). Implementation of the recommendations is still in progress and the Office conducted active follow-up during the year. The Office is invited as an observer to the meetings (two in 2020) of the Cybersecurity Council established in 2020.

73. **Business continuity:** in 2020, the Office conducted an advisory review of COVID-19 teleworking (advisory report 20/1181) during which several aspects of business continuity were reviewed and recommendations subsequently issued to Management. The Office continues to monitor the deployment of new cloud-based information technology tools, such as Zoom and Microsoft Office (SharePoint, Teams) and their application for improved business continuity across WHO.

REGION OF THE AMERICAS

74. With regard to the situation in the WHO Region of the Americas, the Auditor General of the Office of Internal Audit[1] confirmed in its 2020 report to the Pan-American Sanitary Bureau that the Office had observed continuing improvements in the Bureau's internal control environment in 2020. The improvements were reflected in the absence of "unsatisfactory" ratings for any of the internal audit assignments in 2020. This is the third consecutive year with no "unsatisfactory" ratings overall, and the fourth year with no "unsatisfactory" ratings for country offices. The improvements appear to derive in part from better information technology systems, most notably those arising from the PAHO's Management Information System (PMIS) project, and in part from an increased awareness among personnel of the importance of internal controls. The Auditor General also noted that the Organization had responded rapidly and with agility to the COVID-19 pandemic in 2020, embracing new information technology tools to ensure the continuity of administrative and operational activities. Similarly, the Organization had responded to cash flow challenges in 2020 through strict budgetary control over general expenses and the costs of human resources.

75. The Auditor General further reported that, based on the internal oversight work performed in 2020, and its participation in organizational life, for example, as observers in internal committees and working groups, the Office had not identified any significant weaknesses in internal controls that would seriously compromise the achievement of PAHO's strategic and operational objectives. The overall opinion of the Office with respect to PAHO's internal control environment in 2020 is that it continued to provide reasonable assurance both of the accuracy and timely recording of transactions, assets and liabilities, and of the safeguarding of assets. However, as in previous years, the Auditor General drew attention to the scope for further development of a second line of assurance, namely, management monitoring and compliance activities. The Pan American Sanitary Bureau has taken in 2020 the first steps in a project of assurance mapping, an important initiative which, alongside the evolving enterprise risk management process, should contribute to articulating more clearly the interconnections between the Organization's objectives, risks and risk-mitigating internal controls.

ACTION BY THE HEALTH ASSEMBLY

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

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[1] Formerly the Office of Internal Oversight and Evaluation Services (IES).

ANNEX 1

STATUS OF OPEN AUDIT RECOMMENDATIONS AS AT 19 JANUARY 2021

Audit No.	Audit title	Responsible manager	Date of final report	Number of years since report issued	Number of recommendations	Status as at 12 February 2020				Number of recommendations	Current status as at 19 January 2021				Implementation rate (excluding not yet due)	Percentage of overdue implementation*	High residual risk overdue not closed	High priority** overdue not closed*	Comments on changes since previous status report
						Implementation not yet due	Overdue not started	Overdue in progress	Closed		Implementation not yet due	Overdue not started	Overdue in progress	Closed					
Audit reports of 2016 workplan																			
16/1026	Global management system user provisioning	ADG/BOS	2017/02	Closed	20	0	0	7	13	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Audit closed during the period
16/1033	Health Systems Governance and Financing at Headquarters	ADG/UHL	2016/11	4.2	36	0	0	8	28	36	0	0	8	28	78%	22%	1	6	No formal response received during the period
16/1062	WHO Staff Health Insurance	ADG/BOS	2017/04	3.8	33	0	2	10	21	33	0	0	8	25	76%	24%	6	6	4 recommendations closed during the period
Audit reports of 2017 workplan																			
17/1079	WHO Headquarters	HQ/DGO	2017/12	3.1	50	0	4	8	38	50	0	0	7	43	86%	14%	3	6	5 recommendations closed during the period
17/1082	Country office in Niger	RD/AFRO	2017/11	Closed	37	0	2	13	22	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Audit closed during the period
17/1092	Regional Office for Europe	RD/EURO	2017/12	Closed	34	0	0	3	31	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Audit closed during the period
17/1094	Country office in the Republic of Congo	RD/AFRO	2018/04	Closed	27	0	0	2	25	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Audit closed during the period
17/1095	Country Office in Equatorial Guinea	RD/AFRO	2018/02	2.9	40	0	3	6	31	40	0	0	5	35	88%	13%	1	3	4 recommendations closed during the period
17/1097	Procurement and supply services department at the Regional Office for Africa	RD/AFRO	2018/04	Closed	14	0	2	1	11	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Audit closed during the period
17/1103	Office 365 Cloud Email	ADG/BOS	2018/02	2.9	7	0	0	4	3	7	0	0	4	3	43%	57%	1	2	Comments received for 3 of the recommendations in progress

Audit No.	Audit title	Responsible manager	Date of final report	Number of years since report issued	Number of recommendations	Status as at 12 February 2020				Current status as at 19 January 2021						Implementation rate (excluding not yet due)	Percentage of overdue implementation*	High residual risk overdue not closed	High priority** overdue not closed*	Comments on changes since previous status report
						Implementation not yet due	Overdue not started	Overdue in progress	Closed	Number of recommendations	Implementation not yet due	Overdue not started	Overdue in progress	Closed						
17/1105	Department of Public Health, Environmental and Social Determinants of Health at WHO headquarters	ADG/UHL	2017/12	Closed	42	0	20	6	16	N/A	N/A	N/A	N/A	N/A		N/A	N/A	N/A	N/A	Audit closed during the period
17/1106	Country Office in Cameroon	RD/AFRO	2018/02	2.9	34	0	0	14	20	34	0	0	13	21		62%	38%	1	9	1 recommendation closed during the period
Audit reports of 2018 workplan																				
18/1126	WHO in Ethiopia	RD/AFRO	2018/08	2.4	62	1	4	12	45	62	0	0	7	55		89%	11%	3	4	10 recommendations closed during the period
18/1127	Country Office in Nigeria	RD/AFRO	2018/08	2.4	32	0	0	2	30	32	0	0	2	30		94%	6%	0	0	Comments received for two of the recommendations in progress
18/1129	WHO in Liberia	RD/AFRO	2018/05	2.7	39	0	0	5	34	39	0	0	3	36		92%	8%	1	2	2 recommendations closed during the period
18/1130	IT Project Management at Headquarters	ADG/BOS	2019/01	2.0	19	5	0	1	13	19	0	0	2	17		89%	11%	1	2	4 recommendations closed during the period
18/1133	Country office in Yemen	RD/EMRO	2019/06	Closed	73	0	0	5	68	N/A	N/A	N/A	N/A	N/A		N/A	N/A	N/A	N/A	Audit closed during the period
18/1134	Country Office in Chad	RD/AFRO	2018/09	2.3	45	0	0	18	27	45	0	0	10	35		78%	22%	2	6	8 recommendations closed during the period
18/1136	Country Office in Ukraine	RD/EURO	2018/11	2.2	18	0	0	4	14	18	0	0	2	16		89%	11%	0	0	2 recommendations closed during the period
18/1138	Payroll at the Global Service Centre	ADG/BOS	2019/04	1.8	18	4	4	1	9	18	0	1	5	12		67%	33%	0	0	3 recommendations closed during the period
18/1147	Information and Communications Technology at the Regional Offices for Africa and South-East Asia	RD/AFRO	2019/03	1.9	7	0	0	5	2	7	0	0	2	5		71%	29%	1	2	3 recommendations closed during the period
		RD/SEARO		Closed	6	0	0	0	6	N/A	N/A	N/A	N/A	N/A		N/A	N/A	N/A	N/A	Audit closed previous year (SEARO)
18/1148	Integrated Audit of Communicable Diseases at the Regional Office for Europe	RD/EURO	2019/04	1.8	34	18	0	6	10	34	0	0	10	24		71%	29%	0	2	14 recommendations closed during the period
18/1149	Integrated audit of the Global Malaria Programme	ADG/UCN	2018/10	Closed	20	0	0	1	19	N/A	N/A	N/A	N/A	N/A		N/A	N/A	N/A	N/A	Audit closed during the period

Audit No.	Audit title	Responsible manager	Date of final report	Number of years since report issued	Status as at 12 February 2020					Current status as at 19 January 2021					Implementation rate (excluding not yet due)	Percentage of overdue implementation*	High residual risk overdue not closed	High priority** overdue not closed*	Comments on changes since previous status report
					Number of recommendations	Implementation not yet due	Overdue not started	Overdue in progress	Closed	Number of recommendations	Implementation not yet due	Overdue not started	Overdue in progress	Closed					
18/1152	Integrated audit of the Department of Service Delivery and Safety WHO Headquarters	ADG/UHL	2019/01	2.0	63	2	48	6	7	63	0	35	5	23	37%	63%	12	16	16 recommendations closed during the period
18/1154	WHO in Somalia	RD/EMRO	2018/12	2.1	63	0	13	18	32	63	0	1	9	53	84%	16%	3	6	21 recommendations closed during the period
18/1155	Regional Office for Africa	RD/AFRO	2019/03	1.9	28	0	19	9	0	28	0	10	8	10	36%	64%	2	8	10 recommendations closed during the period
18/1156	Eastern Mediterranean Regional Office	RD/EMRO	2019/04	1.8	35	0	10	8	17	35	0	1	0	34	97%	3%	1	1	17 recommendations closed during the period
18/1160	Award Management	DDG	2019/05	1.7	9	6	0	3	0	9	0	3	3	3	33%	67%	0	5	3 recommendations closed during the period
Audit reports of 2019 workplan																			
19/1161	WHO in South Sudan	RD/AFRO	2019/06	1.6	54	0	33	2	19	54	0	3	1	50	93%	7%	3	3	31 recommendations closed during the period
19/1163	Direct Implementation Activities	ADG/BOS	2019/11	1.2	29	29	0	0	0	29	0	1	7	21	72%	28%	4	4	21 recommendations closed during the period, 7 recommendations under review by IOS
19/1164 -1	Country office in the Democratic Republic of the Congo	RD/AFRO	2019/11	1.2	45	32	13	0	0	45	0	9	20	16	36%	64%	13	13	16 recommendations closed during the period
19/1164 -2	Ebola virus disease audit - Democratic Republic of the Congo	RD/AFRO – WHE/EXD			40	0	18	18	4	40	0	0	2	38	95%	5%	1	1	34 recommendations closed during the period
19/1165	IT Audit of WHO Cybersecurity Roadmap	ADG/BOS	2019/09	1.3	14	4	0	1	9	14	0	1	4	9	60%	40%	4	6	Feedback received for 4 recommendations
19/1166	Global Audit of Travel ****	ADG/BOS	2020/02	1.0	11	11	0	0	0	10	1	2	0	7	78%	20%	0	0	7 recommendations closed during the period
19/1167	WHO in Mozambique	RD/AFRO	2019/07	1.5	52	9	21	9	13	52	0	3	3	46	88%	12%	4	5	33 recommendations closed during the period
19/1171	WHO in Sudan	RD/EMRO	2020/01	1.0	93	93	0	0	0	93	19	47	11	16	22%	62%	25	39	16 recommendations closed during the period

Audit No.	Audit title	Responsible manager	Date of final report	Number of years since report issued	Number of recommendations	Status as at 12 February 2020				Current status as at 19 January 2021					Implementation rate (excluding not yet due)	Percentage of overdue implementation*	High residual risk overdue not closed	High priority** overdue not closed*	Comments on changes since previous status report
						Implementation not yet due	Overdue not started	Overdue in progress	Closed	Number of recommendations	Implementation not yet due	Overdue not started	Overdue in progress	Closed					
19/1172	WHO in Iraq	RD/EMRO	2019/10	1.3	46	21	4	21	0	46	0	3	2	41	76%	24%	2	3	41 recommendations closed during the period
19/1173	Country Office in Libya	RD/EMRO	2020/02	0.9	78	78	0	0	0	78	0	0	9	69	88%	12%	3	8	69 recommendations closed during the period
19/1175	WHO in Indonesia	RD/SEARO	2020/01	1.0	59	59	0	0	0	59	0	8	5	46	78%	22%	4	8	46 recommendations closed during the period
19/1176	Regional Office for South East Asia	RD/SEARO	2020/01	1.0	20	20	0	0	0	20	0	0	3	17	85%	15%	1	2	17 recommendations closed during the period
19/1177	WHO Health Emergencies Programme at the Regional Office for the Eastern Mediterranean	RD/EMRO	2019/12	1.1	31	31	0	0	0	31	0	1	9	21	68%	32%	1	4	21 recommendations closed during the period
19/1178	Payment Services at the Global Service Centre	ADG/BOS	2020/02	1.0	16	16	0	0	0	16	0	2	6	8	50%	50%	0	3	8 recommendations closed during the period
19/1180	Country Office in the Democratic People's Republic of Korea	RD/SEARO	2020/02	0.9	33	33	0	0	0	33	0	0	23	10	30%	70%	3	7	10 recommendations closed during the period
19/1181	WHO in Syria ****	RD/EMRO	2020/03	0.8	34	34	0	0	0	32	0	13	6	13	41%	59%	3	4	13 recommendations closed during the period
19/1182	Country office in the Central African Republic	RD/AFRO	2020/02	Closed	33	33	0	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Audit closed during the period
19/1185	Country office in Tajikistan	RD/EURO	2020/02	Closed	12	12	0	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Audit closed during the period
Audit reports of 2020 workplan																			
20/1167	WHO in Nepal	RD/SEARO	2020/07	0.6	N/A	N/A	N/A	N/A	N/A	39	24	0	0	15	100%	0%	0	0	15 recommendations closed during the period
20/1168	WHO in the Lao People's Democratic Republic	RD/WPRO	2020/07	Closed	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Audit closed during the period
20/1170	Special purpose audit of the Emergency Health and Nutrition Programme in Yemen	RD/EMRO	2020/12	0.1	N/A	N/A	N/A	N/A	N/A	3	3	0	0	0	0	0	0	0	Not yet due
20/1172	Antimicrobial Resistance Division at headquarters	ADG/AMR	2020/08	0.4	N/A	N/A	N/A	N/A	N/A	25	17	0	2	6	75%	8%	0	0	6 recommendations closed during the period
20/1173	WHO Country Office in Yemen	RD/EMRO	2020/07	0.6	N/A	N/A	N/A	N/A	N/A	24	2	0	12	10	45%	50%	7	0	10 recommendations closed during the period

Audit No.	Audit title	Responsible manager	Date of final report	Number of years since report issued	Number of recommendations	Status as at 12 February 2020				Current status as at 19 January 2021					Implementation rate (excluding not yet due)	Percentage of overdue implementation*	High residual risk overdue not closed	High priority** overdue not closed*	Comments on changes since previous status report
						Implementation not yet due	Overdue not started	Overdue in progress	Closed	Number of recommendations	Implementation not yet due	Overdue not started	Overdue in progress	Closed					
20/1175	Headquarters New Building project	ADG/BOS	2020/12	0.1	N/A	N/A	N/A	N/A	N/A	8	8	0	0	0	0	0	0	0	Not yet due
20/1177	WHO Office in West Bank and Gaza	RD/EMRO	2021/01	0.0	N/A	N/A	N/A	N/A	N/A	22	22	0	0	0	0	0	0	0	Not yet due
20/1186	WHO in Kenya	RD/AFRO	2020/05	0.7	N/A	N/A	N/A	N/A	N/A	30	0	17	13	0	0%	100%	5	0	Follow-up in progress for 13 overdue recommendations
20/1187	Regional Office for Europe	RD/EURO	2020/07	0.5	N/A	N/A	N/A	N/A	N/A	12	10	1	0	1	50%	8%	0	0	1 recommendation closed during the period
20/1192	Global Tuberculosis Programme at headquarters	ADG/UCN	2020/11	0.1	N/A	N/A	N/A	N/A	N/A	7	4	0	0	3	100%	0	0	0	3 recommendations closed during the period
20/1178	WHO Country Office in Guinea ***	RD/AFRO	2020/12	N/A	N/A	N/A	N/A	N/A	N/A	10	10	0	0	0	N/A	N/A	N/A	N/A	Final report not yet issued
20/1193	WHO Country Office in Burundi***	RD/AFRO	2021/01	N/A	N/A	N/A	N/A	N/A	N/A	6	6	0	0	0	N/A	N/A	N/A	N/A	Final report not yet issued
20/1191	WHO Country Office in Bangladesh***	RD/SEARO	2021/01	N/A	N/A	N/A	N/A	N/A	N/A	13	13	0	0	0	N/A	N/A	N/A	N/A	Final report not yet issued

Total recommendations

1645	551	220	237	637	1523	139	162	251	971		122	196
100.0%	33.5%	13.4%	14.4%	38.7%	100.0%	9.1%	10.6%	16.5%	63.8%		8.0%	12.9%

Total recommendations closed before the due date

326
21.4%

* Not closed = either not started or in progress.
** High priority = high significance and low implementation effort.
*** Report currently in draft, due to be finalized.
**** In February 2020, the report was still in draft, hence the discrepancy in the total number of recommendations between now and the previous update.

Legend for explanations of colour-coded conditional formatting:

Criteria	Number of years since report issued
Final report issued less than one year ago	0.8
Final report issued between 1 and 1.3 years ago (1.3 years corresponds to the target closing time for an IOS audit)	1.1
Final report issued more than 1.3 years ago (i.e. > than the target closing time for an IOS audit)	1.3

| Criteria	Implementation rate
Implementation rate more than 85%	> 85%
Implementation rate between 50% and 85%	50% to 85%
Implementation rate less than 50%	< 50%

Criteria	Percentage of overdue implementation*
More than 50% overdue	> 50%
Between 15% and 50% overdue	15% to 50%
Less than 15% overdue	< 15%

Criteria	High Residual Risk overdue not closed
Response from auditee not yet due	N/A
One or more recommendations of high significance overdue	> = 1
No recommendations of high significance overdue	0

| Criteria	High priority overdue not closed
Response from auditee not yet due	N/A
One or more recommendations of high significance and low implementation effort overdue	> = 1
No recommendations of high significance and low implementation effort overdue	0

ANNEX 2A

BREAKDOWN OF THE AUDIT CONTROLS TESTED IN 2020 BY AUDIT RISK CATEGORIES, CONTROL EFFECTIVENESS AND RESIDUAL RISK
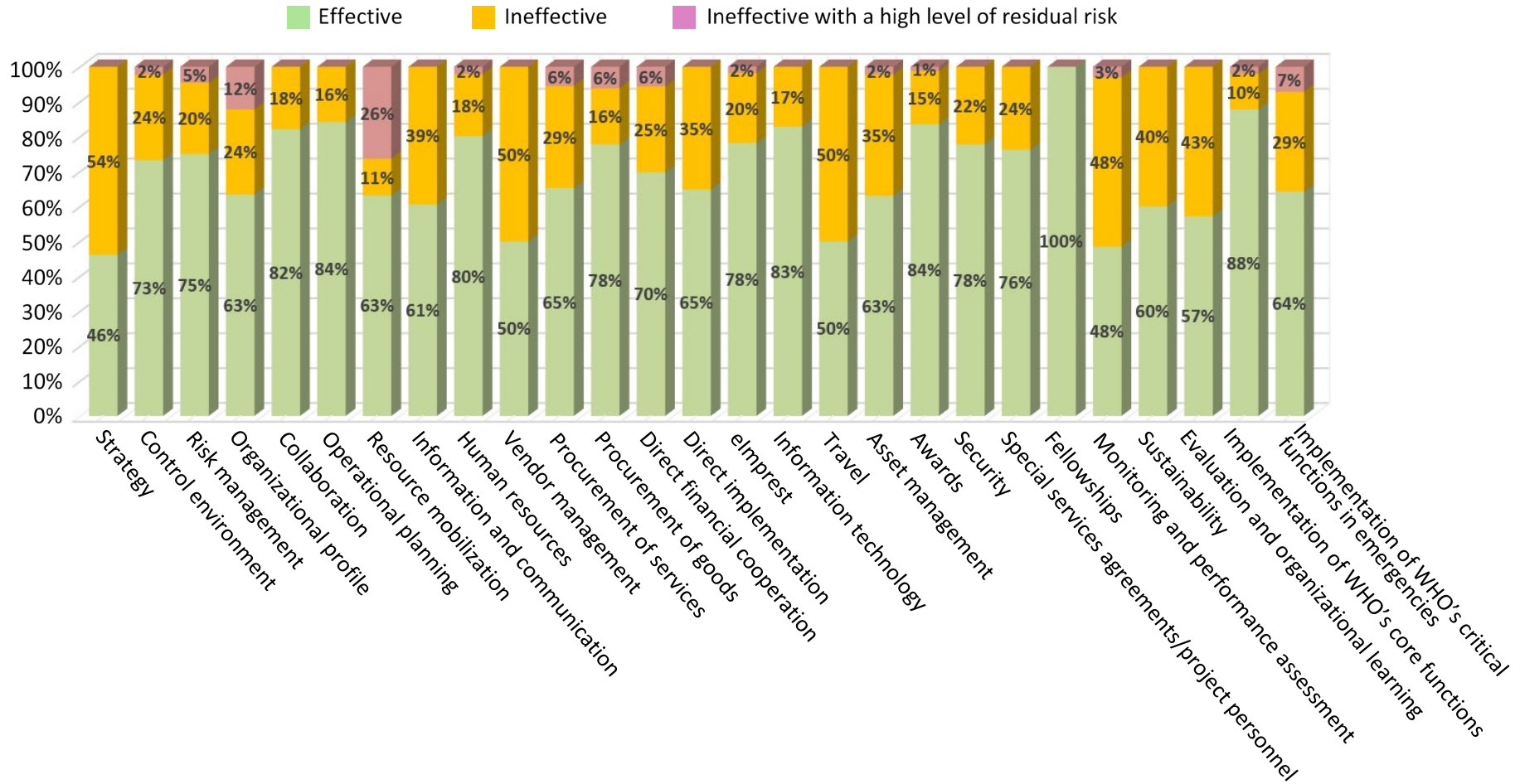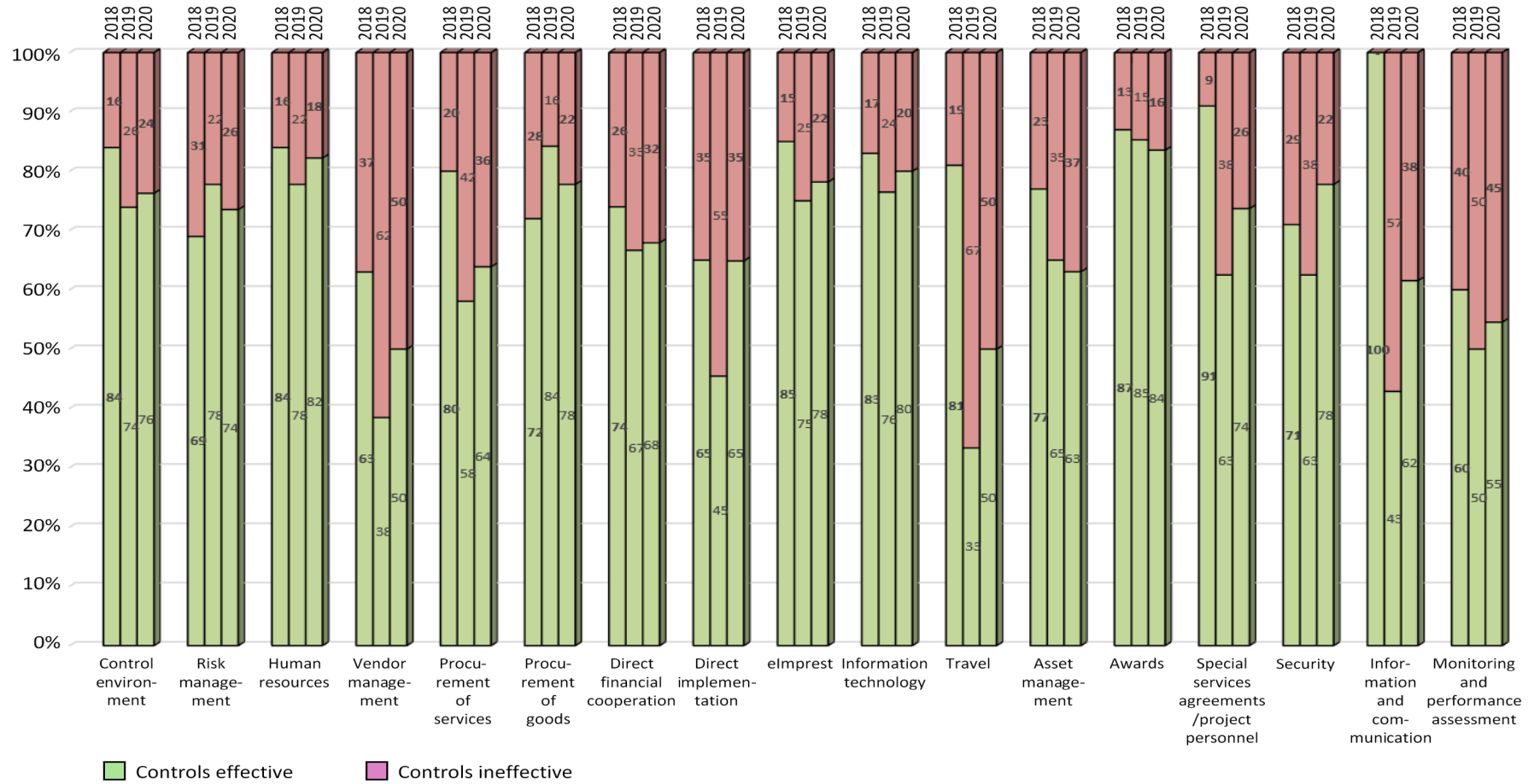
ANNEX 2B

BREAKDOWN OF THE AUDIT RECOMMENDATIONS BY AUDIT AREA AND RESIDUAL RISK
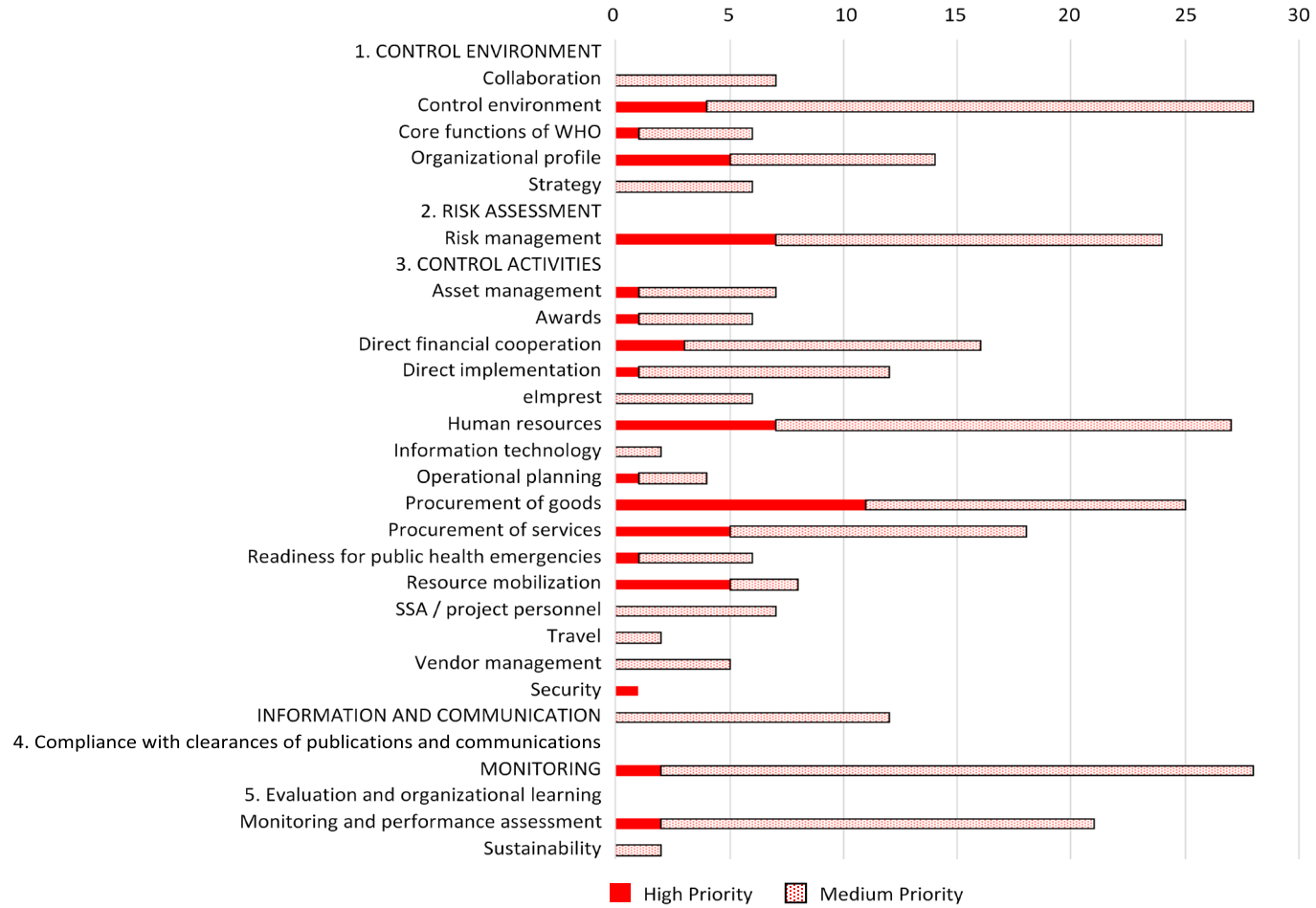
ANNEX 3A

**TRENDS IN OPERATING EFFECTIVENESS OF INTERNAL CONTROLS IN WHO COUNTRY OFFICE AUDITS OVER TIME
CONDUCTED BETWEEN 2018 AND 2020**

□ Controls effective   □ Controls ineffective

ANNEX 3B

OPERATING EFFECTIVENESS OF INTERNAL CONTROLS IN AUDITS, OPERATIONAL SECTION, COUNTRY OFFICES, CONDUCTED BETWEEN 2018–2020

Summary of effectiveness of internal controls – Organization-wide, by Region, for the period 2018-2020						
Overall control effectiveness 2018–2020	**WHO**	**Africa**	**Eastern Mediterranean**	**Europe**	**South-East Asia**	**Western Pacific**
	70%	69%	64%	91%	74%	76%
Control environment	77%	78%	66%	94%	90%	89%
Risk management	61%	59%	48%	78%	79%	75%
Human resources	77%	73%	71%	88%	79%	82%
Vendor management	44%	52%	43%	67%	36%	20%
Purchase orders – procurement of services	63%	69%	61%	81%	56%	71%
Purchase orders – procurement of goods	71%	74%	55%	95%	73%	65%
Direct financial cooperation	62%	60%	66%	100%	52%	79%
Direct implementation	61%	55%	71%	100%	60%	Not tested
eImprest	79%	77%	79%	100%	79%	80%
Global Management System/information technology	78%	76%	68%	100%	88%	86%
Travel	57%	59%	42%	75%	86%	67%
Fixed assets/inventory	64%	60%	57%	85%	85%	67%
Awards	82%	78%	76%	97%	86%	93%
Special services agreements/project personnel	78%	80%	78%	100%	60%	86%
Security	67%	69%	44%	100%	91%	60%
Fellowships	71%	80%	Not tested	Not tested	50%	Not tested
Information and communication	56%	54%	60%	50%	63%	50%
Monitoring	64%	59%	47%	75%	80%	100%

ANNEX 4

LIST OF AUDITS CLOSED SINCE FEBRUARY 2020 (AS AT 19 JANUARY 2021)

Audit no.	Audit title	Date of final report	Closing date	Months to close the audit
16/1026	Global Management System User Provisioning	02/2017	10/2020	44
17/1082	Country Office in Niger	11/2017	01/2021	38
17/1092	Regional Office for Europe 2017	12/2017	08/2020	32
17/1094	Country Office in the Republic of Congo	04/2018	01/2021	33
17/1097	Procurement and Supply Services Department at the Regional Office for Africa	04/2018	09/2020	29
17/1105	Department of Public Health, Environmental and Social Determinants of Health at WHO headquarters	12/2017	05/2020	29
18/1133	Country Office in Yemen – 2018	06/2019	08/2020	14
18/1149	Integrated Audit of the Global Malaria Programme	10/2018	04/2020	18
19/1182	Country Office in the Central African Republic	02/2020	01/2021	11
19/1185	Country Office in Tajikistan	02/2020	01/2021	11
20/1168	WHO in the Lao People's Democratic Republic	07/2020	10/2020	3

ANNEX 5

**EXTERNAL QUALITY ASSESSMENT OF THE WHO AUDIT FUNCTION –
LIST OF RECOMMENDATIONS AND IMPLEMENTATION STATUS, JANUARY 2021**

Recommendation	Target implementation date	Implementation status (as at 19 January 2021)
Recommendations by the external assessors		
Update the Office Charter on a regular basis at shorter intervals (e.g. two–three years).	Next Charter revision before end of 2021	Implemented. Closed.
Implement monitoring of continuing professional education hours for all internal auditors within the Office.	28 February 2019	Implemented. Closed.
Implement a formal periodic internal assessment. Such an assessment should be performed at least once between two external assessments.	Next formal periodic internal assessment before 31 December 2021	Implemented. Closed.
Reduce the time span between end of field work and draft report.	31 December 2019	The Office will continue to monitor time span to issue the audit reports.
Reduce the time span between the submission of the draft and the final report.	31 December 2019	See above.
Consider shortening audit reports by including graphs which summarize information (e.g. in the executive summary, a table with the following information may be added as transparent "eye-catcher": finding name, coloured priority of implementation and totals per "priority of implementation").	31 December 2019	Implemented. Closed.
Define the link between the overall report rating and the overall effectiveness of the controls.	31 December 2019	Analysis conducted. Improved charts and tables in audit conclusion.
Recommendations by the Office (self-assessment)		
Approval of the updated Office Charter: The Office should follow up with WHO Senior Management to ensure that the updated Charter is reviewed and approved by the Director-General.	28 February 2019	Implemented. Closed. (Updated Charter approved by the Director-General in 2019)
The Office should follow up with WHO Senior Management to ensure that the updated functional WHO organigram clearly establishes the Office's reporting responsibilities, including the independence of its Director/the audit function, in accordance with the Institute of Internal Audit Standards.	28 February 2019	To be actioned by WHO senior Management
Expand training opportunities for the Office audit staff: (a) Director Internal Oversight Services and Coordinator Audit should continue to seek technical audit training for Office audit staff. (b) Office audit staff should document in their end-of-year Performance Management Development System (PMDS) review that they have fulfilled their continuing professional education requirements, when applicable.	31 December 2019	Implemented. Closed.

Recommendation	Target implementation date	Implementation status (as at 19 January 2021)
Enhance communications and outreach: the Office should prepare and implement a plan to enhance its communications and outreach, for example, by improving its presence on the WHO intranet (i.e. to further inform WHO staff members and stakeholders on the audit process and increase awareness and understanding of good practices).	31 December 2019	Implemented. Closed.
Enhance key performance indicators: the Office Director and the Coordinator Audit should collaborate with the United Nations Representatives of Internal Audit Services working group (UNRIAS) on redefining the key performance indicators of the United Nations Internal Audit functions.	31 December 2019	Implemented. Closed.
Expand the use of TeamStore (TeamMate) for recurring audit observations and recommendations: Office audit staff should expand the use of TeamStore (TeamMate) as a repository for recurring audit observations and recommendations for operational audits.	31 December 2019	Implemented. Closed.
Continue to expand the use of data analytics: Office audit staff should continue to expand opportunities for assurance through greater use of data analytics and enhance the use of technology (e.g. to pilot the use of continuous auditing).	31 December 2019	Implemented. Closed.

ANNEX 6

SUMMARY OF SUBSTANTIATED INVESTIGATION REPORTS ISSUED IN 2020

Location	Summary	Conclusion	HR reference[1] (IOS Case number)
Country office	**Payment for unreceived goods** – A general service staff member wrongly certified receipt and triggered payments of US$ 33 524 for goods that were yet to be received from two vendors. The vendors ultimately delivered a large part of the order and the Organization incurred a loss limited to US$ 843.	Substantiated	2019/100
Regional office	**Retaliation, harassment, abuse of authority and breach of confidentiality** – After a supervisee sought assistance from the Ombudsman concerning allegations of harassment, a director engaged in a pattern of unjustified adverse and retaliatory behaviour targeted against the supervisee. The director also abused his/her authority in relation to the management of the supervisee and was found to have engaged in a long-standing pattern of abusive conduct towards other supervisees. Finally, the director breached the confidentiality of the administrative and investigative proceedings related to the case.	Substantiated	2018/112
Country office	**Sexual harassment** – A professional staff member sexually harassed his supervisee by means of comments and actions with sexual insinuations.	Substantiated	2019/069
Regional office	**Conflict of interest and bid rigging** – A National Professional Officer failed to declare his affiliations with a company vendor who was awarded contracts amounting to US$ 8684 following procurement processes that the individual was involved in. Further, the National Professional Officer allowed the owner of the company to double bid for contracts through two of his companies.	Substantiated	2015/10
Country office	**Bid rigging** – Three staff members in a country office knowingly colluded with a vendor to rig the Organization's bidding processes. Since 2014, the vendor has been awarded contracts for a total amount of US$ 111 343. The involvement of each staff member is detailed below: 1. A professional staff member allowed a vendor to rig the Organization's procurement bidding processes by submitting fictitious bids from non-existent companies. 2. A general service staff member knowingly collected false pro forma invoices from a vendor and submitted them to the Organization to further the vendor's participation in biased procurement processes. During the investigation, the staff member initially denied collecting	Substantiated	2016/25-03 2016/25-03 2016/25-04

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[1] See document A74/37.

Location	Summary	Conclusion	HR reference[1] (IOS Case number)
	the false pro forma invoices and drove the investigators to misleading locations. 3. A general service staff member knowingly collected false pro forma invoices for two non-existent companies from a vendor and submitted them to the Organization to further the vendor's participation in biased procurement processes. During the investigation, the staff member drove the investigators to two garage sites where individuals linked to the vendor responsible for the fraudulent activities pretended to work for the two ghost companies.		
Country office	**Medical insurance claim fraud** – In two separate cases in the same country office two local contractors working operationally for WHO at the time of the misconduct submitted fake medical claims and obtained an unjustified benefit of US$ 3835.	Substantiated	2018/064 2019/075
Country office	**Forgery and procurement fraud** – A general service staff member falsified documents and provided bids from other bidders to a company to ensure that it secured the contracts. Furthermore, there is reason to believe that the company did not deliver the goods or services ordered. The loss for the Organization is estimated at US$ 84 303.	Substantiated	2018/50
Country office	**Misappropriation** – A director in a ministry of health diverted funds amounting to US$ 9530 earmarked by WHO for a direct financial cooperation project to another project without the approval of WHO, and provided documentation to show that the funds were expended solely on the approved direct financial cooperation project.	Substantiated	2018/067-1
Country office	**Negligence** –A National Professional Officer negligently confirmed verification of expenditures and relevant supporting documentation submitted by a director at a ministry of health for the implementation of a direct financial cooperation project, even though part of the funds, amounting to US$ 9530, was diverted to another project not approved by WHO.	Substantiated	2018/067-2
Headquarters	**Nepotism and conflict of interest –** The involvement of a manager in the hiring and supervision of an individual as an intern, a consultant and finally as a temporary staff member could be perceived as nepotism – i.e. favouritism towards a friend or relative versus commitment to abide by the Organization's recruitment rules. However, the Office notes that the manager did not conceal any facts related to the selection and hiring decisions, which approving supervisors and the human resources department were able to review, except for the exact degree and nature of the relationship that developed between the manager and the individual.	Substantiated	2018/140-1

Location	Summary	Conclusion	HR reference[1] (IOS Case number)
Headquarters	**Coercion and malicious complaint** –A director filed a false and malicious complaint against a former senior staff member after unsuccessful enticements and coercion to lure a junior staff member to do so.	Substantiated	2019/111
Headquarters	**Harassment** – A professional staff member was found to have harassed his supervisee (second level) when he refused to accept to change the office space of a supervisee to alleviate medical issues the supervisee was facing and wrongly instructed the supervisee's direct supervisor to change his rating of the staff member's performance from "fully satisfactory" to "satisfactory" because of an error the staff member had made during the year of the assessment.	Substantiated	2018/042
Country office	**Theft** – A general service staff member stole money from a petty cash box in her care and expended money given to her by a participant in a WHO programme without refunding the money. The money embezzled amounted to US$ 1180.	Substantiated	2019/059

ANNEX 7

ASSESSMENT OF COVERAGE OF WHO'S PRINCIPAL RISKS IN RECENT INTERNAL AUDITS

WHO Principal Risks (March 2019)*			Examples of the Office-specific audit work related to the risks
Risk reference	**Risk area**	**Current level of risk criticality** (changed from the previous update indicated in brackets)	**Examples of the Office-specific audit work related to the risks**
RR01	Financing of Programme budget	– Significant (stable)	• Routine audits cover internal measures to reduce expenditures as part of the review of the procurement and travel areas. • Integrated audits include a review of the resource mobilization area.
RR02	WHO Health Emergencies Programme (WHE)	– Severe (stable) – Severe (stable)	• In 2020, the Office conducted audits of country offices affected by emergencies, such as the operational audit of the WHO Country Office in Yemen (audit report 20/1173) and the special purpose audit of the Emergency Health and Nutrition Programme in Yemen (audit report 20/1170). • In 2020, the Office continued with the follow-up of the recommendations raised in previous audits of country offices affected by emergencies, such as Libya (audit report 19/1173), South Sudan (audit report 19/1161), Sudan (audit report 19/1171) and Syrian Arab Republic (audit report 19/1181); Ebola virus disease operational support in the Democratic Republic of the Congo (audit report 19/1164-2); and the WHO Health Emergencies Programme at the Regional Office for the Eastern Mediterranean (audit report 1/1177). The Ebola audit provides input to help the design of the Health Emergencies Programme administrative procedures and functions. • The Office continued to update some tests in the audit risk matrix to assess the effectiveness of the Organization's readiness and response to emergencies. • The 2021 plan of work includes audits of country offices affected by emergencies, such as a follow-up of the audit of Libya. The plan of work also includes a cross-cutting audit of COVID-19 procurement at WHO regional and country offices.

WHO Principal Risks (March 2019)*			
Risk reference	**Risk area**	**Current level of risk criticality** (changed from the previous update indicated in brackets)	**Examples of the Office-specific audit work related to the risks**
RR03	Polio transition	– Significant (new risk) – Significant (stable) – Significant (stable) – Significant (stable)	• Poliomyelitis transition plans were reviewed during country office audits, when applicable. For example, poliomyelitis transition was reviewed during the integrated audit of WHO in Ethiopia (report 18/1126). • The WHO Evaluation unit has in its workplan for 2020–2021 a mid-term evaluation of the implementation of the Strategic Action Plan on Polio Transition (2018–2023). Therefore the Office did not include an audit in this area in the plan of work to avoid duplication. • The 2021 plan of work includes an audit of the Polio Eradication Department at the Regional Office for the Eastern Mediterranean.
RR04	Misconduct in the Organization	– Significant (stable)	• In 2020, the Office participated in the WHO working group on fraud, to improve the fraud risk assessment process. • Since 2018, the Office has been providing a fraud awareness presentation to staff as part of its audits and investigation missions, when appropriate. The Office also provided a similar presentation during the Operations Officers' meeting at the Regional Office for Africa and at the Regional Office for the Eastern Mediterranean. • The Office also provides information on fraud awareness in the induction sessions for new staff members at headquarters and for Heads of WHO country offices in countries, territories and areas. • In 2019, enhancement of the investigation capacity of the Office was reviewed based on a "best-in-class" benchmarking methodology, which confirmed that the function was considerably under-resourced. • Active follow-up of outstanding audit recommendations, including on the implementation of the recommendations in the Cybersecurity audit conducted in 2019 (audit report 19/1165) and other information technology audits, which provide input on the enhancement of integrated system controls and exception reporting. • Routine audits include the review of Global Management System user access rights. • Standard testing in most of the audits includes potential fraud areas, such as segregation of duties in the eImprest, payments and fixed assets. • Previous audit reports have highlighted the need to conduct due diligence in relation to implementing partner activities (direct financial cooperation), including non-State actors.

WHO Principal Risks (March 2019)*			
Risk reference	**Risk area**	**Current level of risk criticality** (changed from the previous update indicated in brackets)	**Examples of the Office-specific audit work related to the risks**
RR05	Business continuity	– Significant (stable)	• In 2020, the Office conducted an advisory review of teleworking (advisory report 20/1181) when several aspects of business continuity were reviewed and recommendations issued to WHO Senior Management. • The Office continues to monitor the deployment of new cloud-based information technology tools, such as Zoom, Microsoft Office (i.e. SharePoint, Microsoft Teams) and their application for improved business continuity across WHO. • Audits include a review of business continuity plans. • Standard testing in audits of country offices includes a review of information technology back-up procedures and other physical security information technology controls.
RR06	Cybersecurity Physical/ operational security	– Significant (stable) – Severe (stable)	**Cybersecurity:** • In 2020, as part of the Regional Office for Europe audit (audit report 20/1187), the Office reviewed the information technology area. • The Office is invited as an "observer" to the meetings (two in 2020) of the Cybersecurity Council, established in 2020. • In 2019, the Office conducted a review of the WHO Cybersecurity Roadmap (report 19/1165). Implementation of the recommendations is still in progress; the Office conducted active follow-up of the recommendations in 2020. • In 2018, the Office conducted a review of the information technology area at the Regional Offices for Africa and South-East Asia (report 18/1147). Implementation of two recommendations is still in progress at the Regional Office for Africa. • In 2017, the Office conducted an audit of the Office 365 Cloud email (report 17/1103). Implementation of four recommendations is in progress. **Physical/operational security:** • Routine audits include the review of the security area, including a review of adherence to the United Nations Department of Safety and Security requirements.
RR07	Long-term obligations/ liabilities	– Significant (stable)	• In 2016, the Office conducted an audit of WHO Staff Health Insurance (report 16/1062) which includes recommendations to improve the WHO Staff Health Insurance governance. Implementation of the recommendations is still in progress.

* WHO Principal Risks (March 2019), prepared by WHO, used for the 2020 Internal audit workplan:
https://www.who.int/about/finances-accountability/accountability/WHO_Principal_Risks.pdf?ua=1 (accessed
25 January 2021).

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