



## Appointment of the External Auditor

### Report by the Director-General

1. In accordance with Article 12.1 of the Financial Regulations, the Fifty-second World Health Assembly is to appoint an External Auditor, who shall be the "the Auditor-General (or an officer holding equivalent title or otherwise qualified) of a Member Government". The appointment will take effect from 1 January 2000. The duration of the appointment will be at the discretion of the Health Assembly. Previous practice has, however, been to appoint the External Auditor for two financial periods. In the present case this would be for the financial period 2000-2001 and the subsequent period 2002-2003.
2. In May 1995, the Forty-eighth World Health Assembly, by resolution WHA48.18, appointed the holder of the Office of the Auditor-General of the Republic of South Africa to be the External Auditor of the accounts of the World Health Organization for the two financial periods 1996-1997 and 1998-1999. This issue will need to be considered by the Fifty-second World Health Assembly in May 1999.
3. By circular letter C.L.16, dated 1 July 1998 (Annex 1), all Member States were invited to nominate a candidate for consideration by the Health Assembly for the position of External Auditor of WHO for the financial periods 2000-2001 and 2002-2003. A deadline of 31 January 1999 was established for the receipt of candidatures.
4. Five nominations were received within the deadline from the Governments of: **Algeria**, dated 29 December 1998 (Annex 2); **Bangladesh**, dated 29 December 1998 (Annex 3); **India**, dated 14 January 1999 (Annex 4); **Pakistan**, dated 28 January 1999 (Annex 5);<sup>1</sup> and **South Africa**, dated 30 January 1999 (Annex 6).<sup>2</sup> One nomination of a private company was received from a Government after the deadline (dated and received 3 February 1999). In view of the requirement that the External Auditor be "the Auditor-General (or officer holding equivalent title or otherwise qualified) of a Member Government", the Government was informed that confirmation would first be necessary from it that the company proposed met this qualification before consideration could be given to submitting it to the Health Assembly, having regard to its late submission. No such confirmation has been received by the time of preparing this document and the nomination has not been submitted to the Health Assembly.

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<sup>1</sup> This nomination was dated and delivered on 28 January 1999, but to the Office of the External Auditor in the headquarters building (instead of to the WHO Secretariat), where it was apparently not realized that it was the original submission of the Government. The confusion was not realized until 23 March 1999, but it is assumed that the Health Assembly will wish to consider the nomination as timely made.

<sup>2</sup> Copies of the applications are presented by date of receipt in WHO. In order to save costs, covering letters or duplicate cover pages have not been reproduced.

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THE WORLD HEALTH ORGANIZATION  
APPOINTMENT OF EXTERNAL AUDITOR

Background information

1. General audit approach expected

The World Health Organization seeks to obtain an effective audit carried out to a high technical standard. The audit should be directed at important questions of financial policy and practice, with appropriate importance being given to efficiency (value-for-money) audits.

2. Nature of audit assignment

2.1 An appreciation of the magnitude of the financial operations of the World Health Organization, and thus of the nature of the audit, may be obtained from the detailed financial report headed - "Financial Report and Audited Financial Statements for the Financial Period 1 January 1996 - 31 December 1997"; and the "Annex - Extrabudgetary Resources for Programme Activities", both available on request. In addition, document A48/27, dated 22 March 1995, entitled Appointment of an External Auditor, provides the bids submitted for the two financial periods 1996-1997 and 1998-1999.

2.2 Main centres of financial activity are the World Health Organization headquarters in Geneva, Switzerland, the six regional offices located at Alexandria, Brazzaville (temporarily in Harare, Zimbabwe), Copenhagen, Manila, New Delhi and Washington, D.C. (see also paragraph 5 below), and the Onchocerciasis Control Programme (OCP) in Ouagadougou. The six regional offices and OCP prepare monthly financial statements for review and consolidation at WHO headquarters, Geneva. The World Health Organization also has field offices, resident staff and projects in many countries, and expenditure is incurred locally through imprest accounts.

3. The International Agency for Research on Cancer (IARC)

In accordance with Article VI, paragraph 6.2, of the IARC Financial Regulations, the External Auditor of the World Health Organization is required to act also as the External Auditor of IARC in Lyons, France. Therefore, the candidate nominated for appointment as External Auditor of WHO should be prepared to undertake also the audit of IARC. A copy of the latest available audited financial statements for IARC is available on request.

4. Joint United Nations Programme on HIV/AIDS (UNAIDS)

In accordance with paragraph 3 of the Letter of Agreement between WHO and UNAIDS regarding the provision of administrative and financial services to UNAIDS, the External Auditor of the World Health Organization is required to act also as the External Auditor of UNAIDS. Therefore, the candidate nominated should be prepared to undertake also the audit of UNAIDS. A copy of the latest available audited financial statements for UNAIDS is available on request.

5. The Regional Office for the Americas

The Pan American Health Organization (PAHO), whose headquarters are located in Washington, D.C., also serves as the Regional Office for the World Health Organization in the Americas. PAHO appoints its own External Auditor who may be the same as that appointed by WHO, or who may be another, in which case close collaboration is required between the two auditors.

6. Internal audit and oversight (IAO)

The World Health Organization maintains an office of internal audit and oversight which at present comprises a director and eight professional staff (two of whom are located in Washington, D.C.). The internal auditors are staff members of the World Health Organization and the director reports directly to the Director-General. The main responsibility of the unit, as stated in Article X of the WHO Financial Regulations, is to provide an effective current examination and/or review of the Organization's financial transactions. Various other types of reviews are carried out. The internal and external auditors are expected to coordinate their work to avoid duplication and promote efficiency in audit.

7. External audit fee

The all-inclusive World Health Organization external audit fee paid for 1996-1997 was US\$ 850 000.

8. In summary, this invitation to submit names of candidates for consideration for appointment as External Auditor relates only to the World Health Organization, IARC and UNAIDS.

**THE PEOPLE'S DEMOCRATIC REPUBLIC OF ALGERIA**  
**MINISTRY OF FINANCE**

**ALGERIAN CANDIDATE TO THE**  
**POST OF EXTERNAL AUDITOR OF THE**  
**WORLD HEALTH ORGANIZATION**  
**BUDGETARY PERIODS 2000-2001 AND 2002-2003**

(a) Curriculum vitae

**1. THE CANDIDATE:**

NAME: SNOUSSI

FIRST NAME: Mohamed

DATE AND PLACE OF BIRTH: 2 March 1951, Blida, Algeria

MARITAL STATUS: Married with two children

GRADE: Inspector-General of Finance, ungraded

CURRENT POST: Divisional head at the Inspectorate-General of Finance (Ministry of Finance)

**2. TITLES AND DIPLOMAS:**

- Degree in Economics: 1974
- Principal Financial Inspector's Diploma (School of Applied Economics and Finance), 1974
- Auditor registered with the Algerian order of chartered accountants and independent auditors.

**3. PROFESSIONAL CAREER**

Financial Auditor 1974 (Inspectorate-General of Finance, IGF)

- Central Inspector of Finance 1985 (IGF)
- Inspector-General of Finance 1990 (IGF)
- Inspector-General of Finance, ungraded 1990 (IGF)
- Interim Comptroller to the IGF (division of 26 August 1990)  
Comptroller to the IGF (decree of 1 May 1991)
- Head of the Division of Control and Evaluation of Social and Financial Activities, Services and Performance at the IGF (decree of 1 June 1992).

Between 1974 and 1990 I was responsible for inspection and auditing of various areas of activity, especially in the fields of health and social security.

Many university hospitals and health divisions throughout the country were therefore inspected for operational shortcomings in relation to their terms of reference and the objectives with which they had been entrusted by the authorities; recommendations were made for their rectification.

Companies supplying and distributing drugs were also regularly monitored and assessed, providing the Algerian State with up-to-date information and opinions that contributed to complete restructuring of the sector.

From 1990 until now, as head of the Division of Control and Evaluation of Social and Financial Activities, Services and Performance at the Inspectorate-General of Finance, I have started and supervised, especially in the health and social security sector, several control and evaluation operations covering both health facilities (university hospitals and health divisions) and central administrations responsible for preparing health policy (the Ministry of Health and Population) and social protection (the Ministry of Labour and Social Protection). This last area was assessed by evaluation of social insurance and pension schemes set up by the national social insurance fund and national pension fund.

Algerian experience in this area has much in common with the experience of developed countries.

I have gone on study trips to France organized by the cultural service of the French Embassy in Algeria, working on the following areas:

- organization, operation and financing of health facilities;
- the role and organization of the Inspectorate-General of Social Affairs;
- the role and organization of the Inspectorate-General of Finance.

Finally, I have taken part in study missions abroad on European accounting standards with the KPMG and Ernst Young companies, and the French national company of chartered accountants, where I became familiar with the auditing procedures and the formalities of the external auditor.

(b) The report of the External Auditor must be prepared in accordance with Article 12 of the extract from the Financial Regulations of WHO, and with the additional mandate for the external auditing of the Organization.

The mission of the External Auditor has three central obligations:

- to verify the regularity, sincerity and veracity of annual accounts;
- to ensure that the regulations, budgetary provisions and other directives of the Organization have been respected;
- to give an opinion and findings to the Health Assembly.

In order to achieve these objectives, the External Auditor must gather, in a reasonable but relatively short period, as much information as possible, as a basis for that opinion.

I. General familiarization with WHO:

- gathering of information documents on WHO
- contacts with the outgoing External Auditor
- WHO organization chart and contacts with officials in charge of administration and finance.

This phase will show the general risks inherent in the particular set-up of WHO that could have a significant effect on the accounts; it will also allow us to pinpoint the significant areas, establish the permanent file on the mission and plan the operation.

2. Examination and evaluation of internal audit

The External Auditor must ensure that the statutory account books and documents are kept up to date.

The internal audit must be assessed in terms of its organization, the system of documentation and information, the physical means of protection and the supervision system.

3. The audit

In order to give an opinion, the Auditor must confirm that the annual accounts audited give a faithful image of the financial situation.

The Auditor must report fraud or suspected fraud, wastage or irregular use of the Organization's funds or any other fact that might damage the Organization.

Surveys will be used to provide these services.

(c) Auditing of the accounts will take four months in the 2000-2001 budgetary period and three months in the 2002-2003 budgetary period.

(d) Fees. The fees cover:

- fees for the External Auditor;
- secretarial costs;
- document reproduction;
- travel expenses;
- mission costs for collaborators;
- miscellaneous (tax adviser - accountant, etc.)

2000-2001 budgetary period: US\$ 850 000

2002-2003 budgetary period: US\$ 850 000

(e) Whenever necessary, the External Auditor must submit a written request for information to the manager concerned, in accordance with Article 3 of the additional mandate for external audit of WHO. Answers should be provided within a reasonable time.

The External Auditor must have access to the documents prepared by the outgoing Auditor, and may request his help if need be.

I pledge that, if nominated, I will cooperate fully with the External Auditor who succeeds me.



## **Tender Proposal**

**Names of Candidates:** Curriculum vitae of the Comptroller and Auditor General of Bangladesh and 23 (Twenty Three) Auditors of the Department nominated by him are annexed to this proposal. In actuality, the number shall be fixed on the basis of necessity when audit begins.

- a) Details of the national and international activities of each auditor noting the range of audit specialties have been set forth in individual c.v.s noted above.
- b) Keeping in view the Financial regulations, rules and the UN system accounting standards, audit approach, procedures and standards of our auditors would be determined. These would be 1) identification of critical areas according to the auditor's judgment 2) test-audit 3) System and transactions examination and 4) Generally accepted Auditing Principles (GAAP). Bangladesh is a member of the INTOSAI (International Organization of Supram Audit Institution). The relevant standard would also be followed. In each stage a quality control review will be done of the auditor's work by the supervisor(s). Provisions of paragraph 12.2 of the financial regulations shall be followed. We will make audit observations in accordance with provisions of 12.3 and 12.5 also. Application of provisions of 12.7 shall be determined on the spot by the Auditor-General. We understand our responsibilities regarding compliance of the provisions of paragraph 12.8 of the financial regulations. We are also aware of the contents of Additional Terms of Reference governing the external audit of the World Health Organization and in the performance of our professional duties shall reasonably comply with the provisions.
- c) Though this would, to some extent, depend on the amount of expenditures involved in each financial period, we would like to send a two member audit team to each of the 10(ten) stations/centres of WHO financial activities for each of the two biennia. This would be 30 days x 3 months i.e. 90 days (22 working days + 8 holidays each month) for each of the audit teams. Thus 3 months would be devoted to the audit of the first biennium while another 3 months would be devoted to the audit of the 2<sup>nd</sup> biennium.

**AUDIT FEES : COST ESTIMATES**

**d)-a** Cost Estimates for the biennium 2000-2001 would be as follows:  
(Programmed Activities)

- i) Per Diem (Accommodation + transit + living allowance)  
190 US\$ X90X20=3,42,000.00 US\$.
- ii) Air-Fare  
Dhaka- Washington- Geneva- Dhaka 5000.00 US\$ One team  
Dhaka- Geneva- Dhaka 2000.00 US\$ One team  
Dhaka- Alexandria- Geneva- Dhaka 2000.00 US\$ One team  
Dhaka- Brazzaville- Geneva- Dhaka 2000.00 US\$ One team  
Dhaka- Copenhagen Geneva-Dhaka 2000.00 US\$ One team  
Dhaka- Manila-Geneva-Dhaka 2000.00 US\$ One team  
Dhaka-New Delhi- Geneva-Dhaka 2000.00 US\$ One team  
Dhaka- Ouagadougou- Geneva-Dhaka 2000.00 US\$ One team  
Dhaka- Lyons-Geneva-Dhaka 2000.00 US\$ One team  
Dhaka- UNAIDSHQ-Geneva- Dhaka 5000.00 US\$ One team  
26,000.00 US\$  
Dhaka- Geneva- Dhaka 2X2000 US\$ 4000.00 US\$ For the Auditor  
30,000.00 General's supervision.
- iii) Travel Tax + Airport Tax + Road Movement.  
US\$ 50 +150=200X20 = 4000.00 US\$  
US\$ 300X20 = 6000.00 US\$  
10,000.00 US\$
- iv) Printing of Reports (Secretarial activities)  
US\$ 160.00 (P/day) X10X80 (days) = 1,28,000.00US\$  
Of the 86 working days, typists/secretaries may be required to be kept engaged for 80 days (66 normal days + 14 holidays).
- v) For Extra budgetary Funded Activities = 2,50,000.00 US\$
- I + ii + iii + iv + v = 3,42,000.00  
30,000.00  
10,000.00  
1,28,000.00  
2,50,000.00  
**Total** 7,60,000.00 US\$

**AUDIT FEES: COST ESTIMATES**

- d) -b Cost Estimates  
For Biennium 2002-2003:

We propose a 10% increment in costs of Audit for this biennium:-

Previous	=	7,60,000.00 US\$
Increment	=	<u>76,600.00 US\$</u> (10% of us \$ 7,60,000.00)
Total		8,36,600.00 US\$

We incorporate possible health coverage in the estimate but expenditures on this account will be claimed if actually necessary. Otherwise that part of the cost will not be claimed.

5. Financial Regulation 12.1, which governs the appointment of the External Auditor of WHO, states the following:

*12.1 External Auditor(s), each of whom shall be the Auditor-General (or officer holding equivalent title or otherwise qualified) of a Member Government, shall be appointed by the Health Assembly, in the manner decided by the Assembly. Auditor(s) appointed may be removed only by the Assembly.*

6. As regards the method by which the Health Assembly may decide on the appointment of the External Auditor, prior to the Forty-eighth World Health Assembly a single name was put forward by the Director-General which in each case the Assembly confirmed. However, for the Forty-eighth World Health Assembly, the Director-General invited proposals in accordance with the practice recently established in a number of other organizations of the United Nations system. As in the other organizations, the selection was then made by secret ballot as would be the case for any election under Rules 80 and 81 of the Rules of Procedure of the Health Assembly.

#### **ACTION BY THE HEALTH ASSEMBLY**

7. Since several proposals for the appointment as External Auditor have been received, the Fifty-second World Health Assembly should proceed in the same manner as the Forty-eighth World Health Assembly. It should first select the External Auditor by holding a secret ballot. After this is done, it may wish to adopt a resolution in the following form:

The Fifty-second World Health Assembly

1. RESOLVES that [exact title to be inserted] of [title of Member State to be inserted] be appointed External Auditor of the accounts of the World Health Organization for the financial periods 2000-2001 and 2002-2003 and that he/she conduct his/her audits in accordance with the principles incorporated in Article XII of the Financial Regulations, provided that, should the necessity arise, he/she may designate a representative to act in his/her absence;

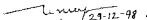
[if applicable]

2. EXPRESSES its thanks to the Auditor-General of the Republic of South Africa for the work he has performed for the Organization in his audit of the accounts for the financial periods 1996-1997 and 1998-1999.

- e) We would like to know the amount of expenditures covered by the immediate preceding audit, number of vouchers and particulars regarding extra budgetary funded activities and if permissible audit reports concerning their period. This will be required two months prior to the start of audit for the first biennium.

We express our assurance in unequivocal terms that we will also let our successor auditor(s) have access to such records in our possession as may be deemed necessary by them.

- f) Bangladesh had the honor of conducting audits while as a member of the UN Board of Auditors for UNHCR, UNIDO, ILO, FAO, ESCAP, UNFPA and ECLA through 1978-84. Besides, the office of the comptroller and Auditor General has conducted audits on behalf of USAID, CIDA, IFAD, ADB, World Bank for many years (1963-1998). In both these fields, she has earned continuous appreciation from the UN and the development partners. As a member state, she has been participating in UNIMOG and other UN peace-keeping assignments through her army and police force contingents in Angola, Yugoslavia and Bosnia, Hargigovina.

  
29-12-98

( Quamrul Hai )  
Director General

**BIOGRAPHICAL INFORMATION**  
**OF**  
**M. HAFIZUDDIN KHAN**  
**COMPTROLLER AND AUDITOR GENERAL OF BANGLADESH**

1. NAME : **M. HAFIZUDDIN KHAN**
2. DATE OF BIRTH : August 8, 1939
3. DATE OF APPOINTMENT AS  
COMPTROLLER & AUDITOR  
GENERAL OF BANGLADESH : April 3, 1996
4. ACADEMIC AND PROFESSIONAL  
QUALIFICATIONS :
  - (i) Obtained B.A.(Hons) M.A. degree in Political Science from Dhaka University in 1960 & 1961 respectively.
  - (ii) Obtained Diploma in Development Finance from the Institute of Local Government Studies, University of Birmingham, U.K.
5. PROFESSIONAL TRAINING :
  - (i) Undergone one year intensive professional training in Financial Management, Accounting, Auditing and Development Economics in the Pakistan Finance Services Academy, Lahore in 1965.
  - (ii) Obtained five months on the job advanced accounting and auditing training in the Pakistan Railway Accounts Academy, Quetta, Pakistan in 1968.
  - (iii) Participated in the third Senior Staff Course in the Bangladesh Public Administration Training Centre in 1986.
  - (iv) Obtained training in Project Management in the Bangladesh Management Development Centre in 1981.
  - (v) Participated in training course on development management in Agricultural Management Training Institute, Dhaka in 1982.
  - (vi) Attended a seminar on management of Farmers Cooperative Societies in the Philippines & Malaysia sponsored by University of the Philippines, Manila in 1980.
6. JOB EXPERIENCE :
  - A. Accounting, Auditing and Financial Management.

Joined the erstwhile Pakistan Railway Accounts Service in February 1965 as a member of 1964 batch. The Pakistan Railway Accounts Service ceased to exist as a separate cadre since 1967 & was functionally merged with the Pakistan Audit and Accounts Service.

Worked in the then Pakistan Railway and the Bangladesh Railway in various capacities from 1965 to 1975. Responsibilities during this period included budgeting, accounting, internal control and audit, financial and project management etc. in the Bangladesh Railway.

Worked as Additional Accountant General in the Military Accounts Department from '75 to '77. Responsibilities of the post involved accounting, auditing, financial management and personnel administration

Selected by the Government as Deputy Secretary in 1977 and served as Member Finance, Khulna Division Development Board; Director Finance, Integrated Rural Development Programme (now BRDB) and Member Finance in BADC for about 8 years. In all the above organisations, carried out overall responsibilities of financial planning, programming, budgeting, accounting, establishment of internal controls, project monitoring & evaluation.

**B. Planning and Development Management:**

Served as Joint Secretary in the Ministry of Works, IRD and Ministry of Local Government for about 6 years from 1983 to 1991. Responsibilities carried out during this period were of different nature in the Ministries of Works and Local Government the functions performed were mainly related to development planning, implementation and development finance. In IRD dealt with administration and functions related to domestic resource mobilisation.

**C. Support to Macro level Policy related issues & their implementation:**

Promoted as Additional Secretary to the Government in 1992 and served as Additional Secretary in the Prime Minister's Office. During the tenure of this post dealt with issues relating to all Economic Ministries, Cabinet Division, and Ministry of Establishment as well as a few other ministries. Served as Secretary of the Ministry of Disaster Management & Relief from January 1994 to March 1995. Posted as Secretary, Ministry of Posts & Telecommunications in March 1995 and held the post till April 2, 1996.

**7. PARTICIPATION IN GOVERNMENT DELEGATIONS ABROAD :**

- (i) Led Bangladesh delegation to the Asian Development Bank, Manila to negotiate settlement of reimbursement claim in respect of IRDP Project in 1981.
- (ii) Led Bangladesh delegation to the U.N. Centre for Human Settlement (HABITAT), Nairobi, for evaluation of tenders relating to technical assistance for Dhaka Urban Development Projects in 1990 and 1991.
- (iii) Led the Bangladesh team to study Municipal Administration in the Philippines, Nepal, Indonesia and Thailand in 1990.
- (iv) Participated in the Bangladesh delegation to carry out field study of family planning programme of Indonesia in 1991.

- (v) Participated in the UNHCR Annual Congress in Geneva in 1994 as a member of the Bangladesh delegation.
- (vi) Participated in a week-long course in disaster management in Bangkok in 1994 sponsored by UNDP and Asia Pacific Disaster Preparedness Centre, AIT, Bangkok.
- (vii) Led Bangladesh delegation to Malaysia to study their experience in privatisation of the telecommunication sector in 1995.
- (viii) Led Bangladesh team to Iran in 1995 to concretize areas of cooperation between Bangladesh & Iran in the Post & Telecommunication Sector within the framework and guidelines formulated during the visit of the Hon'ble Finance Minister to Iran.
- (ix) Led Bangladesh delegation to the XVI Conference of Commonwealth Auditors General held in Lahore in November, 1996.
- (x) Led Bangladesh delegation to the Global Workshop on Financial Accountability and Transparency as well as to the International Conference on Governance for Sustainable Growth and Equity organised by UNDP in New York in July-August, 1997.
- (xi) Led Bangladesh delegation to Seventh Assembly and Sixth International Seminar organised by Asian Organisation of Supreme Audit Institution (ASOSAI) in Djakarta, Indonesia in October, 1997.
- (xii) Participated in the regional Conference on 'Governance and Accountability' in New Delhi organised by the Parliamentary Centre of Canada in Collaboration with the Consortium for Financial Management of Public System and the Economic Development Institute of the World Bank and IDRC New Delhi and CIDA in May, 1998.
- (xiii) Participated in the 3rd Annual PACT Global Workshop on 'Financial Accountability and Transparency' Organised by RLAP, UNDP, New York held in Thailand in July, 1998.
- (xiv) Performed study tour in Canada, U.S.A. and U.K. Organised by the Reforms in Budgeting and Expenditure Control (RIBEC) Project. Jointly sponsored by the Government of Bangladesh and the British Department for International Development, in September, 1998.



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C. V.

Name : **Arunangshu Sen**

Age : 50 years

Degree : M. A

Professional Accounting Affiliation: Nil

Job Title : Director General

Years of experience :

a) UN Organisations : Nil

b) Non UN Organisations :

Public Sector : 20 years

Private Sector

Total 20 years

Number of promotions in the last six years : One - Director General - Grade-3  
(indicate job titles and grades held upon promotion)

Languages :  
(indicate if fluent and qualification obtained)

English Fluent- No qualifications obtained.

French

Spanish

Arabic

C. V.

Name : **Waliul Haque Khondakar**

Age : 50 years 9 months

Degree : M. Sc.

Professional Accounting Affiliation: Nil

Job Title : **Senior Finance Controller**

Years of experience :

a) UN Organisations : 5 months

b) Non UN Organisations :

Public Sector : 19 years 7 months

Private Sector

Total 20 years

Number of promotions in the last six years : One - (Senior Finance Controller) Grade-3  
(indicate job titles and grades held upon promotion)

Languages :  
(indicate if fluent and qualification obtained)

English Fluent- No qualifications obtained.

French

Spanish

Arabic

C. V.

Name : **Wazir Ahmed Fsteh**

Age : 39 years 9 months

Degree : M.Sc.

Professional Accounting Affiliation: Nil

Job Title : **Addl. Deputy Comptroller and Auditor General**

Years of experience :

a) UN Organisations : Audited UNDP, Unicef, FAO, UNHCR, UNFPA and WHO aided. govt. sponsored projects in Bangladesh for 2 years.

b) Non UN Organisations :

Public Sector : 12 years 6 months.

Private Sector

Total \_\_\_\_\_  
14 years 6 months.

Number of promotions in the last six years : One -Addl. Dy. C & A. G - Grade-5  
(indicate job titles and grades held upon promotion)

Languages :

(indicate if fluent and qualification obtained)

English

French : Fluent- No qualifications obtained.

Spanish

Arabic

C.V.

Name : **Md. Shahjahan Mian**

Age : 51 years

Degree : B. A (Honours)

Professional Accounting Affiliation: Nil

Job Title : **Director General**

Years of experience :

    a) UN Organisations : 4 months

    b) Non UN Organisations :

        Public Sector : 21 years and 8 months

        Private Sector

            Total 22 years

Number of promotions in the last six years : One - Director General - Grade-3  
(indicate job titles and grades held upon promotion)

Languages :  
(indicate if fluent and qualification obtained)

    English      Fluent- No qualifications obtained.

    French

    Spanish

    Arabic

C. V.

Name : **Asif Ali**

Age : 50 years

Degree : M. A & L.L.B.

Professional Accounting Affiliation: Nil

Job Title : **Director General**

Years of experience :

    a) UN Organisations : 6 months

    b) Non UN Organisations :

        Public Sector : 22 years and 6 months

        Private Sector

            Total 23 years

Number of promotions in the last six years : One - Director General - Grade-3  
(indicate job titles and grades held upon promotion)

Languages :

(indicate if fluent and qualification obtained)

    English      Fluent- No qualifications obtained.

    French

    Spanish

    Arabic      Fluent- No qualifications obtained.

منظمة الصحة العالمية



世界卫生组织

WORLD HEALTH ORGANIZATION

ORGANISATION MONDIALE DE LA SANTE

ВСЕМИРНАЯ ОРГАНИЗАЦИЯ ЗДРАВООХРАНЕНИЯ

ORGANIZACION MUNDIAL DE LA SALUD

Ref.: C.L.16.1998

Geneva, 1 July 1998

Sir,

Appointment of External Auditor of the World Health Organization  
for financial periods 2000-2001 and 2002-2003

The Forty-eighth World Health Assembly in May 1995, by resolution WHA48.18, appointed the holder of the office of the Auditor-General of the Republic of South Africa to be the External Auditor of the World Health Organization (WHO) for the two financial periods 1996-1997 and 1998-1999. Accordingly, and with reference to paragraph 12.1 of WHO's Financial Regulations, it will be necessary for the Fifty-second World Health Assembly in May 1999, to appoint an External Auditor, who shall be the Auditor-General (or an officer holding equivalent title or otherwise qualified) of a Member State, for the financial period 2000-2001 and also for the subsequent period 2002-2003. As on the previous occasion, I have decided to prepare for the appointment of the External Auditor by inviting tenders from all Member States.

I have the honour, therefore, to invite you to nominate a candidate whom you may wish the World Health Assembly to consider for appointment as the External Auditor of WHO for the financial periods 2000-2001 and 2002-2003. The full text of Article XII of the Financial Regulations and the Additional Terms of Reference governing the External Audit of WHO are enclosed herewith as Annex I. Annex II lists the External Auditors of WHO appointed during the period 1948 to 1999, and Annex III gives additional background information including information on WHO's financial operations.

The name of the candidate you may wish to propose should reach me no later than 31 January 1999, to allow time for the preparation of the submission to the Fifty-second World Health Assembly in May 1999. The tender should include, in respect of the proposed Auditor-General (or equivalent):

... ENCLS: (3)

C. V.

Name : **Shaheen Khan**

Age : 40 years 3 months

Degree : M. A

Professional Accounting Affiliation: Nil

Job Title : Chief Accounts Officer

Years of experience :

    a) UN Organisations : Nil

    b) Non UN Organisations :

        Public Sector : 14 years 2 months

        Private Sector

            Total : 14 years 2 months

Number of promotions in the last six years : One - Chief Accounts Officer Grade-5  
(indicate job titles and grades held upon promotion)

Languages :  
(indicate if fluent and qualification obtained)

    English : Fluent- No qualifications obtained.

    French

    Spanish

    Arabic



C. V.

Name : **A. T. M. Mortuza Reza Chowdhury**

Age : 40 years 5 months

Degree : M. A

Professional Accounting Affiliation: Nil

Job Title : Director

Years of experience :

a) UN Organisations : Nil

b) Non UN Organisations :

Public Sector : 14 years 2 months

Private Sector

Total 14 years 2 months

Number of promotions in the last six years : One - Director - Grade-5  
(indicate job titles and grades held upon promotion)

Languages :  
(indicate if fluent and qualification obtained)

English Fluent- obtained honours degree and a master's degree.

French

Spanish

Arabic

C. V.

Name : **Mahmudul Haque Bhuiyan**

Age : 41 years 6 months

Degree : M. A

Professional Accounting Affiliation: Nil

Job Title : Chief Accounts Officer

Years of experience :

a) UN Organisations : Nil

b) Non UN Organisations :

Public Sector : 14 years

Private Sector

Total 14 years

Number of promotions in the last six years : One - Chief (Accounts Officer) - Grade-5  
(indicate job titles and grades held upon promotion)

Languages :  
(indicate if fluent and qualification obtained)

English      Fluent- No qualifications obtained.

French

Spanish

Arabic

C. V.

Name : **Ameer Khashroo**

Age : 39 years

Degree : M. A

Professional Accounting Affiliation: Nil

Job Title : Director

Years of experience :

    a) UN Organisations : Nil

    b) Non UN Organisations :

        Public Sector : 14 years 2 months

        Private Sector

            Total 14 years 2 months

Number of promotions in the last six years : One - Director - Grade-3  
(indicate job titles and grades held upon promotion)

Languages :  
(indicate if fluent and qualification obtained)

English      Fluent- No qualifications obtained.

French

Spanish

Arabic

9

C. V.

Name : **Monindra Chandra Dutta**

Age : 41 years 10 months

Degree : M. A

Professional Accounting Affiliation: Nil

Job Title : Addl. Dy. Comptroller &  
Auditor General

Years of experience :

a) UN Organisations : Nil

b) Non UN Organisations :

Public Sector : 14 years 2 months

Private Sector

Total 14 years 2 months

Number of promotions in the  
last six years : Addl. Dy. C & A. G - Grade - 5  
(indicate job titles and grades held  
upon promotion)

Languages :  
(indicate if fluent and qualification obtained)

English Fluent- No qualifications obtained.

French

Spanish

Arabic

C. V.

Name : **Ranjit Kumar Chakraborty**

Age : 42 years

Degree : M. Com.

Professional Accounting Affiliation: Nil

Job Title : Addl. Dy. Comptroller &  
Auditor General

Years of experience :

a) UN Organisations : Nil

b) Non UN Organisations :

Public Sector : 14 years 2 months

Private Sector

Total 14 years 2 months

Number of promotions in the  
last six years : One - Addl. Dy. Comptroller &  
(indicate job titles and grades held Auditor General-Grade-5  
upon promotion)

Languages :  
(indicate if fluent and qualification obtained)

English Fluent- No qualifications obtained.

French

Spanish

Arabic

/M

C. V.

Name : **Kazi Shafiqul Azam**

Age : 37 years and 8 months

Degree : M. A

Professional Accounting Affiliation: Nil

Job Title : Chief Accounts Officer.

Years of experience :

    a) UN Organisations : Nil

    b) Non UN Organisations :

        Public Sector :

        Private Sector

                    Total 14 years 2 months

Number of promotions in the last six years : One - Chief Accounts Officer - Grade - 5  
(indicate job titles and grades held upon promotion)

Languages :  
(indicate if fluent and qualification obtained)

    English      Fluent- No qualifications obtained.

    French

    Spanish

    Arabic

C. V.

Name : **A. K. Nasim Hyder**

Age : 50 years 4 months

Degree : M. A, L.L.B

Professional Accounting Affiliation: Nil

Job Title : Senior Finance Controller

Years of experience :

    a) UN Organisations : 8 months

    b) Non UN Organisations :

        Public Sector : 22 years

        Private Sector

                    Total 22 years 8 months

Number of promotions in the last six years : One - Senior Finance Controller - Grade-3  
(indicate job titles and grades held upon promotion)

Languages :

(indicate if fluent and qualification obtained)

    English      Fluent- No qualifications obtained.

    French

    Spanish

    Arabic

C. V.

Name : **Mosharraf Hossain Bhuiyan**

Age : **40 years**

Degree : **M. A**

Professional Accounting Affiliation: **Nil**

Job Title : **Chief Accounts Officer**

Years of experience :

a) UN Organisations : **Nil**

b) Non UN Organisations :

Public Sector : **16 years 5 months**

Private Sector

Total **16 years 5 months**

Number of promotions in the last six years : **One - Chief Accounts Officer**  
(indicate job titles and grades held upon promotion)

Languages :  
(indicate if fluent and qualification obtained)

English : **Fluent- No qualifications obtained.**

French

Spanish

Arabic



C. V.

Name : **Md. Mesbahuddin Khan**

Age : 49 years 9 months

Degree : M. A

Professional Accounting Affiliation: Nil

Job Title : **Director General**

Years of experience :

a) UN Organisations : 6 months

b) Non UN Organisations :

Public Sector : 19 years 10 months

Private Sector

Total 20 years 4 months

Number of promotions in the last six years : One - Director General - Grade 3  
(indicate job titles and grades held upon promotion)

Languages :  
(indicate if fluent and qualification obtained)

English Fluent- No qualifications obtained.

French

Spanish

Arabic

*AS*

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1 July 1998

(a) a curriculum vitae and details of the national and international activities of the auditor noting the range of audit specialities that can be of benefit to the Organization;

(b) a description of the audit approach, procedures and standards that the auditor would apply, having regard to the Organization's accounting principles and practices, its Financial Regulations, and Financial Rules, and the United Nations System Accounting Standards;

(c) estimates of the overall number of auditor-work-months which would be devoted to carrying out the audit for each of the two financial periods, 2000-2001 and 2002-2003;

(d) for each financial period (2000-2001 and 2002-2003), a proposed audit fee expressed in United States dollars. This fee should cover the worldwide audit of WHO regular programme activities and extrabudgetary funded activities and be summarized on a single page. In estimating the cost of the audit, you should consider that all secretarial and other ancillary costs, and all travel costs and living expenses of the External Audit staff should be included in the audit fee proposed. Travel costs should include travel from the country of residence to Geneva and to other offices of the Organization, as required by the External Auditor for the purposes of the audit;

(e) an indication of the nature, extent and timing of requests for information, including access to audit working papers of the outgoing auditor, in accordance with recognized international auditing standards, and an assurance of the auditor's cooperation, on completion of appointment, in responding to similar requests for information by an incoming auditor;

(f) any other information which may assist the World Health Assembly in finalizing the appointment.

Since tenders will be submitted to the Health Assembly they must be prepared in one of the six official languages of the Health Assembly (Arabic, Chinese, English, French, Russian, Spanish). The Organization will undertake to translate the tenders. For this reason, the tender should not exceed 6000 words and the format and printout should be one suitable for reproduction, i.e. two sharp black and white originals (laser printer quality, not photocopies) should be provided on pages not larger than A4 (21 x 29.7 cm, 8.3" x 11.7") with margins not less than 2 cm (0.8") on each side/top and bottom. Photographs and certain types of graphic presentations with shading do not reproduce well and should be avoided.

If you require further information before deciding to make a tender please do not hesitate to contact me.

Please accept, Sir, the assurance of my highest consideration.

Hiroshi Nakajima, M.D., Ph.D.  
Director-General

C. V.

Name : **Masud Ahmed**

Age : 41 years and 6 months

Degree : M. A

Professional Accounting Affiliation: Nil

Job Title : **Director**

Years of experience :

a) UN Organisations : Audited UNDP, Unicef, FAO, UNHCR, WHO and WFP aided govt. projects for 7 years in Bangladesh.

b) Non UN Organisations :

Public Sector : 12 years

Private Sector

Total 19 years

Number of promotions in the last six years : One - Director - Grade-5  
(indicate job titles and grades held upon promotion)

Languages :

(indicate if fluent and qualification obtained)

English : Fluent- Obtained an honours degree and master's degree

French : Obtained a one year course diploma from Alliance Francaise- Dhaka.

Spanish

Arabic : No qualifications obtained.

C.V.

Name : **Md. Moslemuddin**

Age : 39 years.

Degree : M. A

Professional Accounting Affiliation: Nil

Job Title : Chief Accounts Officer

Years of experience :

    a) UN Organisations : Nil

    b) Non UN Organisations :

        Public Sector : 14 years 2 months

        Private Sector

            Total 14 years 2 months

Number of promotions in the last six years : One - Chief Accounts Officer- Grade-5  
(indicate job titles and grades held upon promotion)

Languages :

(indicate if fluent and qualification obtained)

    English      Fluent- No qualifications obtained.

    French

    Spanish

    Arabic

C. V.

Name : **Md. Motahar Hossain**

Age : 42 years 6 months

Degree : M. A

Professional Accounting Affiliation: Nil

Job Title : Senior Finance Controller

Years of experience :

    a) UN Organisations : 2 months

    b) Non UN Organisations :

        Public Sector : 17 years 8 months

        Private Sector

            Total : 17 years 10 months

Number of promotions in the last six years : One - (Senior Finance Controller)- Grade-3  
(indicate job titles and grades held upon promotion)

Languages :  
(indicate if fluent and qualification obtained)

    English : Fluent- No qualifications obtained.

    French

    Spanish

    Arabic

C. V.

Name : **Md. Zahirul Islam**

Age : 48 years

Degree : M. A

Professional Accounting Affiliation: Nil

Job Title : Senior Finance Controller

Years of experience :

    a) UN Organisations : 2 months

    b) Non UN Organisations :

        Public Sector : 17 years 8 months

        Private Sector

            Total : 17 years 10 months

Number of promotions in the last six years : One - (Senior Finance Controller)

(indicate job titles and grades held upon promotion) : Grade-3

Languages :

(indicate if fluent and qualification obtained)

English : Fluent- No qualifications obtained.

French

Spanish

Arabic

C. V.

Name : **Rezauddin M. Chowdhury**

Age : 48 years

Degree : M. A

Professional Accounting Affiliation: Nil

Job Title : **Director General**

Years of experience :

a) UN Organisations : 2 months

b) Non UN Organisations :

Public Sector : 17 years 8 months

Private Sector

Total 17 years 10 months

Number of promotions in the last six years : One - Director General - Grade-3  
(indicate job titles and grades held upon promotion)

Languages :  
(indicate if fluent and qualification obtained)

English : Fluent- Obtained on honours and a master's degree.

French

Spanish

Arabic

C. V.

Name : **Md. Shamsul alam Khan**

Age : 39 years 6 months

Degree : M. A

Professional Accounting Affiliation: Nil

Job Title : Chief Accounts Officer

Years of experience :

    a) UN Organisations : Nil

    b) Non UN Organisations :

        Public Sector : 14 years 2 months

        Private Sector : 14 years 2 months

        Total : 14 years 2 months

Number of promotions in the last six years : One - Chief Accounts Officer - Grade - 5  
(indicate job titles and grades held upon promotion)

Languages :

(indicate if fluent and qualification obtained)

    English : Fluent- obtained an honours degree and master's degree

    French

    Spanish

    Arabic



C. V.

Name : **Quamrul Hai**

Age : 51 years 4 months

Degree : M. A

Professional Accounting Affiliation: Nil

Job Title : Deputy Comptroller & Auditor General

Years of experience :

    a) UN Organisations : 6 months

    b) Non UN Organisations :

        Public Sector : 22 years

        Private Sector

            Total 22 years 6 months.

Number of promotions in the last six years : One - (Dy. Comptroller & Auditor General) Grade-3

(indicate job titles and grades held upon promotion)

Languages :

(indicate if fluent and qualification obtained)

    English      Fluent- No qualifications obtained.

    French

    Spanish

    Arabic

C. V.

Name : **Ahmed Ataul Hakim**

Age : 45 years

Degree : M. A

Professional Accounting Affiliation: **Affiliated with institute of costs and Management Accountants (ICMA) of Bangladesh.**

Job Title : **Director General**

Years of experience :

    a) UN Organisations : 2 months

    b) Non UN Organisations :

        Public Sector : 18 years and 1 months

        Private Sector :

            Total 18 years 3 months

Number of promotions in the last six years : **One - Director General - Grade-3**  
(indicate job titles and grades held upon promotion)

Languages :

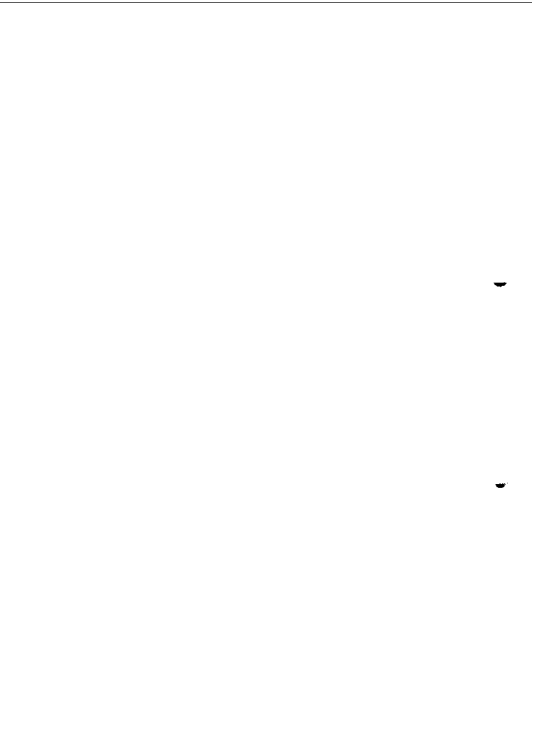
(indicate if fluent and qualification obtained)

    English      **Fluent- No qualifications obtained.**

    French

    Spanish

    Arabic



THE WORLD HEALTH ORGANIZATION  
EXTRACT FROM FINANCIAL REGULATIONS

*Article XII – External Audit*

12.1 External Auditor(s), each of whom shall be the Auditor-General (or officer holding equivalent title or otherwise qualified) of a Member Government, shall be appointed by the Health Assembly, in the manner decided by the Assembly. Auditor(s) appointed may be removed only by the Assembly.

12.2 Subject to any special direction of the Health Assembly, each audit which the Auditor(s) is/are required to make shall be conducted in conformity with generally accepted common auditing standards and in accordance with the Additional Terms of Reference set out in the appendix to these regulations.

12.3 The External Auditor(s) may make observations with respect to the efficiency of the financial procedures, the accounting system, the internal financial controls and, in general, the administration and management of the Organization.

12.4 The External Auditor(s) shall be completely independent and solely responsible for the conduct of the audit.

12.5 The Health Assembly may request the Auditor(s) to perform certain specific examinations and issue separate reports on the results.

12.6 The Director-General shall provide the External Auditor(s) with the facilities he/they may require in the performance of the audit.

12.7 For the purpose of making a local or special examination or for effecting economies of audit cost, the Auditor(s) may engage the services of any national Auditor-General (or equivalent title) or commercial public auditors of known repute or any other person or firm who, in the opinion of the Auditor(s), is technically qualified.

12.8 The Auditor(s) shall issue a report on the audit of the final accounts prepared by the Director-General pursuant to financial regulation 11.1 and relevant schedules. The report shall include such information as he/they deem necessary in regard to financial regulation 12.3 and the Additional Terms of Reference.

12.9 The report(s) of the Auditor(s) shall be transmitted through the Executive Board, together with the audited final accounts, to the Health Assembly not later than 1 May following the end of the financial period to which the final accounts relate. The Executive Board shall examine the interim and final financial reports and the audit report(s) and shall forward them to the Health Assembly with such comments as it deems necessary.

## Appendix

### ADDITIONAL TERMS OF REFERENCE GOVERNING THE EXTERNAL AUDIT OF THE WORLD HEALTH ORGANIZATION

1. The Auditor(s) shall perform such audit of the accounts of the World Health Organization, including all trust funds and special accounts, as he/they deem necessary in order to satisfy himself/himself:

- (a) that the financial statements are in accord with the books and records of the Organization;
- (b) that the financial transactions reflected in the statements have been in accordance with the rules and regulations, the budgetary provisions, and other applicable directives;
- (c) that the securities and moneys on deposit and on hand have been verified by the certificates received direct from the Organization's depositories or by actual count;
- (d) that the internal controls, including the internal audit, are adequate in the light of the extent of reliance placed thereon;
- (e) that procedures satisfactory to the Auditor(s) have been applied to the recording of all assets, liabilities, surpluses and deficits.

2. The Auditor(s) shall be the sole judge as to the acceptance in whole or in part of certifications and representations by the Secretariat and may proceed to such detailed examination and verification as he/they choose(s) of all financial records including those relating to supplies and equipment.

3. The Auditor(s) and his/their staff shall have free access at all convenient times to all books, records and other documentation which are, in the opinion of the Auditor(s), necessary for the performance of the audit. Information classified as privileged and which the Secretariat agrees is required by the Auditor(s) for the purposes of the audit, and information classified as confidential, shall be made available on application. The Auditor(s) and his/their staff shall respect the privileged and confidential nature of any information so classified which has been made available and shall not make use of it except in direct connexion with the performance of the audit. The Auditor(s) may draw the attention of the Health Assembly to any denial of information classified as privileged which, in his/their opinion, was required for the purpose of the audit.

4. The Auditor(s) shall have no power to disallow items in the accounts but shall draw to the attention of the Director-General for appropriate action any transaction concerning which he/they entertain(s) doubt as to legality or propriety. Audit objections, to these or any other transactions, arising during the examination of the accounts shall be immediately communicated to the Director-General.

5. The Auditor(s) shall express and sign an opinion in the following terms:

I/We have examined the following appended financial statements, numbered..... to..... properly identified, and relevant schedules of the World Health Organization for the financial period ended 31 December..... My/Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as I/we considered necessary in the circumstances.

and which states, as appropriate, whether:

- (a) the financial statements present fairly the financial position as at the end of the period and the results of the operations for the period then ended;
- (b) the financial statements were prepared in accordance with the stated accounting principles;
- (c) the accounting principles were applied on a basis consistent with that of the preceding financial period;
- (d) transactions were in accordance with the Financial Regulations and legislative authority.

6. The report of the Auditor(s) to the Health Assembly on the financial operations of the period should mention:

- (a) the type and scope of his/their examination;
- (b) matters affecting the completeness or accuracy of the accounts, including where appropriate:
  - (i) information necessary to the correct interpretation of the accounts;
  - (ii) any amounts which ought to have been received but which have not been brought to account;
  - (iii) any amounts for which a legal or contingent obligation exists and which have not been recorded or reflected in the financial statements;
  - (iv) expenditures not properly substantiated;
  - (v) whether proper books of accounts have been kept; where in the presentation of statements there are deviations of material nature from the generally accepted accounting principles applied on a consistent basis, these should be disclosed;
- (c) other matters which should be brought to the notice of the Health Assembly such as:
  - (i) cases of fraud or presumptive fraud;
  - (ii) wasteful or improper expenditure of the Organization's money or other assets (notwithstanding that the accounting for the transaction may be correct);
  - (iii) expenditure likely to commit the Organization to further outlay on a large scale;
  - (iv) any defect in the general system or detailed regulations governing the control of receipts and disbursements, or of supplies and equipment;
  - (v) expenditure not in accordance with the intention of the Health Assembly, after making allowance for duly authorized transfers within the budget;
  - (vi) expenditure in excess of appropriations as amended by duly authorized transfers within the budget;
  - (vii) expenditure not in conformity with the authority which governs it;
- (d) the accuracy or otherwise of the supplies and equipment records as determined by stocktaking and examination of the records.

In addition, the report may contain reference to:

- (e) transactions accounted for in a previous financial period, concerning which further information has been obtained, or transactions in a later financial period concerning which it seems desirable that the Health Assembly should have early knowledge.

7. The Auditor(s) may make such observations with respect to his/their findings resulting from the audit and such comments on the financial report as he/they deem(s) appropriate to the Health Assembly or to the Director-General.
8. Whenever the Auditor(s)'s scope of audit is restricted, or he/they is/are unable to obtain sufficient evidence, the Auditor(s) shall refer to the matter in his/their opinion and report, making clear in his/their report the reasons for his/their comments and the effect on the financial position and the financial transactions as recorded.
9. In no case shall the Auditor(s) include criticism in his/their report without first affording the Director-General an adequate opportunity of explanation on the matter under observation.
10. The Auditor(s) is/are not required to mention any matter referred to in the foregoing which, in his/their opinion, is insignificant in all respects.



THE WORLD HEALTH ORGANIZATION  
EXTERNAL AUDITORS 1948 TO 1999

<u>Period</u>	<u>No. of years</u>	<u>NAME</u>	<u>Nationality</u>
1.9.1948 to 31.12.1966	18	Mr Uno Brunskog	Swedish
1.1.1967 to 31.12.1973	7	Mr Lars Breie	Norwegian
1.1.1974 to 31.12.1977	4	Mr Lars Lindsark	Swedish
1978-1981	4	Sir Douglas Henley	British
1982-1995	14	Holder of the Office of Comptroller and Auditor General of the United Kingdom of Great Britain and Northern Ireland	British
1.1.1996 to 31.12.1999	4	Holder of the Office of Auditor-General of the Republic of South Africa	South African



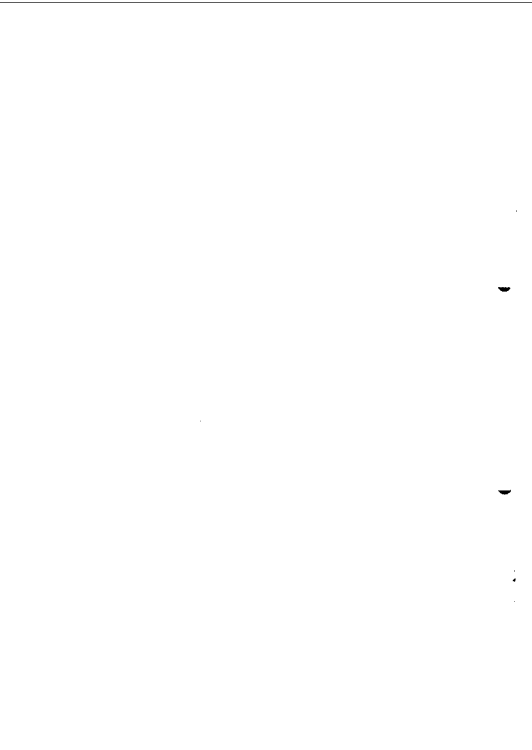


**PROPOSAL FOR APPOINTMENT  
AS  
EXTERNAL AUDITOR  
OF THE  
WORLD HEALTH ORGANISATION**

**FOR THE BIENNIUM  
2000-2001 AND 2002-2003**

**SUBMITTED BY  
THE  
COMPTROLLER AND AUDITOR GENERAL  
OF INDIA**

**JANUARY 1999**



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## **Introduction by the Comptroller and Auditor General of India**

I have the honour of presenting to the World Health Organisation my formal proposal for the External Audit of the organisation. In this proposal I am providing the information requested by the World Health Organisation of the United Nations vide its letter Ref: C.L 16.1998 dated 1<sup>st</sup> July 1998 regarding the appointment of the External Auditor of WHO for the Financial Periods 2000-2001 and 2002-2003.

This proposal contains my curriculum vitae and profiles of the key persons on the audit team; details of National and International activities of my organisation; description of the audit approach, procedures and standards that we will apply; estimates of the auditor work months and the audit fees for the two financial periods; other additional information on our special qualifications for the audit that would help WHO in their consideration of the proposal. This proposal also covers the audit of the International Agency for Research on Cancer (IARC) and the audit of the Joint United Nations Programme on HIV/AIDS (UNAIDS).

I affirm my commitment and complete assurance for providing high quality, cost effective professional external audit services, if appointed the External Auditor. Our services will cover not only certification of financial accounts but also performance and management audits, focusing on the economy, efficiency and effectiveness of operations. I wish to highlight our special qualifications for the WHO audit. India has been among the foremost beneficiaries of WHO's assistance programmes and that projects in the health sector funded by WHO have been at the forefront of our efforts at Social Development. As sole auditors of both Federal and Provincial Governments of India, who are responsible for administering WHO assisted projects, our audit professionals have gained considerable experience in the audit of the health sector and strong familiarity with WHO operations. Our strong professional credentials and wide international experience and our existing association with the UN Board of Auditors as well as membership of the Panel of External Auditors of the United

Nations and its Specialised Agencies, offer WHO significant benefits in terms of effective and efficient external oversight.

I would like to mention in conclusion that at its XVI Congress, held at Montevideo in November 1998, INTOSAI conferred its highest award -the Jorg Kandutsch Award –to my organisation in recognition of the professional expertise and contributions made by it.

I present this proposal to the World Health Organisation of the United Nations for their favourable consideration.



V.K Shunglu,

Comptroller and Auditor General of India.

12 JANUARY 1999.

## **2. Curriculum Vitae of Mr. VK Shunglu, Comptroller and Auditor General of India**

Mr. V.K.Shunglu obtained his Bachelor's Degree in Arts from St. Stephens College, Delhi University in 1959 and went on to take a Masters Degree in History from the same University. He joined the Indian Administrative Service in 1962 and held various assignments under the Provincial Government including Principal Permanent Secretary in the departments of Finance, Taxation, Planning. He was seconded to the Central (Federal) Government and held Senior positions in the Ministries of Textiles, Commerce, Finance and Cabinet Secretariat.

In the Central Government Mr. Shunglu was appointed as Permanent Special Secretary Power in 1993 and as Permanent Secretary Health and Family Welfare in 1994. Subsequently in 1995 he was appointed Permanent Secretary, Department of Industrial Policy and Promotion as well as the Department of Company Affairs. Mr. Shunglu had worked in the Asian Development Bank from 1985 to 1990 and was on sabbatical at the Economic Development Institute of the World Bank in 1976. He took over as the Comptroller and Auditor General of India on March 15, 1996.

He has been a Member of the UN Board of Auditors and the Panel of External Auditors of the United Nations and its Specialised Agencies since July 1993. He was Chairman of the UN Board of auditors in 1995 and again in 1998. He is also the External Auditor for the International Centre for Genetic Engineering and Biotechnology (ICGEB) and the Organisation for Prohibition of Chemical Weapons (OPCW). He also chairs the INTOSAI Standing Committee on EDP Audit.

Mr. Shunglu has played an active role in the International and regional associations of Supreme Audit Institutions. He is a member of the Governing Boards of both the International Organisation of Supreme Audit Institutions (INTOSAI) and of the Asian Organisation of Supreme Audit Institutions (ASOSAI). He has been conferred the prestigious Jorge Kandutsch Award by the INTOSAI during its recently concluded XVI th Congress at Montevideo in November 1998.

### 3. Profile Of Key Audit Personnel

The Senior Personnel in our organisation possess strong professional credentials. These are:

- Initial appointment by nation-wide competitive examinations.
- Two year post recruitment training in areas such as accountancy, auditing, Fiscal Administration, Revenue laws and Commercial Laws.
- Professional examinations.
- Periodic in service trainings both in country and abroad.
- Trainings abroad include Fellowship Programs in General Accounting Office of USA and the OAG of Canada; Information Technology Audit Training in UK; Post graduate studies in UK, USA and Australia in areas such as Management, Economics & Finance; World bank and Asian Development Bank Funded Training in specialised fields.
- More than 100 of our senior personnel have experience in the audit of International Organisations such as UN Hqrs , ECLAC, ESCAP, ISBA, UNHCR, UNEP ,Habitat ,INSTRAW,UNU,OPCW and ICGEB.

We would like to present profiles of a few of our Senior Personnel who could be associated with the audit of WHO.

#### **Mr. Kanwal Nath. Director General of Audit.**

- Educational Qualifications: Master's degree in Physics.
- Professional Qualifications: Professional Government Auditor, Post Graduate Diploma in Development Finance.
- Mr. Nath has been with us since 1969 and has almost 30 years experience in auditing in the Government Sector.
- He is currently the Director of External Audit resident at New York responsible for the day to day management of our assignments related to the audit of the United Nations. In this capacity he is also a member of the Audit Operations Committee of the UN Board of Auditors and a member of the Technical Group of the Panel of External auditors.

**Mr. N.R Rayalu. Principal Director of Audit.**

- Educational Qualifications: Masters degree in Science
- Professional Qualifications: Professional Government Auditor; Fellow of the International Fellowship Programme of the General Accounting Office.
- Mr.Rayalu has been with us since 1972 and has 26 years of experience of auditing the Public Sector.
- He has considerable experience in the audit of International Bodies having done three spells of United Nations Audit. He conducted the audit of the Office of the Programme Planning Budget and Accounts at UN headquarters.

**Mr.A.K Banerjee. Principal Director of Audit.**

- Educational Qualifications: Doctorate in Physics.
- Professional Qualifications: He is a professional Government auditor and has undergone a training abroad with the IMF.
- He joined the organisation in 1973 and now has over 25 years of experience in auditing the Government sector.
- He has also conducted audit of the United Nations leading two audit teams to UNHCR Field offices in Addis Ababa and Hongkong.
- Mr. Banerjee has worked for two years as Principal Director of Audit responsible for the Audit of Indian Missions and embassies in the entire Europe.

**Mr. A.K Thakur, Principal Director of Audit.**

- Educational Qualifications: Masters degree in Physics.
- Professional Qualifications: Professional government auditor; Postgraduate Diploma in Internal Audit and Management from City University in London.
- He joined the organisation in 1977 and has audit experience in the Government sector of over 21 years. He is currently responsible for planning audits of the Federal Government most specifically in the Health Sector.He is also responsible for the preparation of the Audit Reports on the Federal Government.
- He has considerable experience in the audit of the United Nations especially of peacekeeping missions. He also contributed significantly to the preparation of 1997 Biennium ending reports of the UN Board of Auditors.



**Mr. S.K Bahri, Principal Director of Audit.**

- Educational Qualifications :Postgraduate in Economics.
- Professional Qualifications: Certified Government Financial Manager of the Association of Government Accountants, USA; Professional Government Auditor.
- Mr.Bahri joined the organisation in 1980 and has over 18 years of experience in the audit of the government sector. For two years he was responsible for the Audit of the Indian missions in the Americas.
- He has also acquired significant external audit experience of International organisations having audited the United Nations on four occasions where he specialised in the audit of procurements.

**Mr.P.K Tiwari, Director of Audit.**

- Educational Qualifications: MA, MSc.
- Professional Qualifications: Professional Government Auditor; Chartered Financial Analyst.
- He joined the organisation in 1985 and has over 13 years experience in audit in the government Sector.
- On the international front he has performed two audits of UNHCR Headquarters in Geneva.

**Mr.Govind Bhattacharya, Director of Audit.**

- Educational Qualification:Post Graduate in Applied Mathematics.
- Professional Qualifications: Master in Business Administration (Financial Management); Professional government auditor.
- He joined the organisation in 1986 and has over 12 years of experience in auditing the government sector.
- He has conducted the audit of Office of Program Planning Budget and Accounts at UN Headquarters on two occasions.
- He has published a book entitled "Public Finance in Bihar".

**Mr. Asim Sharma, Director of Audit.**

- Educational Qualifications: Degree in Commerce from University of Delhi.
- Professional Qualifications: He is a Chartered Accountant and has done his articleship with Price Waterhouse. Professional Government Auditor.
- He joined the organisation in 1989 and has specialised in the audit of government revenues and related laws.
- He was a member of the first audit team doing the audit of Organisation for Prohibition of Chemical Weapons based in The Hague.
- He is conversant with the French Language.

**Mr.K.S Subramanian, Director of Audit.**

- Educational Qualification: Graduate in Commerce and a Post graduate in Law.
- Professional Qualification: Cost and Works Accountancy, Professional Government Auditor, trained in IT Audit in UK, IDI Instructor Training Diploma.
- He joined service in 1990 and is currently responsible for instruction in the areas of Computers and Computer Auditing.
- In the International Arena he acted as an instructor in an Intosai Development Initiative sponsored Asian Development Bank Training workshop for the Asian region.

**Mr. A.M Bajaj, Director of Audit**

- Educational Qualifications: Graduate in Commerce with honours.
- Professional Qualifications: Chartered Accountant, Professional Government Auditor, Trained in IT Audit in UK.
- He joined service in 1990 and is currently responsible for the direction of audit of provincial owned Public Enterprises.
- He has been Principal and Director of one of our training institutes.

## 4. National and International Activities of the Comptroller and Auditor General of India

### 4.1 National Activities:

The Comptroller and Auditor General of India is the head of the Indian Audit and Accounts Department and occupies a unique position as a common functionary for both the Federal and Provincial Governments in India.

The Comptroller and Auditor General of India holds office as provided for in the Constitution, to see that diverse authorities act in regard to all financial matters in accordance with the Constitution and the laws and rules framed under it. The Constitution of India, and the laws made thereunder, fully secures his independent functioning.

As the most important instrument of accountability, the Comptroller and Auditor General of India is responsible for auditing the accounts of:

- All the Federal and Provincial Government departments and offices including departmental commercial undertakings such as Indian Railways and Post and Telecommunications.
- About 1200 public commercial enterprises controlled by the Federal and Provincial governments.
- Around 400 non-commercial autonomous bodies and authorities controlled by the Federal and Provincial Governments.
- Over 4400 authorities and bodies substantially financed from Federal and provincial governments.

While he has the sole discretion in determining the scope and extent of audit, and in reporting on the results of audit, he has promulgated a set of Auditing Standards (which are in line with the Auditing Standards issued by the International Organisation of Supreme Audit Institutions). These standards lay down the basic principles and practices which Government auditors are expected to follow in the course of audit.

In order to ensure uniformity in Government accounting, the Constitution stipulates that the accounts of both the Federal and Provincial Governments be kept in a form prescribed by the President of India on the advice of the Comptroller and Auditor General of India. By an act of Parliament he is also authorised to prescribe general principles of Government Accounting, and broad principles of auditing receipts and expenditure.

The Comptroller and Auditor General is also represented by his deputy on the Governing Council of the leading professional body of auditors, the Institute of Chartered Accountants of India.

The scope of audit conducted by the Comptroller and Auditor General of India covers

- Financial and compliance audit, which includes audit against appropriations, and assessing compliance with applicable laws, rules and regulations;
- Propriety audit, which extends beyond scrutinising the mere formality of expenditure to its wisdom and economy and highlights cases of improper expenditure or waste of public money; and
- Efficiency cum Performance Audit, with a view to assessing whether Government programmes, projects and schemes have achieved the desired objectives at the lowest cost and given the intended benefits, covering the aspects of *economy, efficiency and effectiveness*.

The enormous expenditure incurred by the federal and provincial governments related to economic development and social welfare activities have been audited by this organisation. In the Health Sector alone we audit expenditure, spanning a wide variety of schemes and projects, of the tune of Rs.87 billion annually. The change in the character of the government and the complex nature of its activities made it necessary for audit to evolve from a mere accounting and regularity checks to complete evaluations of systems and the end results of operations of the Government. We have thus developed substantial skills in the area of Performance auditing.

## **4.2 International Activities.**

The Comptroller and auditor General of India has widespread experience in conducting International Audits and plays a prominent role in the auditing profession both at the regional level in Asia and at the International level.

### **4.2.1 United Nations Board of Auditors and the Panel of External Auditors.**

The Comptroller and Auditor General of India was elected as a member of the Board of External Auditors of the United Nations for a three year term from July 1993; he has since been re-elected for a further three year term till June 1999. He was Chairman of the Board in 1998. As a member of the Board, the Comptroller and Auditor General of India bears prime responsibility for the audit of:

- the United Nations Headquarters,
- the United Nations High Commissioner of Refugees,

- the United Nations Environment Programme,
- the United Nations Habitat and Human Settlements Foundation ,
- Economic Commission of Asia and Pacific,
- Economic Commission of Latin America and the Caribbean,
- Peace keeping missions ,
- Iraq Oil Pool Account ,
- United Nations University.

The recent reports of the Board, to which India has made significant contributions, have received wide appreciation. In addition to the above we have conducted special studies of the following:

- Integrated Management Information System(IMIS)
- International Civil Service Commission(ICSC)
- The preparedness of UN for the Year 2000 Problem.

By virtue of being a member of the UN Board of Auditors we are also members of the Panel of External Auditors of the United Nations and its Specialised Agencies and have contributed significantly to their deliberations and activities.

#### ***4.2.2 International Centre for Genetic Engineering and Biotechnology***

The International Centre for Genetic Engineering and Biotechnology (ICGEB) is an international organisation of 47 countries, established as a two component centre at Trieste (Italy) and New Delhi (India). The Comptroller and Auditor General of India was elected the External Auditor of ICGEB for a three year term till December 1998 and has since been re-appointed as the External auditor for a further three year term beginning from 1999. Two audits of the accounts of ICGEB have been completed and the reports were presented to the Board of Governors of ICGEB. The board on both occasions expressed satisfaction for the overall conclusions reached by us and conveyed its warmest appreciation to us for the work performed and for the understanding of the particular nature of the Centre.

#### ***4.2.3 Organisation for Prohibition of Chemical Weapons. (OPCW)***

The Comptroller and Auditor General of India has been appointed in June 1997 as the first External Auditor for the OPCW for a three year period. This period is liable to be extended to a total of six years. The OPCW is headquartered at The Hague and is mandated to supervise the convention on chemical weapons. The

first audit of the accounts for the year 1997 was conducted in April 1998 and the audit report presented to the Executive Council in June 1998.

#### **4.2.4 International Organisation of Supreme Audit Institutions**

The Comptroller and Auditor General of India has been an active member of the International Organisation of Supreme Audit Institutions (INTOSAI). He is a member of the Governing Board of INTOSAI, and chairs INTOSAI's Standing Committee on EDP Audit, which supports SAIs in developing their knowledge and skills in the use and audit of information technology. He is a member of the Standing Committee on the Audit of Privatisation. He has made significant contributions to the INTOSAI Development Initiative (IDI) At the recently concluded XVI Congress of INTOSAI the Comptroller and Auditor General of India was appointed a member of the Finance Committee of the INTOSAI.

#### **4.2.5 Asian Organisation of Supreme Audit Institutions**

The Comptroller and Auditor General of India occupies a pre-eminent position in the field of auditing in the Asian Region. He is a charter member of the Asian Organisation of Supreme Audit Institutions (ASOSAI) and hosted its first Assembly at New Delhi in May 1979 as well as its 6th Assembly in November 1994. He was Chairman of ASOSAI upto 1997 and is currently a member of its Governing Board. He is also responsible for the Asian Journal of Government Audit on behalf of ASOSAI since its inception in 1983. Officers from his office have also participated in the ASOSAI research projects on 'Accountability and Control of Public Enterprises', 'Financial Accountability and Management in Government', 'Audit of Public Works and Projects' and "Guidelines for Performance Auditing". The Deputy Comptroller and Auditor General of India chaired the research project on and 'Government Revenues-Accountability and Audit.'

#### **4.2.6 Conferences of Commonwealth Auditors' General.**

The Comptroller and Auditor General of India has been participating actively in the triennial Conferences of Commonwealth Auditors General by preparing and presenting lead and other country papers. In the Conference scheduled in October 1999 he will be preparing and presenting the Lead Paper on "Computer Auditing"

#### **4.2.7 Others**

The Indian Supreme Audit Institution has also served on the Board of Auditors of the South Asian Association for Regional Co-operation (SAARC).

#### **4.2.8 International Training**

The Office of the Comptroller and Auditor General of India also conducts International Training Programmes on a variety of auditing themes, for the benefit of Supreme Audit Institutions (SAI) from the Asian, African and Pacific

regions. Since 1979, 44 such programmes have been held, in which more than a thousand staff members from different countries have participated. We have also provided faculty and speakers for various international and regional Seminars, Workshops and Training programmes.

### **4.3 Our Range of Expertise**

From the description of our national and international activities the following may be concluded regarding our specialities that would be of considerable benefit to WHO.

- An independent auditing authority with wide-ranging audit jurisdiction nationally.
- Considerable national experience of audit in the health sector.
- Proven ability both in performance of Financial and Performance Audits.
- Abundant skills in frontier areas of auditing such as Computer auditing and Statistical Techniques.
- Availability of strong pool of audit professionals.
- Wide experience of auditing International Bodies such as United Nations, OPCW and ICGER.
- Prominent player in the auditing profession both at the regional level in Asia and at International level.
- Significant contribution to International Training and research relating to auditing.

## 5 Audit Approach, Procedures and Standards

### 5.1 Overall Audit Approach

Audit fieldwork will be conducted at the Headquarters of WHO (Geneva) as well as its field offices. It is tentatively planned that we would cover WHO's Regional Offices at Copenhagen (Denmark), Manila (Philippines), New Delhi (India), Alexandria (Egypt), Washington (USA) and Harare (Zimbabwe). In addition we will conduct the audit of UNAIDS, the International Agency for Research on Cancer at Lyons and Onchocerciasis Control Programme at Ouagadougou, Burkina Faso.

About 60% of our audit resources will be devoted to financial and compliance audits, with the remaining 40% resources being utilised for performance and management audits in compliance with the requirements under Financial Regulation 12.3.

### 5.2 The Audit Team

The Comptroller and Auditor General would place one staff member, who will be a Senior Audit Director, on a regular basis at Geneva designated as Director of Audit (WHO). Audit teams to assist him would be sent from India for Interim audits during the Biennium and for a biennium end Final audit. All the regional offices of WHO, IARC and OCP will be audited at least once in the biennium by audit teams sent from India. The audit teams deployed for the audit of WHO Headquarters as well as its field offices would be supervised by the Director of Audit (WHO) and would consist of:

- a Senior Audit Director, designated as Principal Director/ Accountant General within the organisation, who is normally responsible for the audit of an entire Provincial Government or a group of Federal Government Departments;
- one or more Audit Managers, designed as Directors/Deputy Directors/Senior Deputy Accountant General / Deputy Accountant General within the organisation, who are normally responsible for the audit of a Federal Government Department or a group of Departments of a Provincial Government;
- Audit Supervisors, designated as Audit Officers within the organisation, who head teams conducting individual certification or performance audits; and
- and Audit Professionals, designated as Assistant Audit Officers within the organisation, who are normally members of certification or performance audit teams.



The efforts of the core teams as indicated above, will be supplemented, where necessary, with specialist resources in areas like audit of information systems and use of computer assisted audit techniques etc. The teams for WHO's audit will be chosen after a rigorous screening comprising of Records review, Tests and Interviews.

The Director of Audit (WHO) would report directly to the Comptroller and Auditor General of India.

### **5.3 Audit Standards**

The Comptroller and Auditor General of India would perform the audit of WHO in full compliance with the WHO Financial Regulations and the additional terms of reference governing the audit of WHO. He will take complete cognisance of the Organisation's accounting principles and practices, its Financial Regulations and Rules and the United Nations System Accounting Standards.

All our audits in India are performed in accordance with the "Auditing Standards" promulgated by the Comptroller and Auditor General of India. These standards fall into three categories: -

- General Standards, which define the basic professional needs of the auditor, the need for him to be aware of his responsibilities and develop necessary skills and tools to discharge his duties, and the quality assurance mechanism so that the audit assignment is performed in an orderly, economic and efficient manner for the stated, planned and defined objectives ;
- Operational Standards, which establish the criteria or overall framework for the purposeful, systematic and balanced steps or actions that the audit organisation and the auditor have to follow in conducting or managing audit work. These steps or actions represent the rules of research that the auditor, as a seeker of audit evidence, implements to achieve a specific result ; and
- Reporting Standards, which set down the framework for reporting the results of audit concisely, with accuracy, objectivity and clarity and in a constructive manner and for appropriate, conclusive and preventive follow up action.

For the audit of WHO, we would also take into account: -

- the Common Auditing Standards and Auditing Guidelines issued by the Panel of External Auditors of the United Nations and its Specialised Agencies.
- the Auditing Standards of the International Organisation of Supreme Audit Institutions;
- the Auditing Standards of the International Federation of Accountants; and
- the International Accounting Standards.

## **5.4 Audit Methodology**

Audits will be carried out within a framework consisting of the stages of planning, conduct of audit in the field and reporting. As stated before, Audit work will be closely supervised and managed by the Comptroller and Auditor General through the Director of Audit.

### **5.4.1 Audit Planning**

The planning process for the audit would involve: -

- prioritisation of audit areas with reference to outlays, topical relevance as well as any specific areas indicated by the Executive Board and the Health assembly in terms of Financial Regulation 12.5;
- evaluating the internal control environment, including internal audit and oversight services and deciding the extent of reliance thereon; and
- based on the above, determining the nature and extent of substantive audit testing both at Headquarters and in Regional Offices.

Each audit team will draw up an audit plan outlining the scope and objectives of the particular audit assignment, the areas of concern to audit, time frames for various activities and the exact job specification of each member of the audit team. Progress against the plan will be monitored in each case to ensure that the audit task is completed in an efficient and cost effective manner.

### **5.4.2 Audit Fieldwork**

Audit fieldwork will be performed with a view to obtaining assurance regarding the accuracy of the financial statements, compliance with rules, regulations and the intentions of the Governing Bodies, the adequacy of internal financial controls, and in general, the economy, efficiency and effectiveness of the administration and management of the Organisation. This would involve collection of evidence through vouching of financial records both manual and computerised and examination of supporting documentation, analysis of trends and variations, reperformance of calculations, interviews with key auditee staff etc.,

The teams performing audit in the field will be provided specialist support for short periods through briefing sessions, workshops, seminars, training courses, and written guidance. Support in the use of EDP audit methods and statistical techniques will also be provided by our core team of experts in these areas.

### **5.4.3 Audit Reporting**

While reporting the results of audit we will comply with all the requirements as stated in Financial Regulations 12.8 and 12.9 and in paras 5-10 of the Additional Terms of Reference governing the External Audit of the WHO.

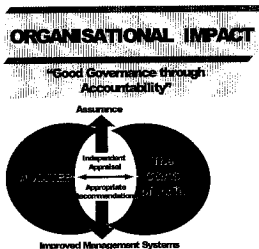
The principal steps in the reporting stage would be:

- Preliminary audit findings will be brought to the notice of the WHO Director General for comments and observations;
- After taking into consideration the responses received from the Director General, as appropriate, the report of the External Auditor will be transmitted through the Executive Board to World Health Assembly.

We will, while communicating audit findings, make constructive recommendations wherever appropriate. The issue of reports will be preceded by comprehensive discussions with the senior management and adequate opportunity will be afforded to the management to respond to matters under observation.

### **5.5 Impact of Audit.**

The following figure illustrates the impact that our audit will have on WHO.



## **6. Estimate of Auditor Work Months**

After a study of the Proposed Budget of WHO for the Financial Period 2000-2001 we have assessed the audit effort that would be required for auditing operations at Headquarters, including UNAIDS, the regional offices, IARC and OCP. As mentioned earlier in this proposal we propose to have a full-time Director of Audit at the Headquarters. The audit at headquarters will be periodically supplemented by interim audits and the final audit. The audit of regional offices, IARC and OCP will be conducted at least once during the biennium. Based on this we estimate that 81 auditor-work months will be spent in conducting the audit of WHO per biennium.

## 7.Audit Fees

We have assessed WHO's level of operations at Headquarters, including the audit of UNAIDS, and at its various Regional Offices, the IARC and the OCP. **Based on this we have computed an audit fee of US\$750,000 for the Biennium 2000-2001 and US\$787,500 for the Biennium 2002-2003.** This fee covers the audit of both regular and extra budgetary funded operations at the levels mentioned in the section related to the Estimation of Auditor Work Months. The fees also include the fees for the audit of the International Agency for Research in Cancer and UNAIDS.

The fees quoted are based on the full recovery of the costs incurred on audit and include all travelling, secretarial and other ancillary costs as well as living expenses/per diem of the Audit Staff sent for audit work. No separate audit fees are charged. We understand that WHO will provide facilities such as Office Accommodation, telecommunications, photocopying and office supplies free of cost to the auditors and hence these have not been built into our costs.

## **8.Requests for Information, access to audit working papers etc**

In making such requests we will fully comply with para 3 of the Additional Terms of Reference Governing the External Audit of the World Health Organisation and Auditing Standard 14 of the Common Auditing Standards of the Panel of External Auditors of the UN and Specialised Agencies. The auditing standard states that:

"Working papers will be prepared by the External Auditor in the course of Audit Examination which shall contain sufficient relevant audit evidence to support the conclusions, and include reference to the objective of audit, procedures followed, tests performed, information obtained and conclusions reached. These working papers are the property of the auditor and are normally confidential to the audit staff. In the event of an audit assignment being transferred to another, the auditor should provide sufficient information to facilitate a smooth handover to the successor."

We expect that if we are appointed the External Auditors, the outgoing auditor would comply with this standard. We assure compliance on our part on completion of our tenure.

## **9. Information on our Special Strengths**

In this section of our proposal we would like to bring out our additional strengths that place us in an advantageous position with regard to the audit of WHO.

### **9.1 Well Trained Audit Professionals:**

Audit personnel working in the organisation are given rigorous training on induction and their skills are continuously upgraded through higher level professional training and periodic tests and evaluations. This is achieved through a network of training institutes across the country which offer refresher and specialist courses. Audit staff are kept abreast with the latest in the field of finance and audit through updated guides and manuals, Audit Bulletins and other Journals. At the managerial level we have officers who belong to one of the premier civil services of the country the "Indian Audit and Accounts Service". These officers receive professional training in areas such as accounts, audit, financial management, cost and management accountancy, management, quantitative techniques and EDP. A significant number of our auditors are now equipped with the skills required for using IT Audit Techniques and statistical techniques. During their service period their knowledge and skills are regularly enhanced through specially designed training courses, workshops and seminars held both within and outside the country. A policy of periodic staff rotation is followed with a view to maintaining innovation in audit approaches, while at the same time maintaining a reasonable degree of continuity.

### **9.2 Expertise in the Audit of Computerised System**

The Comptroller and Auditor General of India is the Chairman of the EDP Audit Committee of INTOSAI which is the apex organisation of Auditors General worldwide. The Chairmanship has been entrusted to India in view of its demonstrated proficiency in such audits.

In the national area we have conducted several audits of computerised systems both in government departments and government enterprises.

In the International Arena we have audited the Integrated Management Information Systems of the United Nations on three occasions at the specific requests of the Governing Bodies. Audit of UNHCR, with its own computerised "Financial Management and Information System" has been conducted using the system itself by CAG of India's audit teams since 1993.

Officers, both at the managerial and the supervisory level, have been trained in IT Audit Techniques in the National Audit Office of the UK. Several officers have subsequently been trained in replicated courses in India. Consequently we have now a well trained pool of IT Audit practitioners. The CAG of India also conducts

an International Training course on IT Audit, each year, for the staff of Supreme Audit Institutions of Africa, Asia and the Pacific Region.

The expertise of the CAG of India in this area would be evident from this excerpt from the citation accompanying the Jorg Kandutsch Award conferred on him:

".....SAI of India has assumed an important function in the interest of all INTOSAI members in recent years by chairing the Committee on EDP Audit, as issues relating to computerisation have become increasingly important for SAIs in the light of the progressing of audit techniques and growing electronic communication. The EDP Audit Committee has accomplished excellent work under the highly committed and competent chairmanship of the SAI of India ...".

### **9.3 Jorg Kandutsch Award:**

At the XVI INCOSAI, the triennial congress of INTOSAI, concluded recently in Uruguay the Comptroller and Auditor General of India was awarded the Jorg Kandutsch Award. The award has been instituted to recognise important achievements or contributions in the areas of

1. Organisational Structure and the development and application of new methods of work
2. Positive results obtained by the introduction of sound control systems for public revenues and expenditures, and
3. Contributions or assistance furnished to other member SAIs of INTOSAI.

This award symbolises the recognition of professional expertise and contributions made by Comptroller and Auditor General of India.

### **9.4 Our Appreciation of WHO's Programme of Change and Renewal.**

Our study of relevant documents and literature and discussions with local WHO officials have helped us gain a firm appreciation of WHO, its plans and its goals. WHO is engaged in activities, worldwide, with the ultimate objective of providing all peoples "the highest possible level of health." During its existence, which now spans half a century, WHO has relentlessly worked for the cause of promoting good health, prevention and control of diseases, and provision of equitable and affordable health care. Over the years however the challenges in the form of diseases such as HIV/AIDS, eradication of a wide variety of communicable diseases, increasing costs of providing health care has placed a stupendous pressure on the resources of WHO. Coupled with this is the reduction, in real terms, of funding. WHO, under the new administration, has responded to this situation by embarking upon a programme of reform and renewal so as to achieve efficiencies in operations and reorient budgetary allocations and spending plans to reflect new priorities. This is evidenced by the substantially reorganised Proposed Budget for 2000-2001. It is in this context of



establishing and reinforcing accountability and efficiencies in WHO's activities that we, if appointed as External Auditors, expect to provide critical assistance.

## **9.5 Special Capabilities for Audit of Health Sector**

As a developing country, India has made significant investments in promoting healthcare both through direct investment as well as investments in medical education and associated research. The state in India, both at the level of the Federal Government and the Provincial Governments plays a very major role in provision of healthcare to the vast Indian Population. In 1996-97(one financial year) the Federal Government's expenditure on Healthcare alone had been of an order of Rs. 37.46 billion and that of Provincial governments over Rs.50 billion. As a sole auditor of these governments, our organisation has exclusive experience of and thorough insight into the management and issues involved in the provision of health care and the prevention and control of diseases. We have also an equal proficiency in the audit of associated organisations providing Medical Education and various centres and institutes carrying on medical research and studies. Besides certifying accounts of the Health and Family Welfare Departments of both the Federal and the Provincial Governments, as part of the certification process of government accounts, and also of autonomous bodies financed by the governments we regularly conduct performance audits on various Health and Family Welfare Schemes and programmes. Most of these audits are conducted on an all India basis.

Some examples of Performance Reviews conducted by us are as follows:

- Review of the "National Malaria Eradication Programme".
- Review of the "Family Welfare Programme"
- Review of the "National Cancer Control Programme".

India has been a principal recipient of aid and assistance from the WHO. Most of this is devoted to Health Care programmes and schemes in the Government Sector.As sole auditors of the Government, we have developed substantial expertise in the audit of the Health Sector and a strong understanding of WHO programmes and schemes.

## **9.6 Auditors for the United Nations:**

We have been conducting audit of the United Nations Organisation for the last four years, and the audit mandate for WHO is very similar to that for the UN Board of Auditors. Additionally we have been auditors for the UN at a time that the UN is going through a period of reform and renewal and this experience will give our audit of the WHO additional strength in view of its own programme of reform and renewal.

## **9.7 Expertise in Performance Auditing.**

The Comptroller and Auditor General of India has been one of the earliest practitioners of performance auditing, dating back to the late 1950's. We have developed specialist expertise in performance auditing of several sectors, including agriculture, rural development, as well as scientific institutions.

Our professional expertise in the areas listed above would be highly advantageous in the course of audit of WHO.

## 10. Conclusion

The World Health Organisation is an organisation in pursuit of Change and Renewal even as it braves the multiple challenges that face it in the form of a growing demand on its resources combined with stagnant funding. We believe that by providing efficient and cost effective services as External Auditors we will prove to be a partner and an ally of WHO as it moves into the next millennium.

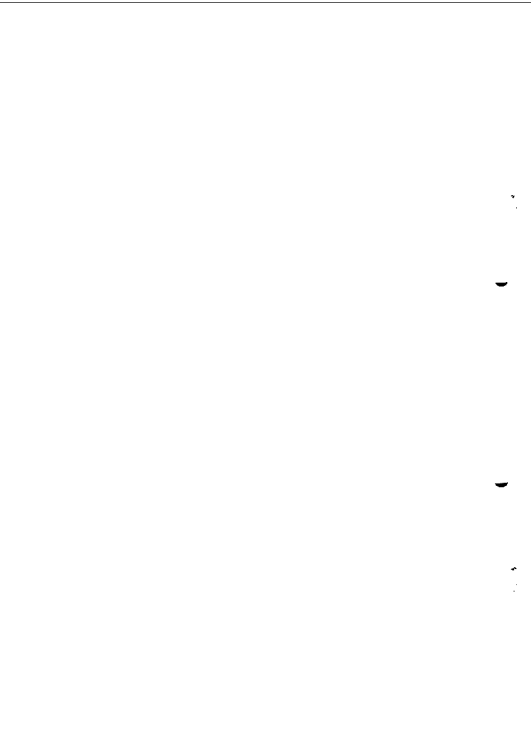
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DEPARTMENT OF THE  
AUDITOR GENERAL OF PAKISTAN

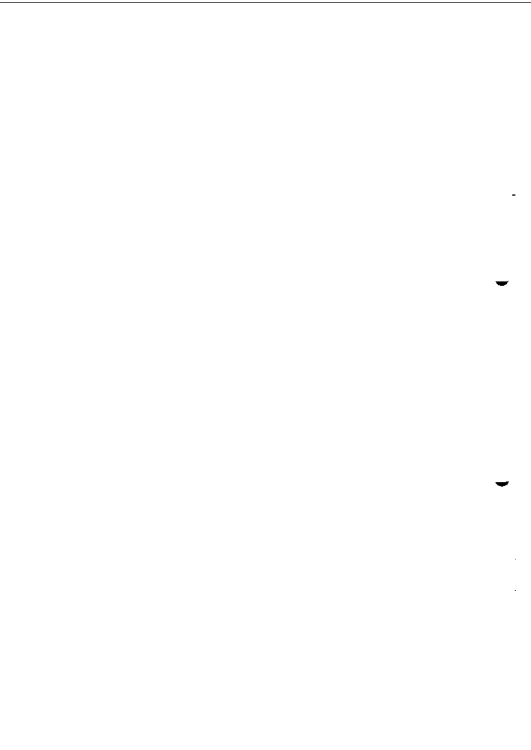
TENDER  
FOR THE APPOINTMENT OF  
EXTERNAL AUDITOR  
OF THE  
WORLD HEALTH ORGANIZATION

FOR THE FINANCIAL PERIODS  
2000-2001 AND 2002-2003



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## **CURRICULUM VITAE**

### *CONSTITUTIONAL OFFICE OF THE AUDITOR GENERAL OF PAKISTAN*

**Constitution of the Islamic Republic of Pakistan requires that a statutory office of Auditor General of Pakistan (AGP) be established for the Federation and the Provinces. The following constitutional provisions govern the operations of the office:**

- ❖ The Auditor General is appointed by the President of Pakistan for a five-year term.
- ❖ The Auditor General can not be removed from office except in the like manner and on the like grounds as a Judge of the Supreme Court.
- ❖ The functions and powers of the Auditor General are determined by the Parliament.
- ❖ The Accounts of the Federation and of the Provinces are kept in such form and in accordance with such principles and methods as are prescribed by the Auditor General.
- ❖ The Reports of the Auditor General relating to the Accounts of the Federation are submitted to the President who causes them to be laid before the National Assembly and the reports relating to the accounts of the Province are submitted to the Governor of the Province who causes them to be laid before the Provincial Assembly.

### *APPOINTMENT OF MR. MANZUR HUSSAIN AS AUDITOR GENERAL OF PAKISTAN*

After having been appointed by the President the incumbent Auditor-General of Pakistan, Mr. Manzur Hussain, took oath of the Constitutional Office of the Auditor General of Pakistan on 17<sup>th</sup> July 1997 for a five-year term. Personal Curriculum Vitae of Mr. Hussain is provided as Annexure.

## *ORGANIZATION WORKING UNDER THE AUDITOR GENERAL*

Commensurate with his federal and provincial roles the Auditor General has an elaborate organisation functioning to support him. Auditor-General reports to the President and the Provincial Governors and the National and Provincial Assemblies. The outputs generated by the Auditor-General for the stakeholders include reports on Accounts and Audit Reports on the operation of each of the governments.

### **▬ AUDIT ORGANISATION**

The Audit Organisation of the Auditor General of Pakistan is divided into four wings as briefly introduced below:

#### **➤ Government Audit Wing**

The Government Audit Wing handles the core audit activity. Headed by a Deputy Auditor General, the wing comprises of independent audit offices for the federation and for each of the four provinces. In addition, specialised audit offices have been established in the areas of Construction/Works/Highways, Defence, Foreign Missions, major purchases and supplies expenditures and Zakat (a religious tax). Audit undertaken by this wing is primarily Regulatory Audit and Performance Audit as defined by the INTOSAI Auditing Standards.

#### **➤ Corporate Audit Wing**

Many governmental organisations are established as corporate entities under the Company Law. Such entities are subjected to dual audit. Audit under the Company Law is carried out by the CPAs/CAs for report to the Board of Directors of individual companies. Statutory Audit of such entities is carried out by the Corporate Audit Wing of the Auditor General. Audit conducted by the field offices under this wing is commercially oriented and builds up on the audit work of the CPA/CAs. These reports are, considered by the respective Public Accounts Committees. A Deputy Auditor-General heads the Wing.

#### **➤ Revenue Audit Wing**

The Auditor-General's organisation has also established an independent wing for Revenue Audit with two major specialisation i.e. Indirect Taxes and Direct Taxes. Deputy Auditor-General (Revenue Audit) is the head of the Wing.

### ➤ **Special Audits Wing**

Headed by Deputy Auditor-General (Special Audit), this is a relatively new wing. This wing has been established in response to considerable current interest in high level comprehensive audits of major projects and issues of current national interest.

### □ **ADMINISTRATION AND COORDINATION WING**

Administration and Co-ordination Wing of the Auditor General of Pakistan functions under a Deputy Auditor General and is responsible for policy formulation, budgeting, career planning and placements, human resource management, international relations, computerization, research and development and training functions. The Wing also operates training institutes at five different cities around the country.

### □ **SUPERVISION OF ACCOUNTS**

In line with his constitutional responsibilities the Auditor General supervises the accounting function. The day to day operation of the centralised accounting system are handled by a Controller General of Accounts who has Federal and Provincial Accountants General under him. The accounts of the different governments are submitted to the respective Assemblies through the Auditor-General.

## *EFFORTS FOR MODERNISATION*

As a successor organization, in Pakistan, to the Comptroller and Auditor General in united India under the British colonial rule, the Department of the Auditor General of Pakistan has a long and rich history of 138 years in the fields of government audit and accounts. The system has many commonalities with the systems that follow Commonwealth traditions. Remaining within the constraints of the parliamentary system, the Department has gone through different developmental phases. Some of the prominent efforts are highlighted here.

### ✓ **Performance Auditing:**

Performance Audit was introduced by Auditor-General's organisation in the 1980s through a foreign assisted project and an international consultancy. This aspect has been discussed further in a subsequent section.

✓ **Training:**

Training provides the key to human resource development. As the department strives to achieve greater professionalism, a number of training strategies have been evolved for meeting the challenges of the changing scenario.

The Audit & Accounts Training Institutes (AATI) of the Auditor General's department provides training in government accounting, auditing and computerisation from entry level to senior management level through a variety of programmes. Each year about 1400 trainees attend its courses. Mainly, they are employees of the department and other public sector organisations.

In addition, the Performance Audit Wing of the Auditor General's department conducts a number of specialised international courses which are also listed in the INTOSAI Development Initiative (IDI) Directory of Courses. During the last ten years, over two hundred foreign participants from 29 countries have attended international training programmes offered by the wing.

✓ **Project for Improvement of Financial Reporting and Auditing (PIFRA):**

The Auditor General has undertaken a multimillion dollar comprehensive program for restructuring and computerisation of the financial reporting system of the country. The other components of the project deal with improvement in Regulatory Audit and Human Resource Management.

### *HUMAN RESOURCES AT THE DISPOSAL OF THE AUDITOR GENERAL*

The Auditor General of Pakistan has a fairly large human resource available to him. Roughly 11,000 employees work in 40 different offices functioning under him. The employees include 600 plus managerial level employees who join the Department on the basis of a countrywide competitive examination. These officers are given rigorous pre-service training and are provided with opportunities of continued professional education during the entire career. Most of the officers attend training courses at professional institutes within and outside the country and also get opportunities for pursuing university degrees and professional courses like MBA, MS, fellowship of Institute of Cost and Management Accounts and other accounting certifications. Almost 100 officers have acquired such qualifications from international institutions.

The sub officer level staff is trained to qualify a professional departmental examination known as SAS (Subordinate Accounts Service) Examination. This qualification is now being merged with the international qualification of AAT (Association of Accounting Technicians) which is co-sponsored by the Institute of Chartered Accountants of Pakistan, Institute of Cost and Management Accountants and the Department of the Auditor-General of Pakistan.

### *NATURE AND RANGE OF AUDIT SPECIALIZATIONS*

The Department of Auditor-General specializes in Regulatory and Performance Audit as defined by the INTOSAI Auditing Standards.

◆ Regulatory audit covers:-

- attestation of financial accountability of accountable entities, involving examination and evaluation of financial records and expression of opinions on financial statements;
- attestation of financial accountability of the government administration as a whole;
- audit of financial systems and transactions, including an evaluation of compliance with applicable statutes and regulations;
- audit of internal control and internal audit functions;
- audit of the probity and propriety of administrative decisions taken within the audited entity; and
- reporting of any other matters arising from or relating to the audit that the SAT considers should be disclosed.

◆ Performance Audit deals with the following aspects:

- audit of the economy of administrative activities in accordance with sound administrative principles and practices, and management policies;
- audit of the efficiency of utilisation of human, financial and other resources, including examination of information systems, performance measures and monitoring arrangements, and procedures followed by audited entities for remedying identified deficiencies; and

- audit of the effectiveness of performance in relation to the achievement of the objectives of the audited entity, and audit of the actual impact of activities compared with the intended impact.

- ◆ Comprehensive Audit

The organization also agrees with the INTOSAI assessment that in actual practice the two types of Audit (Regulatory and Performance) overlap. Efforts are in hand for moving towards a comprehensive audit approach which covers the entire range of activities and functions of a Ministry in a given period.

- ◆ Certification Audit

Since Accounting is set-up for each government as an independent function which is not controlled by the executive departments, Certification Audit presents certain serious challenges. A comprehensive macro approach is being developed for a certification methodology that meets the requirements of the Public Accounts Committees.

- ◆ Audit of Privatisation

The organization has fairly extensive experience in the Audit of Privatisation and a number of reports have been produced for the stakeholders.

- ◆ Revenue Audit

This specialization has emerged over the last decade. The Departmental reports on revenue receipt have been very popular with the legislative oversight committees and have led to improvements in the assessment and collection systems.

- ◆ Third Party Validation and Audit of Foreign Aided Projects

International donors and agencies have emerged as major stakeholders in the developmental efforts. To meet their needs the Department has developed customized audit and validation activities.

- ◆ New Audit Areas

In response to emerging trends and needs in the department, as an ongoing activity, development of new audit specialisation in areas such as National Debt Management, Environmental and EDP Auditing is receiving special attention.

## INTERNATIONAL ACTIVITIES

The Supreme Audit Institution (SAI) of Pakistan is actively involved in the work being done internationally in the fields of state audit and financial management. The SAI is a member of the International Organization of Supreme Audit Institutions (INTOSAI), Asian Organization of Supreme Audit Institutions (ASOSAI), Economic Co-operation Organization Supreme Audit Institutions (ECOSAI) and International Consortium on Governmental Financial Management (ICGFM). The Auditor General of Pakistan is permanent Secretary General of the ECOSAI. The Department actively participates in the assemblies, seminars, workshops, conferences and symposia of these bodies as also in the training courses organized by the INTOSAI Development Initiative (IDI). The Department of the Auditor General of Pakistan has had the honour of having organized the following international events in recent years:

- International Seminar on Audit of Revenue Receipts, Lahore (Pakistan) – 1993
- ASOSAI/IDI Seminar on Auditing Foreign Aid Effectiveness and Accountability, Lahore (Pakistan) – 1994
- Pak-ICGFM International Conference, Lahore (Pakistan) – 1995
- 16<sup>th</sup> Commonwealth Auditors General Conference, Lahore (Pakistan) – 1996
- Five Pak-China Joint Seminars on different themes of audit – 1990 to 1997

The Department regularly shares its expertise with other Supreme Audit Institutions of the region/world. For this purpose it offers some of its courses internationally. The courses attended by international participants include:

- Intensive Training Course (ITP) in Performance Auditing
- Advance Course in Financial Management
- Public Financial Management
- Audit of Procurement, Inventory and Contract Management
- Certification Audit

□ Assessing and Relying on Internal Controls

The popularity of these programmes can be gauged from the fact that the officers of the Supreme Audit Institutions of the following countries have participated in these programmes:

Albania, Azerbaijan, Bangladesh, Bhutan, Brunei Darussalam, Ethiopia, Ghana, Indonesia, Kazakhstan, Kuwait, Kyrgyz Republic, Libya, Malaysia, Maldives, Mongolia, Nepal, Oman, People's Republic of China, Qatar, Saudi Arabia, Sri Lanka, Tajikistan, Thailand, Turkey, Turkish Republic of Northern Cyprus, Uganda, United Arab Emirates, Uzbekistan, Yemen

The most popular course offered has remained the Intensive Training Programme (ITP) in Performance Auditing. In 1998 an exclusive programme was conducted for the nominees of the Commonwealth SAIs in the Asian region on the request of Commonwealth Secretariat.

### EXPERIENCE AS INTERNATIONAL EXTERNAL AUDITOR

The Department has considerable prior exposure to the audit of various international organizations including the United Nations. Officers of the Department have experience of auditing the following international organizations:

- United Nations (UN) – 1961 to 1974
- Preparatory Commission for the Organization for the Prohibition of Chemical Weapons (PCOPCW) - 1993-97
- South Asian Association for Regional Co-operation (SAARC) – off and on ever since creation of the Association
- Organisation of Islamic Countries (OIC) intermittently ever since the creation of the Organization
- Economic Co-operation Organization (ECO) - at regular intervals ever since the creation of the Organization



## **DESCRIPTION OF THE AUDIT APPROACH, PROCEDURES AND STANDARDS TO BE APPLIED AS EXTERNAL AUDITOR TO THE WORLD HEALTH ORGANISATION**

For undertaking an effective and meaningful audit that adds value to the working of a large international organisation, it is necessary to understand the entity, its operation and the contribution that it makes towards a better future for mankind.

### *UNDERSTANDING THE WORLD HEALTH ORGANIZATION (WHO) AND THE ASSIGNMENT*

Department of the Auditor General of Pakistan acknowledges the significant position of World Health Organization as a specialized agency, within the UN System. The Department also appreciates the important role being played by the Organization by leading the world alliance for 'Health for All', promoting technical co-operation for health among nations, carrying out programmes to control and eradicate disease and striving to improve the quality of human life. We highly value the objective of WHO for attainment by all people of the highest possible level of health and for which the Organization has a wide range of functions including the following:

- To act as the directing and co-ordinating authority on international health work;
- To promote technical co-operation;
- To assist governments, upon request, in strengthening health services;
- To furnish appropriate technical assistance and, in emergencies, necessary aid, upon request or acceptance of governments;
- To stimulate and advance work on the prevention and control of epidemic, endemic and other diseases;
- To promote, in co-operation with other specialized agencies where necessary, the improvement of nutrition, housing, sanitation, recreation, economic or working conditions and other aspects of environmental hygiene;

- To promote and co-ordinate biomedical and health services research;
- To promote improved standards of teaching and training in the health, medical and related professions;
- To establish and stimulate the establishment of international standards for biological, pharmaceutical and similar products, and to standardize diagnostic procedures;
- To foster activities in the field of mental health, especially those activities affecting the harmony of human relations.

The above mentioned multidimensional functions with a worldwide perspective obviously require the undertaking of a wide range of activities, projects, programmes and operations. The performance of a large variety of functions, as summarized above, also requires an elaborate establishment/organization spread out in various parts of the world. Existence of a complex and detailed set of rules, regulations, systems, controls and procedures for economic, efficient and effective use of human and financial resources and optimal attainment of organizational objectives is also a necessary pre-requisite which the Organization has developed over the years.

The affiliation of International Agency for Research on Cancer (**IARC**) and Joint United Nations Programme on HIV/AIDS (**UNAIDS**) with WHO and co-operation arrangements of the Organizations with UNICEF, UNDP, UNFPA, UNHSCO, The World Bank, ILO, UNEP, FAO and NGOs add to the complexity and level of WHO activities and operations. It is because of the multiplicity of WHO functions and vast diffusion of its activities and operations that the Organization is present in various parts and regions of the world through a network of regional and other offices that ensure effective implementation of its dynamic activities, functions, projects, programmes and operations. The vast scope of WHO functions and operations also abundantly reflects upon the size and nature of financial operations of the Organization. An idea of such operations can also be had from the Financial Reports and Audited Financial Statements and Extrabudgetary Resources for Programme Activities of the Organization.

We also understand that the volume of work for the External Auditor consisting of financial and performance (value-for-money) audits per period, requires the External Auditor to take into account role of the WHO Headquarters at Geneva, its regional offices and specialised co-entities such as IARC and UNAIDS. The External Auditor may also be required to undertake specific examinations and issue separate reports.

## PROPOSED AUDIT APPROACH, PROCEDURES AND STANDARDS

Given the scope, level, spread and complexities of WHO activities, functions, projects, programmes and operations and the global extent of its financial operations, we at the Department of the Auditor General of Pakistan do realize that the Organization requires a very high level of auditorial input from its External Auditor. The External Auditor should have the expertise, ability and capacity to conduct different types of audits including financial, regularity, certification and value-for-money (performance) audits. The External Auditor should also be able to apply different audit techniques including system based approach (SBA) and direct substantive testing (DST), where needed, in conformity with Generally Accepted Auditing Standards (GAAS) and the Additional Terms of Reference governing the external audit of the World Health Organization.

Furthermore, based on independent and objective analyses of financial transactions, evaluations of its activities, functions, projects, programmes and operations, the External Auditor should be able to offer meaningful comments for improvement of financial and operational aspects, control mechanisms and aspects of economy, efficiency and effectiveness of activities and operations of WHO. With the above mentioned parameters in view, we are conscious that in our reports to the World Health Assembly on the financial operations we will cover:

- The type and scope of examination;
- Matters affecting the completeness or the accuracy of accounts, including where appropriate:
  - Information necessary to the correct interpretation of accounts
  - Any amounts which ought to have been received but which have not been brought to account
  - Any amounts for which a legal or contingent obligation exists and which have not been recorded or reflected in the financial statements
  - Expenditures not properly substantiated
  - Whether proper books of accounts have been kept; where in the presentation of statements there are

deviations of material nature from the generally accepted accounting principles applied on consistent basis, these should be disclosed

- Other matters which should be brought to the notice of World Health Assembly such as:
  - cases of fraud or presumptive fraud
  - wasteful or improper expenditure of the Organization's money or other assets (notwithstanding that the accounting for the transaction may be correct)
  - expenditure likely to commit the Organization to further outlay on a large scale
  - any defect in the general system or detailed regulations governing the control of receipts and disbursements or of supplies and equipment
  - expenditure not in accordance with the intention of the World Health Assembly, after making allowance for duly authorized transfers within the budget
  - expenditure in excess of appropriations as amended by duly authorized transfers within the budget
  - expenditure not in conformity with the authority which governs it
- the accuracy or otherwise of the supplies and equipment records as determined by stocktaking and examinations of the record
- transactions accounted for in a previous financial period concerning which further information has been obtained, or transactions in a later financial period concerning which it seems desirable that the World Health Assembly should have early knowledge.

We are also aware that in submitting the audit report to the World Health Assembly, the Auditor General of Pakistan will have to express and sign his opinion in the terms mentioned in paragraph 5 of the Additional Terms of Reference Governing the External Audit of the World Health Organization.

To fulfil the above mentioned requirements, once the nomination and tender of the Auditor General of Pakistan is accepted a team of senior auditors will thoroughly scan information and conduct an initial assessment of the audit assignment. The team would draw principles and determine a macro approach to handle the assignment. On the basis of these inputs we would undertake the following activities:

- A comprehensive planning exercise followed by scheduling;
- Identification of teams for one audit cycle;
- Development of audit approach; and
- Development of and conducting customised WIO focused orientation courses for the audit teams.

For co-ordinating the above mentioned activities a special monitoring and co-ordinating unit would be established directly under the Auditor General of Pakistan.

On the basis of the above analysis we will develop an audit approach as follows:

- ✓ Determine the level of emphasis on internal controls including internal audit;
- ✓ Decide the level of scrutiny of different accounting documents/books of accounts to provide optimal audit coverage for certification
- ✓ Select focus areas for system based audit
- ✓ Identify activities, functions, projects, programmes, operations etc. for which performance audit will be undertaken
- ✓ Determine most effective deployment of audit resources
- ✓ Select audit teams and impart customised training based on the audit mix that we identify as a result of our assessment of the audit assignment for which we will evaluate at our end the contribution made by previous external auditors and the areas of their strength and weaknesses

- ✓ **Develop a macro picture for the stakeholders based on audits conducted by various audit teams and piecing together the multifarious audit input**

## **ESTIMATES OF THE OVERALL NUMBER OF AUDITOR-WORK-MONTHS**

It is estimated that for undertaking (financial and value-for-money) audit of World Health Organization (WHO), International Agency for Research on Cancer (IARC) and Joint United Nations Programme on HIV/AIDS (UNAIDS) for each of the two periods i.e. 2000-2001 and 2002-2003 a total of 44-52 auditor-work-months would be required.

## PROPOSED AUDIT FEE

The lump sum audit fee that the Department of the Auditor General of Pakistan will charge for the audit of WHO headquarters and its regional offices, IARC and UNAIDS for their regular programme activities and extrabudgetary funded activities for the financial period 2000-2001 will be US\$ 749,500. The break-up of the cost is shown below.

1.	Audit Fee	US\$	100,000
2.	Living expenses of audit staff	US\$	450,000
3.	Travel Costs	US\$	100,000
4.	Stationery, supplies, secretarial etc.	US\$	30,000
5.	Incidentals	US\$	69,500
	<b>Total</b>	<b>US\$</b>	<b>749,500</b>

The above mentioned audit fee of US\$ 749,500 will be incremented by US\$ 50,000 for the financial period 2002-2003 bringing the fee to US\$ 799,500.



## NATURE, EXTENT AND TIMINGS OF REQUESTS FOR INFORMATION

The nature and extent of information to undertake audit of the Organization will be as under:

- Financial Rules and Regulations of WHO, IARC and UNAIDS (complete set);
- Document containing the Accounting System, procedures and policies of WHO, IARC and UNAIDS (complete set);
- Staff Regulations of the Organisation/s (complete document);
- Budget documents of WHO, IARC and UNAIDS (full documents);
- Document/budget regarding Extrabudgetary Resources for Programme Activities (full disclosure);
- Financial Statements of the WHO, IARC and UNAIDS (complete documents);
- Statement of assets and liabilities of WHO, IARC and UNAIDS;
- Copy of the last audit report submitted by the previous External Auditor;
- Copy of the working papers for each audit conducted by the previous External Auditor for the last financial period audited;
- Copy of the Work Plan/Schedule of the previous External Auditor for the last financial period audited;
- Complete listing of all the outstanding audit observations/objections of the previous External Auditor;
- Copy of the Report of the World Health Assembly on the last audit report discussed by the previous External Auditor;

- Brief summary of the facilities generally provided to the staff of the previous External Auditor engaged in the audit of the Organization.

The above mentioned documents would be required immediately after acceptance of the tender. Copies of the Budget Documents/Extrabudgetary Resources for Programme Activities for each year/period would also be need immediately after their approval by the World Health Assembly/Director General of the World Health Organization.

## **ASSURANCE**

Department of the Auditor General of Pakistan hereby assures the World Health Organization that in case Mr. Manzur Hussain, Auditor General of Pakistan is appointed the External Auditor of World Health Organization for the financial periods 2000-2001 and 2002-2003, full co-operation will be extended, on completion of appointment, to the incoming external auditor in responding to his/her requests for provision of information in accordance with recognised international auditing standards.

## **ANNEXURE**

### **CV of Mr. Manzur Hussain, Auditor-General of Pakistan**

Mr. Manzur Hussain brings to his office rich experience of over 36 years of public service both as a professional auditor and a senior administrator. His detailed C.V. is appended below:

#### ***ACADEMIC AND PROFESSIONAL CAREER***

Mr. Manzur Hussain has a distinguished academic and professional career as is indicated from the following qualifications:

- 1987 Qualified professional examination of the Institute of Cost and Management Accountants of Pakistan (ICMAP) in the subjects of Advanced Accounting, Cost Accounting, Business Mathematics and Statistics;
- 1962 Obtained degree in the education of training from the Punjab University securing 1<sup>st</sup> Position and a Gold Medal;
- 1961 Obtained Master's Degree from the Punjab University securing 1<sup>st</sup> position and a Gold Medal.

#### ***PROFESSIONAL EXPERIENCE***

- July 1997 Auditor General of Pakistan for a five-year tenure. In the wake of global awareness about transparency and accountability as also combating corruption, President of Pakistan, on the advice of the Prime Minister, appointed him to hold the Constitutional Office of the Auditor General of Pakistan.
- 1994-97 From October, 1994 worked as Chairman of the National Tariff Commission and contributed to the tariff reforms leading to lowering of tariffs in the context of World Trade Organization (WTO) and as part of the macro-economic balancing through fiscal measures. Was instrumental in drawing up of comprehensive draft legislation on Anti-Dumping and Countervailing Measures.
- 1994 In May 1994 promoted as Secretary to the Government of Pakistan, Ministry of Minority Affairs. Contributed in uplifting the socio-economic status of minorities in the country.

- 1991-94 Additional Secretary (Regulations) in the Establishment Division, Government of Pakistan. Contributed in the formulation of managerial and financial aspects of the Civil Service.
- 1990-91 Joint Secretary (Regulations) in the Establishment Division, Government of Pakistan. Was involved in manpower planning for the Federal Government.
- 1990 From April to October worked as Joint Secretary (External Finance) in the Ministry of Finance, Government of Pakistan and dealt with IMF, World Bank and the Asian Development Bank on issues relating to Balance of Payments. Prepared and monitored, in particular, macro-economic data on foreign exchange. Was a key member of the team in the area of policy decisions?
- 1989-90 Joint Secretary (Development), Ministry of Health, Government of Pakistan. Conceived, processed and monitored important development projects in the health sector. Executed the project for up-gradation of diagnostic facilities in the country with the assistance of Finland.
- 1984-89 Joint Secretary (Budget), Ministry of Finance. Provided key policy inputs in preparation of annual budgets of the Federal Government. Prepared and consolidated budgetary data on public finance for various agencies like the IMF, World Bank and Asian Development Bank.
- 1981-84 Joint Secretary to the Government of Pakistan, Ministry of Finance. Contributed in fixation of prices of natural gas and other petroleum products. Served on the Board of Directors of the Pak-Arab Refinery Company Limited (PARCO), a joint venture with the Government of Abu Dhabi.
- 1979-81 Chief Accounts Officer, Pakistan Telegraph & Telephone Department. Was involved in negotiating international tariffs under the International Telecommunication Union (ITU), Geneva and settlement of accounts with different telecommunication administrations in the world.
- 1976-79 Additional Accountant General, Pakistan Revenues, Government of Pakistan. Was responsible for payment of bills of Federal Government Ministries, Divisions, Departments and other agencies and exercising financial control on expenditure.
- 1973-76 Chief Accounts Officer, Ministry of Foreign Affairs, Government of Pakistan. Was responsible for the maintenance of accounts of Pakistan's Embassies and Missions abroad.

- 1971-73 Director of Internal Audit, Ministry of Communications, Government of Pakistan. Prepared a series of internal audit reports on issues of financial and administrative concerns relating to a variety of public sector institutions in the communications sector viz. Pakistan Telegraph and Telephone Department, Karachi Shipyard and Engineering Works Limited, National Shipping Corporation, Pakistan Post Office, National Highway Board, Special Communications Organisation, Telephone Industries of Pakistan, National Radio Telecommunication Corporation etc.
- 1969-71 Deputy Accountant General of the province of N.W.F.P. was responsible for payment of bills of the provincial government and exercising budgetary control over expenditure.
- 1967-69 Assistant Accountant General, Pakistan Revenues was in-charge of payment and accounting functions for the Federal Government.
- 1964-67 Was a trainee at the Finance Services Academy, Government of Pakistan. Was exposed to the system of Public Financial Management. Studied Economics, Public Administration, Bookkeeping and Auditing.
- 1964 Qualified the Competitive Civil Service Examination of the Government of Pakistan and was selected to serve in Pakistan Audit & Accounts Service.
- 1963 Started career as a college lecturer in graduate studies.

### ***COURSES AND SEMINARS***

#### **Pakistan**

- 1988 Attended 52<sup>nd</sup> National Advanced Management Course at the Pakistan Administrative Staff College, Lahore from 27 August 1988 to 09 January 1989.
- 1975 Attended Computer Applications Course for mid level managers organised by the Pakistan Computer Bureau, Rawalpindi.
- 1965 Attended specialised training programme in governmental financial rules and procedures including attachments with the field offices of the Auditor General of Pakistan.
- 1963 Trainee Officer in Public Financial Management at the Finance Services Academy, Lahore.

## Abroad

- Uruguay **November 07-14, 1998** Attended 16<sup>th</sup> International Congress of Supreme Audit Institutions (INCOSAI) at Montevideo;
- Egypt **September 29 to October 04, 1998** participated in the 6<sup>th</sup> Meeting of the Arab Organisation of Supreme Audit Institutions (ARABOSA) held at Cairo;
- India **May 05-08, 1998** Participated in the UNDP sponsored Conference/Workshop on Governance and Accountability held in New Delhi;
- Indonesia **October 04-10, 1997** Participated in the 7<sup>th</sup> Assembly and 6<sup>th</sup> International Seminar of the Asian Organisation of Supreme Audit Institutions (ASOSAI) held in Jakarta;
- USA **March 06-10, 1995** Attended IMF Seminar on Trade Reforms Issue at IMLI Institute, Washington, D.C.
- Australia **February 24-28, 1992** Participated in the Conference on Changing Role of the Government Administrative Structuring Reforms organised by the Commonwealth Secretariat at Sydney.
- USA **July 09-15, 1989** Attended UNICEF sponsored DEAF WAY Conference in Washington, D.C.
- Thailand Participated in Seminar on Government Finance Statistics organised by IMF in collaboration with the Government of Thailand.
- Japan **July 03-16, 1988** Attended Seminar on the Introduction of International Co-operation Activities held at Tokyo.
- USA **October 13-30, 1987** Participated in the Seminar on National Budgeting organised by the International Law Institute, Washington, D.C. in co-operation with Georgetown University and International Consortium on Government Financial Management.
- USA **November 10-21, 1986** Attended the World Trade Centre's course on Financial Management using PCs.
- USA **July 29 – November 29, 1985** Participated in the IMF Course on Financial Analysis and Policy for senior managers held at the IMF Institute, Washington, D.C. The course aimed at the

design and implementation of macro economic and financial policies.

**Philippines July 12 – August 20, 1982** Participated in the Regional Course on Power Projects with special emphasis on electricity tariffs. The course was co-sponsored by the Government of Philippines and the Economic Development Institute (EDI) of the World Bank.

Mr. Manzur Hussain has also visited a large number of countries including United Kingdom, Netherlands, Germany, Austria, France, Sweden, Belgium, Iran, Luxembourg, People's Republic of China, South Korea, Japan, Bangladesh, Morocco, Algeria, Tunisia, Egypt, Indonesia, Saudi Arabia, South Africa and Uruguay in connection with the performance of his official duties. He has also participated in the meetings of the Board of Governors of ECOSAI.

### **RESEARCH**

National Management Paper on *Issues in National Integration* at the Pakistan Administrative Staff College, Lahore in 1988-89. The paper recommended tackling the question of real impediments to national cohesion through an open debate and resolution. It emphasised an analytical framework, and that national integration is a multidimensional gradual process to which there were no simplistic turnkey approaches. It must originate in the people's psyche, soul and spirit. While identifying barriers to national integration, the paper concluded that a variety of political, socio-economic, ethnic, cultural, religious factors and their interplay determined the national life. The paper recommended specific modalities, participation, delegation, equity and mobility as possible solutions to weave the fabric of a vibrant nation.

Research paper on Computerisation of Federal Budget. The paper addressed the need of a national database to determine inter-relationship between major sections of the economy. More specifically, the budgetary systems and charts of classification were examined with 'function-cum-object' grouping to bring out the economic character of government transactions.



**PROPOSAL BY THE AUDITOR-GENERAL OF THE REPUBLIC OF SOUTH AFRICA FOR REAPPOINTMENT AS THE INDEPENDENT EXTERNAL AUDITOR TO THE WORLD HEALTH ORGANIZATION (WHO) FOR THE FINANCIAL PERIODS 2000-2001 AND 2002-2003**

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## I. EXECUTIVE SUMMARY

The Auditor-General of the Republic of South Africa was appointed independent external auditor of WIIO for the financial periods ending 31<sup>st</sup> December 1997 and 1999. The confidence shown by the World Health Assembly in that original appointment has provided the opportunity for the South African Audit Office to demonstrate its competence and serve as the basis for seeking a second appointment.

Since its inception, WIIO has worked to facilitate adequate healthcare to prevent and control the spread of disease. The challenges facing the Organization have always been *legio*. In order to meet its own expectations, as well as those of member states and stakeholders, recognition of the need for change and renewal has taken place. This has been accompanied by the appointment of a new Director-General, who from the outset, has focused her energy and ideas on the strategic goal of "making a difference."

Ever increasing expectations arise against the backdrop of a static regular budget. The economical, efficient and effective deployment of resources is therefore crucial, and the Director-General has identified the need for the Organization to become more focused on the actual delivery of healthcare, while reducing the level of bureaucracy.

In fulfilling the requirements of our first appointment, the Office of the Auditor-General of South Africa made every effort to make a positive difference. We were instrumental in initiating several strategic developments, such as improved accountability through, for example, the setting up of an audit steering committee and improvements in financial reporting to the World Health Assembly. It is our commitment to follow through these and other developments to assist WHO and the new Director-General with renewal, that places us in a unique position. The current process of change within WHO requires an independent external auditor who is fully aware of and has demonstrated the ability to deal with, the demands made by these developments on WHO and its people.

In the foregoing process we have also developed a core of expertise specific to WHO. Our experience as the incumbent auditors, has enabled us to gain valuable insights into the operations of the Organization, achieved partly through a continuing presence at the Geneva Headquarters, coupled to a timetable of visits to all regions. During the current biennium our knowledge is being extended to the country offices, with a programme evaluating their respective management arrangements and controls. Furthermore, in order to formulate an effective strategy to address the concerns of management and stakeholders, we have ensured that we are represented at a senior level at all biennium-end governing body meetings.

The South African experience in transition and transformation has been far-reaching and has affected people from all walks of life. Our Office is no exception. This experience will serve WHO well. In addition, we have a national and international reputation for professionalism, competence and independence as well as rendering a broad range of ancillary services.

The audit is staffed at a senior level by qualified professionals, while careful attention is devoted to affirmative action. The Office has a diverse workforce to draw on and the pool of team members is already fully gender representative.

In conclusion, we are firstly particularly grateful for the cooperation and support we have received throughout our tenure thusfar. Secondly, it would be an honour to continue to serve as external auditors of WHO and we would welcome the opportunity to continue to make a difference at WHO and assist in achieving its vital global mission.

## **2. PURPOSE OF THIS PROPOSAL**

WHO invited interested member states to nominate candidates for the World Health Assembly, to be considered for appointment as the external auditor for the financial periods 2000-2001 and 2002-2003.

The Auditor-General of South Africa was appointed independent external auditor of WHO for the financial periods 1996-1997 and 1998-1999. This demonstration of confidence by the World Health Assembly in 1995 provided us with the opportunity to demonstrate our professionalism and competence and also serves as the basis for seeking a second appointment.

The Auditor-General of South Africa wishes to express his interest in a second mandate and the purpose of this proposal is firstly, to show our clear understanding of the external audit needs of WHO and its governing bodies. Secondly, this proposal demonstrates our ability and capacity to meet the audit requirements and continue to realise the expectations of the respective governing bodies. This will be achieved by providing a high quality audit service and continuing the process of enhancing accountability and transparency.

The efficiency and economic benefits of a reappointment would also include zero start-up costs and little of the disruption normally associated with new auditors.

### 3. THE WORLD HEALTH ORGANIZATION INTO THE 21<sup>ST</sup> CENTURY

Our experience as the auditors of WHO has enabled a first-hand insight into its operations. This has been achieved through a continuing presence at the Geneva Headquarters, coupled with a timetable of visits to all regions. During the current biennium our audit coverage is being extended to country offices, with a programme evaluating the performance and controls in operation.

Furthermore, in order to formulate an effective strategy to address the concerns of management and WHO stakeholders, we have ensured that we are represented at senior level at all biennium-end governing body meetings.

Since its inception, WHO has worked to facilitate adequate healthcare to prevent and control the spread of diseases. The challenges facing the Organization have always been *legto*. This has culminated in the vision "to create the conditions whereby people everywhere, throughout their lives, have the opportunity to reach and maintain the highest attainable level of health", as outlined in the strategy document "Health for all for the twenty-first century".

Recent developments in Europe have led to an increase in the number of member states. These states have also been identified as areas where extra healthcare services are required. In Africa, the requirement for healthcare is still growing extensively. Within the America's a strategy for dealing with natural disasters and their effects on healthcare is an area requiring development within WHO and its partner the Pan-American Health Organization. Within Asia, an area of growing concern is the re-emergence of diseases such as tuberculosis.

For WHO to meet its own expectations, as well as those of member states and of its stakeholders, recognition of the need for change and renewal has taken place. The new Director-General has, from the very outset, applied her energy and ideas to the Organization's strategic goal of "making a difference." One such idea is the strengthening of WHO's global partnership through making "health everyone's business".

However, increasing demands and the expectation of health for all arise against a backdrop of a static regular budget. The economical, efficient and effective deployment of resources is therefore crucial, particularly in terms of fulfilling the nineteen major programme objectives through strategic budgetary interventions.

The Director-General has thus identified the need for WHO to become more focused on the actual delivery of healthcare and to reduce the level of bureaucracy. This will be achieved through the introduction of a new senior management team made up of Executive Directors who will each head a cluster. Each cluster, whilst independent in its own right and including its own support functions, will bring together experience and knowledge in a specialist area. This structure aims to

avoid duplication and to ensure maximum cooperation with other clusters, regional offices and country representatives. It is intended that the cluster system will enable resources to be targeted in a more efficient and effective manner and facilitate the improved delivery of healthcare.

The key concerns that WHO initially wishes to address are the roll-back of malaria and the tobacco initiative. Malaria is particularly problematic within Africa and a primary cause of poverty. The project to roll back malaria will involve WHO joining with other stakeholders such as the World Bank and individual countries. The tobacco initiative aims to highlight awareness of the dangers of smoking and reduce the number of premature deaths per annum caused by the effects of smoking.

Another area of development, is to foster improved working relations with member states. WHO also wishes to demonstrate that it provides value-for-money through its people, whether in Geneva or elsewhere by making a difference to the essential delivery of healthcare.

A further area of renewal in working relations is reflected by the desire of the Director-General to focus on gender equity and to ensure that more women play important roles in WHO. Indicative of this commitment is the composition of the senior management team which has been selected to bring together the best available experience and knowledge in an equitable manner. We in South Africa fully support this philosophy, which has already been applied in the composition of the audit team.

## **4. THE SOUTH AFRICAN AUDIT OFFICE**

### **4.1 Background**

Our mission is to promote clean and transparent administration; the effective and efficient utilisation of resources and good governance. This we achieve through world-class, cost effective and technologically advanced independent audits and examinations to governing bodies through some 1300 reports annually.

The South African experience in transition and transformation has been far-reaching and has affected people from all walks of life. Our Office is no exception. It is crucial to achieve a balanced mix of the people of South Africa, in particular those from the formerly disadvantaged groups, without a reduction in the quality of work. This is being achieved through open dialogue, aggressive but realistic target setting and a commitment to the training and development of all staff. Our Office is also involved in various social upliftment initiatives such as a university bridging programme for disadvantaged students, bursaries and study assistance.

### **4.2 National perspective**

The Office of the Auditor-General is responsible for auditing all three tiers of government in South Africa, namely the central, provincial and local levels. In addition, the Office also has audit responsibility for many public utility entities.

The position of the Auditor-General is enshrined in the new Constitution of the Republic of South Africa, as adopted in 1996, as an institution supporting constitutional democracy. This and other arrangements in terms of which the Auditor-General operates, ensure complete independence.

The Auditor-General carries out the activities entrusted to him or her with the assistance of some 1250 staff appointed in the Office and by outsourcing some of the work to professional audit firms.

The Office has been recognised by the World Bank as a leading audit organisation. In making this finding, the World Bank evaluated the Office on:

- its independence;
- the skills and competencies of its staff;
- the existence of an appropriate internal quality control system;
- regular external quality control procedures; and
- the availability of its reports to the public.

The Auditor-General is active on many fronts to uplift and enhance the auditing profession and promote good governance and public accountability. He serves on the Public Accountants' and Auditors' Board, which is the body responsible in law



for oversight of the accounting and auditing profession in the private sector in South Africa.

In recent years we have been striving to incorporate international accounting standards into the South African public sector and to improve accountability and transparency.

In order to maintain a high quality service and accountability for our time and fees, we are structured on a commercialised basis and recover our costs from all auditees. This ensures that we also operate in a financially independent manner.

We have also recently received the necessary accreditation from the South African Public Accountants' and Auditors' Board to provide a complete training programme for clerks wishing to become Chartered Accountants. South African Chartered Accountants are sought after accounting professionals all over the world.

#### **4.3 International standing**

We have played a leading role in the International Federation of Accountants (IFAC) project to harmonise private and public sector auditing standards in South Africa. This involved a joint project between the South African Institute of Chartered Accountants and our Office to develop a Comparative Study between the International Organization of Supreme Audit Institutions (INTOSAI) Auditing Standards and the International Auditing Standards as developed by IFAC.

In addition to the WHO audit, the Auditor-General's international responsibilities include the audit of INTOSAI and membership of the United Nations Panel of External Auditors. Our reappointment as external auditors of INTOSAI was a significant deviation from the recent past in which new auditors were appointed for every term.

Our Office has become a well-respected member of the international community during the short period since 1994, whilst being active in the global arena. We have taken some leading initiatives in areas such as financial reporting and the effectiveness of external audit services. The Office is also privileged to have been nominated to host the 17th Commonwealth Auditor-Generals' conference in South Africa during 1999.

We are members of the African Organization of Supreme Audit Institutions (AFROSAI) and the Southern African Development Community Organization of Supreme Audit Institutions (SADCOSAI) in which we have made a substantial contribution. Our work has involved offering our technical capabilities and extensive training capacity to establish programmes throughout Southern Africa and other English speaking African countries. Recognition of our key role within

Africa occurred when we were elected in 1998 to fulfil the role of the Secretariat for both AFROSAI and SADCOSAI.

We have, through our representation on the INTOSAI Working Group on Environmental Auditing, contributed to the drafting of standards and guidelines in this regard, bringing an African perspective to this work.

## 5. CONTRIBUTING TO WHO – OUR ACHIEVEMENTS

In carrying out the audit of WHO, we believe that we have assisted in the development of many significant initiatives. A number of these developments were favourably commented on in the First Report of the Administration, Budget and Finance Committee of the Executive Board to the Fifty-first World Health Assembly and also in the World Health Assembly itself.

In fulfilling the requirements of the first appointment, the Office has developed a core of expertise specific to WHO. We have also been instrumental in several strategic developments, such as improved accountability through, for example, the setting up of an audit steering committee of selected executive managers and chaired by the Director-General, as well as in financial reporting to the World Health Assembly. It is the need to follow through these and other developments in order to assist WHO and the new Director-General with renewal that places us in a unique position. The current process of change within WHO requires an independent external auditor who is fully aware of and has demonstrated the ability to deal with the demands of these developments on WHO and its people.

Our pivotal role in the creation of an independent audit committee, made up of non-executive members, drawn from the governing body, was welcomed by various members of the Assembly and will facilitate the Organization's goal of improved accountability. The South African audit office is presently providing assistance in the finalisation of the terms of reference of the audit committee to ensure that it will operate as effectively as possible.

Our technical expertise has contributed towards the improvement of the disclosure in the financial statements to meet the requirements of the United Nations System Accounting Standards. This has improved the understandability and transparency of the information provided to the World Health Assembly. Furthermore, our initiative to report on the interim financial statements at the end of each calendar year, by way of a concise high level report, has contributed towards more timely and consistent reporting on the finances of WHO.

The World Health Assembly recognised that the implementation of improvements in the financial statements has been a difficult process and has acknowledged the importance of this issue as a matter requiring ongoing attention. We consider that we are ideally placed to continue contributing in this regard.

Our findings contributed constructively to the further revision of the budgeting, monitoring and evaluation processes, during the 1996-1997 biennium with the elaboration of annual plans of action and programme evaluation.

Another major achievement has been the improvement in the professional relations between the independent auditors and the Secretariat and governing bodies. We

have encouraged open communication, especially with senior management, the governing bodies and other concerned parties on important matters. We encourage management to discuss business plans and possible problem areas with us at the earliest opportunity because early identification of potential and actual problems lead to thorough and prompt resolution thereof. We look forward to further building on this constructive basis for the benefit of WHO and its vital global mission in the future.

## 6. AUDITING WHO – OUR APPROACH

### 6.1 Scope

Our approach to audit WHO is designed to meet the primary objective of the audit, which is to express an opinion on the financial statements and to report to the World Health Assembly in accordance with the requirements as set out in Article XII of the Financial Regulations and the Additional Terms of Reference Governing the External Audit.

The initial focus of the audit approach is to draw on the experience gained of WHO and to identify the main risk areas. A thorough knowledge of WHO's operations and business is essential in this regard. Our efforts will concentrate on these risk areas, whilst providing adequate assurance on other material areas on which an audit opinion is expressed. The work performed by internal audit will be evaluated and relied upon to the extent possible in the formulation of our audit procedures.

The audit process will consist of a combination of:

- an evaluation of management controls;
- testing of key controls;
- testing of general and application computer controls;
- substantive analytical review procedures; and
- testing of details of transactions and balances.

A preliminary audit will be performed at which time we will test controls in those areas where we believe we can place control reliance.

The nature and extent of substantive audit procedures will be determined by various factors including materiality, risks identified and on work performed by internal audit. The extent of adherence to regulations will be audited during detailed substantive testing and the verification of key controls.

Technically, all team members make use of notebook computers and our audit will be conducted using only electronic working papers. This provides a significantly more efficient method of communication for the purposes of internal reporting and reviewing.

We are privileged in having prior audit experience of WHO. By building on this experience we are ideally placed to add value to the reporting process by minimizing disruptions during the biennium closure. We will also identify non-peak periods during which appropriate audit work at the various locations, including increased emphasis on country offices, will be performed.

## **6.2 Information gathering**

All information requirements for the audit will be conducted through agreed channels with advance notice given at all times. Such arrangements are already in place.

## **6.3 Reporting**

Our reporting arrangements have proved to be timely and effective. The findings from the audit will be thoroughly discussed with management. This will include presenting information through management letters to be discussed at the audit steering committee. Any issues that must be reported to the World Health Assembly that have not been included in a previous report to management will as required by the Financial Regulations, be discussed with management and the Director-General prior to publication.

The timeliness of our reporting to management on our findings will once again be an important feature. We will issue all queries and findings immediately after the work is undertaken. This for example, includes issuing the reports on the country and regional offices on the final day of the visit or shortly thereafter.

The final audit will be carried out at the end of the biennium on the accounts as contemplated in paragraph 11.5 of the Financial Regulations. After appropriate review and revision, an audit report on the aforementioned accounts will be issued as required by paragraph 12.8 of the Financial Regulations.

The Office will recommend the continuation of the practice of reporting to the World Health Assembly every year.

## **6.4 Auditing services**

We have a broad range of audit specialities that are available to WHO. The audit fee is inclusive of regularity auditing, as well as elements of computer and performance audit services. Other services, not forming part of the basic audit task and mandate, are excluded from the audit fee and will be negotiated separately if required. The full range of services offered are briefly set out below:

## **Regularity**

We will conduct regularity audits at WHO and at the related entities whose audits are assigned to the External Auditor. The objective of a regularity audit is to express an opinion on the financial statements as well as to audit compliance with laws, regulations and other directives.

All regularity audits are conducted in accordance with internationally recognised Generally Accepted Government Auditing Standards. The regularity audit of UN Organizations will also encompass compliance with the United Nations Common Auditing Standards.

A further service provided as part of the regularity audit is that of budget auditing. This involves close scrutiny of an organization's budget, to assess whether the assumptions made and the bases used in arriving at budgeted figures are reasonable. This service will be extremely valuable during the period of transition towards new budget structures.

## **Performance**

The aim of a performance audit is to evaluate the measures implemented by management to ensure that resources are procured economically and utilised efficiently and effectively. The subjects that will be covered by performance audits will be determined over the next biennium. Current performance audit work has included fellowship monitoring programmes, levels of imprest accounts and budget and programme implementation.

## **Computer**

Computer auditing plays an increasingly important role in the work of the audit office. Our computer auditors have already provided WHO with important findings associated with the risks of the Organization's particular computer environment. These reports also contain important recommendations which we intend to follow up in future biennia.

The role of the computer auditors is also to proactively assist our functional auditors in identifying and evaluating computer related risks and controls. This includes the evaluation of new systems and providing assistance in the use of computer interrogation packages, which were used during the last biennium and proved to be invaluable in identifying potential risks as well as a cost-effective method of identifying transactions to be tested. The applications will be further refined during the current biennium.

**Forensic**

Economic crime is an increasing world-wide phenomenon. The role of forensic auditing is to facilitate the prevention, detection and investigation of economic crime in the public sector. This small component has developed extensive experience and has been very successful with fraud investigations in South Africa.

**Environmental**

The selection by INTOSAI of our Office as one of the drivers of environmental auditing, has led to projects such as promoting the audit of fresh water in Africa. Our networking in this regard provides us with unique experience which is available to WIIO.



## **7. HELPING WHO TO MAKE A DIFFERENCE**

The South African Auditor-General will continue to strive for excellence in conducting the audit. Additional services which fall within the normal mandate of the independent external auditor will continue to be provided.

The extended audit mandate common in the public sector in South Africa, allows us to continue to add value through aspects such as auditing the budget and assessing the actual expenditure against it. This will allow us to provide feedback to the Organization and its governing bodies on progress and achievements with renewal initiatives.

Further inputs regarding possible improvements to the Financial Regulations will be offered, if required. Furthermore, assistance in defining the role of active participation in the audit steering committee will allow for important weaknesses identified by the audit functions to be dealt with effectively and promptly.

Our understanding of the strategic requirements of WHO will be continually updated through the presence of our senior management at biennium-end governing body meetings. This knowledge will be carried through to our audit procedures, which will examine whether operations are consistent with the intentions of the particular governing body.

With regard to financial information, it is our aim to further facilitate improvements of the presentation and disclosure of the financial statements both at the interim stage and at the end of the biennium. This will help to further improve the transparency of WHO's finances and will allow for more informed decisions and better measurement of financial performance.

Enhancing value-for-money is another area in which we will provide expertise and assistance. This will include focusing on the operation of country offices that could help to provide information for benchmarking of other country offices.

## **8. STAFFING THE AUDIT**

### **8.1 The audit team**

The team that we propose for the audit assignment will be led personally by the Auditor-General and the Deputy Auditor-General. Executive management will be at the level of Assistant Auditor-General whilst two audit managers will take the role of team leaders. The functional team will be led by an audit manager, who will be permanently stationed in Geneva. The aforementioned role players reporting to the Auditor-General are all South African Chartered Accountants and have gained considerable experience on the WHO audit.

They will be appropriately assisted by field auditors and it will not be necessary to recruit additional staff to service WHO, should our proposal for reappointment be successful.

### **8.2 Profile of the leaders**

#### **Mr Henri Kluever, B.A., B.A. (Hons) Auditor-General**

The role of the Auditor-General will be mainly to oversee the audit in general and to report to the World Health Assembly.

The present incumbent, Mr. Kluever obtained the degree B.A. at the University of Pretoria in 1963 majoring in Economics, Political Science, Finance and Banking. He also holds two post graduate degrees in Political Science and Economics.

In recent years Mr Kluever has been instrumental in securing the independence of the Auditor-General as provided for in the South African Constitution. This has allowed the Office of the Auditor-General to operate within a context free from party-political influences. He also initiated the process whereby the Office of the Auditor-General eventually attained its independence from the Public Service in 1993.

Mr Kluever is a strong advocate of the apolitical and transparent operation of the Parliamentary Standing Committee on Public Accounts, which model was also adopted by the provincial legislatures in South Africa in 1994. This has led to a comprehensive improvement of accountability throughout the public sector in South Africa.

He has played a leading role in the audit of WHO, being instrumental in many of the matters dealt with in this proposal. In accordance with the Constitution, his

term of office expires shortly and his successor is expected to take office in the year 2000.

**Mr Shauket Fakie, B.Compt. (Hons), CA(SA)  
Deputy Auditor-General and Chief Executive Officer**

Mr Fakie's main responsibility will be the final review of the audit and to communicate personally with the Director-General through the audit steering committee, as well as within the ABFC and the Executive Board.

Mr Fakie qualified as an Chartered Accountant in 1986. He joined the Office in 1995 when he was appointed Provincial Auditor of the Gauteng Province. He was appointed Deputy Auditor-General with effect from 1 March 1998. During his time at the Office his responsibilities have included overseeing the WHO audit and he played a key role in the audit report presented to the World Health Assembly in Geneva during 1998.

Mr Fakie has served on the Reconstruction and Development Programme sub-committee of the Western Cape Society of Chartered Accountants. While in Australia, before the 1994 democratic elections in South Africa, he served on the Education Committee of the Institute of Chartered Accountants in Australia. He is currently an active member of the Association for the Advancement of Black Accountants in Southern Africa, serves on the Ethics Committee of the South African Institute of Chartered Accountants and as an alternative to Mr Kluever on the Public Accountants and Auditors Board.

**Mr Graham Randall, B.Compt. (Hons), M.Com, CA(SA)  
Executive Manager**

Mr Randall's responsibility at Assistant Auditor-General level includes managing all aspects of the WHO audit, finalising the audits of all related entities, communicating with the governing bodies and maintaining a hands-on presence in the regions. He will also bring the experience and benefit of the research and development work he does for the United Nations Panel of External Auditors.

Mr Randall is a Chartered Accountant and also holds a National Diploma in State Accounts and Finance, as well as a masters degree in Government Finance and Auditing. In obtaining his masters degree, he submitted a comprehensive dissertation on the "Effectiveness of the reporting practices of certain government departments in the Republic of South Africa".

He is also qualified and served as a work study officer and has extensive experience in performance auditing. He has participated on various technical committees and has been responsible for the development of methodologies and the management of a variety of audits.

**Bryant Madliwa, B.Compt. (Hons), CA(SA)**  
**Provincial Auditor of the Northwest Province**

Mr Madliwa will provide assistance at the level of Assistant Auditor-General to allow senior participation at governing body meetings and the finalisation of regional office visits. He will also bring added cross-pollination and depth to the team.

Mr Madliwa is a mature Chartered Accountant with extensive experience which includes *inter alia* experience in the Ministry of Works and Linergy as well as banking exposure as the curator of the Agricultural Bank of Transkei. His current position of Provincial Auditor of the Northwest Province involves not only all aspects of the provincial audit, but also responsibility for the audits of all local authorities in the province and a number of utilities.

**Ms Johanna Bosch, B.Compt. (Hons), CA(SA)**  
**Audit Manager**

Miss Bosch is currently responsible for managing the WIO audit from South Africa.

Miss Bosch is a Chartered Accountant and started her career at one of the major auditing firms. Her experience includes small business audits, public sector auditing, company audits and projects with the research and development section of the Office.

She has been a member of the WHO audit team since the inception of the audit and has been involved in a number of audits of the regional offices, related entities and WHO Headoffice. Currently her duties consist of researching accounting and auditing subjects related to the public sector environment, assisting in the implementation thereof and dealing with complex technical issues.

**Mr Berner Matthee, B.Accountancy, B.Compt. (Hons), CA(SA)**  
**Audit Manager**

Mr Matthee is currently responsible for the audit of the WHO Headoffice and is permanently stationed in Geneva. Mr Matthee is a Chartered Accountant who started his career with one of the major auditing firms. He joined the Office in 1991 and his experience includes regularity, performance and taxation auditing.

Since the commencement of the audit, he has gained extensive working knowledge of WHO. His experience in the different disciplines of auditing also provides him with the expertise required in the changing environment of WHO. As a representative of the South African audit office on the technical group of the United Nations Panel of External Auditors, his knowledge provides the team with the

necessary guidance in respect of new developments in the accounting and auditing standards applicable to the United Nations System.

### **8.3 Team members**

Team members are drawn from a pool consisting of the Offices' most successful staff members, who have been carefully selected and endorsed by their respective managers from a large number of applicants.

The pool currently includes a majority of well qualified staff members with several years exposure to the WHO audit and also provides for the variety of skills required. Each part of the audit assignment is staffed by allocation from the pool ensuring not only the necessary expertise but providing for continuity. This limits the impact of new audit staff on WHO and enables such aspects as requests for information from the Organization to be dealt with in a timely and efficient manner.

The team is fully gender representative and has also achieved significant goals in representing the diverse people of South Africa.

## **9. RESOURCE APPLICATION AND CONSIDERATION**

### **9.1 Estimated time requirement**

Based on our experience of WHO's present audit requirements, we estimate that 9800 audit hours (61 audit-work-months) would be required for the regularity audit per biennium, 1400 audit hours (9 audit-work-months) will be allocated biennially to performance auditing and an additional 2800 audit hours (18 audit-work-months) for computer auditing. This amounts to a total of 88 audit-work-months for each of the 2000-2001 and 2002-2003 biennia.

### **9.2 Our activities**

We will again provide an audit manager stationed permanently at Headquarters. Based on our assessment of the risks associated with the different regional offices, visits by our staff will be carried out at least once during the biennium to each regional office. Selected country offices will also be visited in coordination with the internal audit.

Through close interaction with the Secretariat, adequate notice will be provided of non-routine information sought for audit purposes.

### **9.3 Defining the products**

The products as required by Article XII of the Financial Regulations of the Organization and the Additional Terms of Reference governing the external audit appended thereto include:

- an audit opinion on the biennial consolidated accounts of WHO;
- separate audit opinions on the biennial accounts of each of the related entities included in the consolidated accounts, namely the International Agency for Research on Cancer, the United Nations Programme on HIV/AIDS and the Trust Fund for the Special Programme for Research and Training in Tropical Diseases;
- audit opinions on the annual accounts of the Onchocerciasis Control Programme in West Africa and the African Programme for Onchocerciasis Control; and
- reporting to the respective governing bodies and the Organization itself on matters arising from the audit in the manner set out in more detail in paragraph 6.3 of this proposal.

A separate opinion on the biennial accounts of the International Computing Centre will be rendered and charged according to the actual cost of performing the audit. This is not included in the audit fee below.

#### **9.4 Proposed audit fee**

Based on our experience of your requirements, operations and the scope of the work, the audit fee proposed for both regular and extra-budgetary funded activities is US\$ 825 000 each for the 2000-2001 and 2002-2003 biennia.

The above-mentioned fee includes all travelling, secretarial and other ancillary costs as well as the living expenses of our staff in Geneva. Office accommodation, telecommunication and photocopying facilities are not included in this fee as we understand that, in line with existing practice, these will be provided free of charge.

A slight reduction in the audit fee is possible as no provision has to be made for setting up costs or a learning curve. On the other hand, an increase in the level of service will be made possible through the economics associated with our professional practises. In our experience uneconomical audit fees jeopardise the quality and value of an audit over time. Accordingly, it is not our practice to set an unrealistic fee level in order to retain even such a prestigious audit as the WHO.

#### **9.5 Billing procedures**

It is proposed that we continue with the current billing procedure whereby a progress claim is forwarded every three months in arrears to WHO.

## 10. CONCLUSION

We trust that this proposal document contains all the information requested and that we have demonstrated the following:

- a clear understanding of the requirements of WHO;
- our professional knowledge, experience and expertise;
- our concrete contributions to various matters during the current audit;
- our ability to continue to add value to WIIO and to make a difference;
- quality of service and products at a fair and reasonable price; and
- the benefit to WIIO if we should be reappointed.

We are eager to remain the independent external auditors of WHO and are committed to serve with distinction.



**PROPOSAL BY THE AUDITOR-GENERAL OF THE REPUBLIC OF SOUTH AFRICA FOR REAPPOINTMENT AS THE INDEPENDENT EXTERNAL AUDITOR TO THE WORLD HEALTH ORGANIZATION (WHO) FOR THE FINANCIAL PERIODS 2000-2001 AND 2002-2003**

**SPECIFIC RESPONSES TO DETAILED REQUIREMENTS**

Your requirements relating to the independent external audit are contained in various documents. These are as follows:

**Requirements relating to the nomination**

Your letter to the Director-General of the Department of Health in South Africa, with a copy to the Department of Foreign Affairs dated 1 July 1998, reference C.L. 16.1998, requires that the nomination for the external auditor should include;

- a curriculum vitae and details of the national and international activities of the Auditor-General's Office noting the range of specialties that can be of benefit to WHO;
- a description of the audit approach;
- estimates of the overall number of auditor-work-months which would be devoted to the carrying out of the audit for 2000-2001 and 2002-2003;
- for each biennium, a proposed audit fee expressed in United States dollars. This fee should cover the audit of both regular programme activities and extra-budgetary funded activities;
- an indication of the nature, extent and timing of information; and
- any other information which may assist the World Health Assembly in finalising the appointment.

**Requirements relating to the audit assignment**

Annex III to the above-mentioned letter further requires:

- an effective, practical financial audit;
- that the audit must be carried out to a high technical standard;
- the audit should be directed at important questions of financial policy and practice; and

- appropriate importance should be given to efficiency (value for money) audits.

The appointment, removal, duties, rights and obligations of the independent external auditors are governed by article 12 of the Financial Regulations and the Additional Terms of Reference Governing the External Audit of the World Health Organization.

Our response to these specific requirements is set out in the summary below.

<u>YOUR REQUIREMENTS</u>	<u>OUR RESPONSE</u>
<b>The Nomination</b>	
Curriculum vitae	Section 8
International activities	Section 4.3
National activities	Section 4.2
Audit specialities	Section 6.4
Audit approach	Section 6.1
Audit resources	Section 9
Audit fee	Section 9.4
Requests for information	Section 6.2 and 6.3
<b>The audit assignment</b>	
<u>Financial Regulations</u>	
Article 12.1	
External Auditor(s), each of whom shall be the Auditor-General (or officer holding equivalent title or otherwise qualified) of a Member Government, shall be appointed by the Health Assembly, in the manner decided by the Assembly. Auditor(s) appointed may be removed only by the Assembly.	Section 4.2

<p>Article 12.2</p> <p>Subject to any special direction of the Health Assembly, each audit which the Auditor(s) is/are required to make shall be conducted in conformity with generally accepted common auditing standards and in accordance with the Additional Terms of Reference set out in the appendix to these regulations.</p>	<p>Section 6.1, 6.4 and 9.3 sets out the full range of our services, consistent with previous biennium.</p>
<p>Article 12.3</p> <p>The External Auditor(s) may make observations with respect to the efficiency of the financial procedures, the accounting system, the internal financial controls and, in general, the administration and management of the Organization.</p>	<p>Section 6.1, 6.3 and 6.4, system in place will continue</p>
<p>Article 12.4</p> <p>The External Auditor(s) shall be completely independent and solely responsible for the conduct of the audit.</p>	<p>Section 4.2 and 8.1, we are committed to provide the full audit coverage with our own staff.</p>
<p>Article 12.5</p> <p>The Health Assembly may request the Auditor(s) to perform certain specific examinations and issue separate reports on the results.</p>	<p>Section 6.1, 6.3 and 6.4</p>
<p>Article 12.6</p> <p>The Director-General shall provide the External Auditor(s) with the facilities he/they may require in the performance of the audit.</p>	<p>Section 9.4</p>
<p>Article 12.7</p> <p>For the purpose of making a local or special examination or for effecting economies of audit cost, the Auditor(s) may engage the services of any national Auditor-General (or equivalent title) or commercial public auditors of known repute or any other person or firm who, in the opinion of the Auditor(s), is technically qualified.</p>	<p>Noted.</p>

Article 12.8

The Auditor(s) shall issue a report on the audit of the final accounts prepared by the Director-General pursuant to financial regulation 11.1 and relevant schedules. The report shall include such information as he/they deem necessary in regard to financial regulation 12.2 and the Additional Terms of Reference.

Section 6.3 and 9.3, as in previous biennium we will also report annually.

Article 12.9

The report(s) of the Auditor(s) shall be transmitted through the Executive Board, together with the audited final accounts, to the Health Assembly not later than 1 May following the end of the financial period to which the final accounts relate. The Executive Board shall examine the interim and final financial reports and the audit report(s) and shall forward them to the Health Assembly with such comments as it deems necessary.

Noted, report was provided almost one month in advance of deadline in previous biennium.

Additional Terms

Paragraph 1

The Auditor(s) shall perform such audit of the accounts of the World Health Organization, including all trust funds and special accounts, as he/they deem necessary in order to satisfy himself/themselves:

- that the financial statements are in accord with the books and records of the Organization;
- that the financial transactions reflected in the statements have been in accordance with the rules and regulations, the budgetary provisions, and other applicable directives;
- that the securities and moneys on deposit and on hand have been verified by the certificates received direct from the Organization's depositaries or by actual count;

Section 6.1 and 9.3

Section 6, budget auditing is an additional feature that has been successfully implemented

Section 6.1

<p>- that the internal controls, including the internal audit, are adequate in the light of the extent of reliance placed thereon;</p>	<p>Section 6.1</p>
<p>- that procedures satisfactory to the Auditor(s) have been applied to the recording of all assets, liabilities, surpluses and deficits.</p>	<p>Section 6.1</p>
<p>Paragraph 2</p>	
<p>The Auditor(s) shall be the sole judge as to the acceptance in whole or in part of certifications and representations by the Secretariat and may proceed to such detailed examinations and verification as he/they choose(s) of all financial records including those relating to supplies and equipment;</p>	<p>Section 6.1</p>
<p>The Auditor(s) and his/their staff shall have free access at all convenient times to all books, records and other documentation which are, in the opinion of the Auditor(s), necessary for the performance of the audit.</p>	<p>Section 6.2</p>
<p>Paragraph 4</p>	
<p>The Auditor(s) shall have no power to disallow items in the accounts but shall draw to the attention of the Director-General for appropriate action any transaction concerning which he/they entertain(s) doubt as to legality or propriety. Audit objections, to these or any other transactions, arising during the examination of the accounts shall be immediately communicated to the Director-General.</p>	<p>Section 6.3, the audit committee will be a forum in which discussions on such doubts will be discussed.</p>
<p>Paragraph 5</p>	
<p>The Auditor(s) shall express and sign an opinion in the prescribed manner:</p>	<p>Section 6.1, the proposed changes to the Financial Regulations will be necessary to comply with an audit report rendered in terms of the United Nations Common Auditing Standards</p>

<p>Paragraph 6</p> <p>The audit report shall contain the matters as prescribed.</p>	<p>Section 6.1 and 6.3</p>
<p>Paragraph 7</p> <p>The Auditor(s) may make such observation with respect to his/their findings resulting from the audit and such comments on the financial report as he/they deem(s) appropriate to the Health Assembly or to the Director-General.</p>	<p>Section 6.3</p>
<p>Paragraph 8</p> <p>Whenever the Auditor (s') scope of audit is restricted, or he/they is/arc unable to obtain sufficient evidence, the Auditor(s) shall refer to the matter in his/their opinion and report, making clear in his/their report the reasons for his/their comments and the effect on the financial position and the financial transactions as recorded.</p>	<p>Section 6.2 and 6.3, our open dialogue already established will minimise potential communication problems.</p>
<p>Paragraph 9</p> <p>In no case shall the Auditor(s) include criticism in his/their report without first affording the Director-General an adequate opportunity of explanation on the matter under observation.</p>	<p>Section 6.3</p>
<p>Paragraph 10</p> <p>The Auditor(s) is/arc not required to mention any matter referred to in the foregoing which, in his/their opinion, is insignificant in all respects.</p>	<p>Section 6.1, our focus will continue to be risk and materiality based.</p>