



WORLD HEALTH ORGANIZATION

FIFTY-SIXTH WORLD HEALTH ASSEMBLY
Provisional agenda item 16.2

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12 May 2003

Appointment of the External Auditor

Report by the Director-General

1. The Government of Colombia submitted a nomination for the appointment as the External Auditor of the World Health Organization in accordance with Financial Regulation 14.1.¹
2. A revision dated 1 May 2003 has been received from the Government of Colombia, and is attached as an Annex.

¹ See document A56/31.

Permanent Mission of Colombia
to the United Nations Office and other International
Organizations at Geneva

MPC N° 705

The Permanent Mission of Colombia to the United Nations Office and other International Organizations at Geneva presents its compliments to the World Health Organization and has the honour to submit to it, in connection with Colombia's candidacy for the post of External Auditor of the World Health Organization for the financial periods 2004-2005 and 2006-2007, who is due to be appointed at the Fifty-sixth World Health Assembly, its updated proposal by Dr Clara López Obregón, the current Auditor-General of the Republic.

Dr Clara López Obregón has replaced Dr López Botero as Auditor-General of the Republic of Colombia.

The Permanent Mission of the Republic of Colombia to the United Nations Office and other International Organizations at Geneva thanks the World Health Organization for giving its attention to this communication in order that the changes made to Colombia's nomination may be brought to the attention of the Member States of the Organization.

The Permanent Mission of the Republic of Colombia to the United Nations Office and other International Organizations at Geneva takes this opportunity to present to the World Health Organization, the renewed assurances of its highest consideration.

Geneva, 1 May 2003

[signed]

To: World Health Organization
Geneva

**PROPOSAL OF THE AUDITOR-GENERAL OF THE
REPUBLIC OF COLOMBIA**

CLARA LÓPEZ OBREGÓN

**AS EXTERNAL AUDITOR OF THE
WORLD HEALTH ORGANIZATION (WHO)
FOR THE PERIODS 2004-2005 AND 2006-2007**

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**Proposal of the Auditor-General of the Republic of Colombia –
Clara López Obregón – as External Auditor of the
World Health Organization (WHO)**

1. Introduction

The Office of the Auditor-General of the Republic of Colombia is a second-level financial supervisory body responsible for monitoring the fiscal management of the country's 68 national, departmental and municipal comptrollers' offices and ensuring that fiscal supervision is conducted in an ever more efficient and effective manner. The Office of the Auditor-General of the Republic is the figurehead of audit in Colombia, a position that enables it to help to transform and improve the entities under its supervision, which in turn pass on these changes and improvements to all Colombia's public bodies.

The Office of the Auditor-General of the Republic came into being as a result of the 1991 constitutional reforms, given the crisis previously suffered by the financial watchdog institutions.

The role of the Auditor is a little more complex than the general run of what is required of auditors elsewhere in the world since, in addition to watching over financial management, he is entrusted with conducting budgetary, legality, environmental and management-and-results checks; not to mention work of jurisdictional content consisting in prosecuting those who misuse the resources of the State and replenishing the Treasury from the assets of the parties involved, through a process referred to as "fiscal responsibility".

In order to secure an adequate profile for the post of Auditor, the Supreme Court of Justice was entrusted with shortlisting three candidates, who were then referred to the Council of State for the final selection.

One of the major challenges of the present Auditor, elected in March this year, was the optimization of fiscal management in three key areas:

- Management and control by objectives with measurement of results;
- Enhanced professionalization and training for civil servants responsible for the control function;
- Inviting civil society to participate in the Social Audit and efforts to combat corruption, as a necessary complement to improve the efficiency and efficacy of the audit function.

The previous Auditors-General have consolidated and strengthened the mission of the Office of the Auditor-General of the Republic, and have carried out audits, both comprehensive and horizontal of all Colombia's comptrollers offices; the latter audits focused on the most sensitive points and led to a proposal for the structural reform of Colombia's audit process, which is currently being considered by the Government and the Congress of the Republic.

The management of the Office of the Auditor-General of the Republic is now headed by the most fitting person in the audit field, a lawyer and economist trained by the renowned Harvard University, with broad experience in the field of public finance as an academic teaching public finance at the Universidad de Los Andes, familiar with audit as Comptroller of Bogotá, an expert in dealing with economic policies as an adviser to the Office of the President of the Republic and a consultant to the Inter-American Development Bank, in addition to her wide academic knowledge as a teacher in different Colombian universities.

The aforesaid prompts us to put forward the name of the present Auditor-General of the Republic of Colombia, Clara López Obregón, being the first candidature from the American continent, for the post of External Auditor of the World Health Organization (WHO) and, simultaneously, of the International Agency for Research on Cancer (IARC), of the Joint United Nations Programme on HIV/AIDS (UNAIDS) and, if so decided, of the Pan American Health Organization (PAHO), which serves as the Regional Office for the Americas. We are convinced that she will be able to make a major contribution to sound management and good WHO practice.

2. *Curriculum vitae*

Personal data

Name	Clara López Obregón
Place and date of birth	Bogotá DC, 12 April 1950
Civil status	Married
Address	Carrera 9 número 81 – 48 piso 5° Telephone (571) 319 13 70 Bogotá – Colombia
Office	Carrera 10 número 17 – 18 piso 9 auditorgeneral@auditoria.gov.co Telephone 3 18 68 30 Bogotá – Colombia

Professional background

A lawyer and economist with extensive experience in the area of public finance and fiscal supervision; sound knowledge of economic policy, fluent English and a knowledge of French.

Professional training

HARVARD UNIVERSITY, Cambridge MA, USA
BA *Magna cum Laude* in economics, 1972
Qualification: Economist
Professional registration N° 201436, National Professional Council of Economists
Ministry of National Education, Republic of Colombia

UNIVERSIDAD DE LOS ANDES, Bogotá, Colombia
Faculty of Law
Qualification: Lawyer
Lawyer's professional registration N°. 83774
Supreme Council of the Judiciary

UNIVERSITY OF SALAMANCA
Faculty of Law, Administration and Finance
Completed the doctorate training cycle (equivalent to a Master's)
Doctoral candidate in Tax law
Salamanca, Spain, 2002

THE MADEIRA SCHOOL
Greenway, VA, USA
Qualification: Bachelor, 1968

Courses and seminars

HARVARD UNIVERSITY
Harvard Law School
Training course for lawyers
Seminar on negotiation
June 1999

UNIVERSIDAD DE LOS ANDES

Law Faculty

Negotiation and conciliation techniques in labour relations
10-15 August 1992
Duration: 24 hours

Drafting private contracts
15-16 July 1995
Duration: 7 hours

United States legal culture
22-26 July 1996
Duration: 10 hours

Contemporary aspects of business law
1-26 September 1996
Duration: 32 hours

A comparative view of justice: Problems and Reforms
June-July 1997

Faculty of Economics

Summer school
An economic analysis of the law
June-July 1998
Duration: 50 hours

COLEGIO MAYOR DE NUESTRA SEÑORA DEL ROSARIO
Environmental cost
10-11 October 1995

NATIONAL DEPARTMENT OF PLANNING AND OAS
Project selection, preparation and evaluation
23-27 October 1995
Duration: 40 hours

COOPERATIVE OF SPECIALIZED PROFESSIONALS
The fiscal autonomy of territorial entities
March 1996
Duration: 10 hours

UNITED STATES FEDERAL RESERVE
Banking analysis and supervision
8-19 May 2000
Washington, DC, USA

UNIVERSIDAD CATÓLICA ANDRÉS BELLO
Criminal law and financial criminal law
8-29 April 2000
Caracas, Venezuela

OFFICE OF ECONOMIC AND FINANCIAL ADVISORY SERVICES AND CENTEC
Econometrics
6 September – 7 November 2001
Duration: 36 hours
Caracas, Venezuela

OFFICE OF ECONOMIC AND FINANCIAL ADVISORY SERVICES AND CENTEC
Style and Drafting
26 November – 14 December 2001
Duration: 16 hours

Work experience

OFFICE OF THE AUDITOR-GENERAL OF THE REPUBLIC
Duties: Auditor-General of the Republic
An elected post appointed by the Council of State, from a shortlist of three candidates submitted by the Supreme Court of Justice of the Republic of Colombia
Since 1 April 2003

OFFICE OF THE PRESIDENT OF THE REPUBLIC OF COLOMBIA
Economic secretariat
Adviser to the President of the Republic on economic affairs, responsible for drafting reports on the economic situation, keeping track of the principal macroeconomic indicators, advising on the drafting of bills and decrees on tax and budgetary matters, helping to prepare the National Development Plan, the National Nutrition Plan and other plans.
Member of the Council of Ministers and of the Economic and Social Policy Council.
Member of the Monetary Board.
Colombian government delegate to the Paris advisory group
1974-1978

COMPTROLLER OF BOGOTÁ DC
An elected post, chosen by the Bogotá council
Supervision of control over the fiscal management of the capital district's administration, the main City Office and its 32 decentralized bodies, which included the public corporations responsible for domestic energy, water and sewage, telecommunications, cleansing, urban development, recreation and sports, culture and tourism. Closure of the accounts of the officials in charge of the Capital District's funds. Presentation of financial and budgetary reports and reports on the government debt. Presentation of the general account of the Exchequer and verification of the balance of the central administration and its decentralized subsidiary bodies.
1981-1982

COUNCILLOR, BOGOTÁ DC

An elected post, chosen by popular suffrage. President and Vice-President of the Council, member of the budget committees, joint author of the Bogotá Tax Code, annual rapporteur on authorizations for the district administration's internal and external debt. Rapporteur on various agreements, including those on industry and trade taxation, the budget of the EDIS public services firm, the decentralization of resources and responsibilities to the local administrative bodies.

1984-1988

DISTRICT PLANNING BOARD

Member

Preparation of the draft agreement on land use in the capital of the Republic. Overview of the projects of the principal City Office and its decentralized bodies for submission to the District Board.

Authorization of urban development plans and of changes in land use.

1989-1990

NATIONAL CONSTITUTIVE ASSEMBLY

Adviser to the Collegiate Presidency

Drafting of projects and proposals for the Assembly

Monitoring the Economics and Human Rights Committees

Delegate to the committee on the codification of the final text of the 1991 Constitution

1991

MODELOS Y CONTROLES GERENCIAS – GERENCO

Partner and administrative manager

Projects director for the following projects: management control model for the National Tourism Corporation; design of the evaluation system for the internal control of the energy, water, sewage and telecommunications corporations for the Bogotá Comptroller's Office and analysis of evasion from and avoidance of the Comprehensive Occupational Risks System (Ministry of Labour and Social Security), etc.

MINISTRY OF ECONOMIC DEVELOPMENT

Consultant, United Nations Development Programme

Programme AT-PAS COL 92/001, modernization of the drinking water sector

Adviser on the Domestic Public Services Act – Act N° 42 of 1994 and its enabling legislation; outlines for the privatization of public services; management and institutional development models for the provision of drinking water supplies and basic sanitation.

1994-1995

MINISTRY OF MINES AND ENERGY

National Royalties Committee

Expert on the technical committee composed of five high-level experts appointed by the President of the Republic for a fixed term.

Coordinator of the technical committee, 1995 and 1999.

Financial, social and environmental assessment of investment projects to be funded by royalties paid on non-renewable natural resources. The investment projects assessed principally concerned roads and ports, energy supply, drinking water and environmental sanitation and hospital infrastructure.

1995-1999

SUPERINTENDENCY OF BANKS

Adviser to the Superintendent of Banks

Chief, Office of Internal Management Control

Participation in the development of legislative bills on the new housing finance system (Act N° 546 of 1999) and economic revival Act N° 550/99)

Financial regulation, design of a supervisory management control system
1999-2000

MINISTRY OF LABOUR AND SOCIAL SECURITY

Adviser to the Minister of Labour and Social security

Adviser on pensions reform and the reorganization of the Social Security Institute (ISS). Financial feasibility analysis of the different activities of ISS.

2000-2001

VENEZUELAN NATIONAL ASSEMBLY

Economic and Financial Advisory Office

Project jointly funded by the Inter-American Development Bank

Consultant

Analysis of the budgetary and economic impact of the draft legislation on tax, administrative, labour and social security matters set forth in the new Venezuelan Constitution.

2001-2002

Associations

COLOMBIAN INSTITUTE OF TAX LAW

Full member

HARVARD-MIT CLUB, COLOMBIA

President, 1984-1988 and member of the Governing Council during previous and subsequent periods.

ECONOMIC SOCIETY OF FRIENDS OF THE COUNTRY

Member of the Governing Council, 1999-2001

ASSOCIATION OF FORMER HARVARD ALUMNI

Regional Director for Latin America 1988-1990

Academic activities

UNIVERSIDAD DEL ROSARIO

Faculty of Business Administration

Professor of Colombian economic policy

1977-1978

UNIVERSIDAD EXTERNADO DE COLOMBIA

Faculty of Economics

Professor of urban economics

1982-1991

UNIVERSIDAD DE LOS ANDES

Faculty of Economics

Professor of economic principles

1994-1995

Faculty of Law
undergraduate course
Professor of public finance
1995-2000

Special course in the legal, financial and accounting regime for taxation
Director of the department and professor of the economics and public finance module
1998-2000

Special course on financial legislation
Module on economic aspects of the financial sector
Guest Professor
2000

HIGHER SCHOOL OF PUBLIC MANAGEMENT – ESCAP
School for senior government officials
Specialized course in senior government functions
Model 5, government economics
2000

HARVARD UNIVERSITY
Admissions office
Official interviewer for Harvard College
1988-2000

Publications

“Nutrition and Government policy in Colombia”, in *Nutrition and Government policy*, edited by Beverly Winicoff, MIT Press, Cambridge MA, 1978

“Teoría del deficit fiscal” (fiscal deficit theory), in *Memorias del encuentro de profesores de Derecho Tributario y Hacienda Pública* Colombian Institute of Tax Law, 1998

“Los Ingresos fiscales” (tax revenue), in *Encuentro de Profesores de Derecho Tributario* Colombian Institute of Tax Law, ICDT, 2000

“Comentario sobre la Justiciabilidad de los Derechos Sociales Fundamentales”, (commentary on whether fundamental social rights are actionable in law), *Revista de Derecho*, Faculty of Law, Universidad de los Andes, 2001

“La Corte Constitucional en sus fallos economicos” (The rulings of the Constitutional Court in economic matters), *Revista de Derecho Constitucional* N° 5, July-December 2001, Caracas, Venezuela

Columnist in the newspaper *El Espectador*
1986-1988

Columnist in the newspaper *La República*
1997-1999

3. *Auditing standards, procedure and methods*

Standards

The accounts and financial statements of WHO will be audited with due regard to the provisions of the Financial Regulations of WHO and to the additional responsibilities regarding external audit of the accounts of WHO, based on the accounting principles and practices of the Organization, its Financial Regulations and the United Nations System Accounting Standards.

The audits will be conducted in accordance with the Auditing Standards of the International Organization of Supreme Audit Institutions (INTOSAI), which are divided into four parts:

Basic postulates

The basic postulates for auditing standards are basic assumptions, consistent premises, logical principles and requirements which help in developing auditing standards and serve the auditors in forming their opinions and reports, particularly in cases where no specific standards apply.

In performing the auditing exercise at WHO, account will be taken chiefly of the following postulates:

Audit evidence plays an important part in the auditor's decision concerning the selection of issues and areas for audit and the nature, timing and extent of audit tests and procedures.

The terms of the auditing mandate with WHO override any accounting or auditing conventions with which they conflict, and hence have a crucial bearing on the auditing standards applied.

WHO will facilitate the obtaining of control, evaluation and reporting data in the audit process.

For auditing purposes, measurable and clearly stated objectives will be determined between the External Auditor and WHO, and performance targets set for those objectives.

Acceptance by WHO that consistency in application is a prerequisite of fairness means that in the audits, accounting standards must be applied that are appropriate in the circumstances and must be applied consistently.

It is the responsibility of WHO and not of the auditor to establish adequate internal control systems to protect its resources.

WHO is also under an obligation to ensure that controls are in place and functioning to help ensure that applicable statutes and regulations are complied with, and that probity and propriety are observed in the decision making.

In any case, should she find controls to be inadequate or missing, the External Auditor will submit to WHO the corresponding proposals and recommendations.

The expanding role of the auditors will require them to improve and develop new techniques and methods to assess whether WHO uses reasonable and valid criteria to gauge its management. The auditors will, as necessary, use the techniques and methods of other disciplines.

General standards

These standards describe the qualifications of auditors and auditing institutions enabling them to carry out the tasks related to field and reporting standards competently and effectively.

In use of the General Auditing Standards to audit WHO, account will be taken of the following:

The auditors and the External Auditor will be independent.

The auditors and the External Auditor will exercise due care and concern in complying with the auditing standards and the rules set by WHO. This embraces due care in planning and implementing, gathering and evaluating evidence, and in reporting findings, conclusions and recommendations.

The External Auditor will adopt policies and procedures to recruit personnel with suitable qualifications; prepare or improve manuals and other written guidance and instructions concerning the conduct of audits, as may be necessary; make use of the skills and experience available and identify the skills which are absent; provide a good distribution of skills to auditing tasks and assign a sufficient number of persons to each task; have proper planning and supervision to achieve its goals at the required level of due care and concern; review the efficiency and effectiveness of WHO's internal standards and procedures.

Field standards

The purpose of field standards is to establish the criteria or overall framework for the purposeful, systematic and balanced steps or actions that the auditor has to follow. These steps and actions represent the rules of research that the auditor, as a seeker of audit evidence, implements to achieve a specific result.

In auditing WHO the following field standards will be those taken chiefly into account:

The External Auditor will plan the audit in such a manner as to ensure that an audit of high quality is carried out in an economic, efficient and effective way and in a timely manner.

The work of the audit staff at each level and audit phase will be properly supervised during the audit, and documented work will be reviewed by the coordinator of the appointed team of auditors or directly by the External Auditor.

In determining the extent and scope of the audit in WHO, the reliability of internal control will be studied and evaluated.

In conducting financial audits, a test will be made of compliance with applicable laws and regulations. The auditor will design steps and procedures to provide reasonable assurance of detecting errors, irregularities and illegal acts that could have a direct and material effect on the financial statement amounts.

In conducting performance audits, an assessment should be made of compliance with applicable laws and regulations since this is necessary to satisfy the audit objectives.

Any indication that an irregularity, illegal act, fraud or error may have occurred which could have a material effect on the audit should cause the auditor to extend procedures to confirm or dispel such suspicions.

Competent, relevant and reasonable evidence will be obtained to support the auditors' judgement and conclusions regarding the organization, programme, activity or function under audit.

Analysis of financial statements will be performed to such a degree that a rational basis is obtained to express an opinion on them.

Reporting standards

These standards are merely to assist and not to supersede the prudent judgement of the auditor in making an opinion or report.

For the purpose of auditing WHO, account will be taken chiefly of the following reporting standards:

The reports will take into account the needs of WHO, in both financial and performance auditing, and will cover the agreed time spans.

Upon completion of the financial audit the conclusions will be given in the form of an opinion, which may be unqualified, qualified, adverse or a disclaimer of opinion.

Upon completion of the performance audit the conclusions will be given in the form of opinions providing an assessment of the extent to which WHO has complied with the principles of economy, efficiency and effectiveness.

Before the final audit reports are submitted, WHO will be apprised of the preliminary report, which will be discussed with the group of auditors.

The reports will be duly signed, with the inclusion of dates, users and grounds.

Every effort will be made to ensure that the audit dates agreed upon with WHO are timely.

For the purpose of auditing WHO, the External Auditor will also take into account:

The auditing standards of the International Federation of Accountants;

The international accounting standards; and

A Manual of Conduct seeking to ensure that the auditors foster an ethical and operationally professional working atmosphere through due knowledge and application of the auditing standards; public accountability concerning information and communication; accountability to WHO with regard to performance of work and confidentiality.

Respect for others by respecting ideas, beliefs, opinions and lifestyles, and taking a positive and constructive attitude towards them.

An atmosphere free of discrimination on grounds of sex, race or religion.

Procedures

On submitting the audit report to the World Health Assembly, the External Auditor will need to issue and sign his report in the terms regulated by WHO.

The audits will be effected in strict compliance with the planning, execution and reporting stages.

The auditing work will be reviewed directly by the External Auditor.

Planning of audits

The audit planning stage would be as follows:

Objective selection of a group of highly experienced professional and qualified auditors. In this respect, experienced professionals from different specialist fields will be selected in accordance with the purpose pursued.

In order to save costs in carrying out the audits, the assistance of auditors residing in the country to which a visit has been scheduled may be sought for the performance of the field work, provided they satisfy the requirement and conditions laid down regarding technical competence, and under the strict supervision of the principal group of auditors.

The auditors will be given prior training to familiarize them thoroughly with WHO, and also on the objectives and special features of the auditing to be conducted.

The previous audit reports will be given special consideration, not only to ascertain the characteristics of the work to be done but also to follow up on the observations and recommendations made in those reports and detect the degree of compliance and improvement secured.

Examination of the global budget of the institution and of the percentage earmarked for the area to be audited, in order to ascertain the relative financial importance of the work for WHO and the extent and coverage of prospective field work.

Account will be taken at this stage of the WHO Strategic Plan so as to ascertain the expected outcomes in particular areas subject to auditing.

As an important audit planning source, account will be taken of internal control and audit reports of WHO and of the policies and guidelines adopted by the Office of the Director-General.

In addition, the projects, areas and components of the most important matters for evaluation will be identified by means of risk maps.

Furthermore, the experience acquired from previous audits will be extremely valuable in determining and assessing risks as one of the factors to be taken into consideration in deciding priorities for visits during the planning stage.

Finally, the nature and scope of the audit evidence to be applied will be determined.

On completing the planning stage, the audit team will draw up a planning memorandum featuring the scope, objectives, specific tasks, areas for evaluation, working times and supervisory responsibilities.

Execution phase

This phase of field auditing involves collecting documents, conducting tests and analysing evidence to ensure adequacy, competence and relevance, for the sake of securing sufficient bases for issuing effective and duly justified observations, conclusions and recommendations, and to ensure that the examination has been carried out in accordance with established quality requirements.

In this phase, auditing procedures and techniques are applied, including: audit evidence and evaluation, identification of findings (condition and criterion) and the making of observations (including condition, criterion, and cause and effect).

Reporting and notification phase

The main steps in the reporting and notification phase will be the following:

A preliminary audit report will be drawn up and communicated to the Director-General's Office and to the Audit Committee of the Executive Board. It will be discussed and the Office given the opportunity to put forward such observations as it may consider relevant.

Once the preliminary report has been discussed and the relevant observations and recommendations made, the final report will be prepared and submitted via the Executive Board to the World Health Assembly.

On relevant topics the External Auditor will make constructive recommendations and communicate the duly supported findings, which will be treated by the auditors confidentially.

In any case, timely communication of reports will be a permanent feature so that corrective measures may be taken with due promptness.

If necessary, and should the Director-General's Office consider it so, an Improvement Plan will be drawn up together with the executors of WHO resources in any area audited, to enable them to reorganize their management and follow the matter up in subsequent audits or to enable the adjustments to be monitored by the internal audit and oversight service or by senior management.

Methods

The work will be mainly concerned with reporting on the financial statements and carrying out audits to determine the degree of compliance with the objectives set, taking care to ensure that WHO guidelines are respected.

Financial auditing will be based on generally accepted auditing standards to establish whether the financial statements reasonably reflect the outcome of the operations of WHO and the changes in its financial situation, ensuring that in their preparation and in the transactions and operations giving rise to them the universally accepted accounting principles and those prescribed in the WHO Financial Regulations were observed and fulfilled.

As a complement, the WHO budgets will be analysed to determine whether the will of the entity approving them is being observed in the use of resources.

It will thus be possible to achieve performance auditing that examines the efficiency and effectiveness of the administration of WHO's resources and the extent to which objectives are achieved and the plans, programmes and projects adopted by WHO are fulfilled.

Emphasis will be placed on checking that the activities of those responsible for administering WHO's resources are conducted in accordance with the standards and rules and regulations of the Organization.

In addition, a number of horizontal audits will be performed of specific topics which, on account of their impact on the Organization, may be of particular interest in order to strengthen strategic areas of WHO, for which purpose we are able to constitute groups of auditors specialized in audits of technical and information systems and environmental audits, with an emphasis on the final disposal of medical and hospital waste.

The possibility of also including additional audit activities, for the purpose of further developing or expanding certain topics of interest, such as the Trust Fund of the Iraq Programme is not excluded.

4. Outputs

The auditing results will be submitted to the Audit Committee of the Executive Board and to the World Health Assembly via the Audit Committee of the Executive Board.

The outputs obtained in the work of the External Auditor will be as follows:

The audit of the financial report for each biennium submitted by the Director-General.

A report every biennium on the efficiency of the financial processes, the accounting system, the internal financial controls, and the management of the administration.

The reports requested by the Audit Committee of the Executive Board and by the World Health Assembly on specific matters.

The final audit reports generated as an output of the programming of the General Audit Plan, with the corresponding opinion and recommendations.

The final horizontal reports on the audit of technology and information systems, environmental audit and other topics agreed on by the Office of the Director-General and the Audit Committee.

The follow-up reports to the comments and recommendations set out in the audit reports.

5. *Total number of auditor work months*

To carry out the audits, a General Audit Plan would be drawn up with a tentative schedule of activity designed in accordance with a risk map to be established and with WHO's priorities.

This General Audit Plan will be submitted for consideration to the WHO Audit Committee; likewise, each of the final audit reports, the follow-up reports and the reports on the financial accounts will be submitted to the Committee for examination in due course.

The progress of WHO projects will be an important factor in the design stage of the timetable, in order that the audits may have a useful effect and be about the status or outcome of projects and not about activities at the design stage.

The basic idea is to visit the regional offices, APOC, IARC and UNAIDS, at least every two years and give priority to some countries in which WHO has a special interest.

The intensity of the field work of each of the audits depends in part on the complexity being handled, on the availability of information and on the coverage of the auditing work chosen for each financial period.

In the course of the same field work a preliminary report will be produced for discussion with those in charge of the projects and offices, and it will be submitted to the WHO Director-General's Office. Once the right of reply has been exercised, the report will be conveyed to the governing bodies as stated above.

The consolidated work on the financial statements will be done once a year and will also be submitted to the Director-General's Office and the governing bodies of WHO.

The intensity of the work will be 60 auditor months in each two years, which will be done by a group of auditors, residing both permanently at WHO headquarters and in Colombia, or in other members States as the field work and outcome of the planning stage may dictate.

This period includes the work of analysing the financial statements and the field work and reports needing to be submitted. The breakdown of the various types of auditing work will be determined in the General Audit Plan to be designed.

6. Fees

The fees calculated for this auditing assignment amount to US\$ 1 200 090 (one million two hundred thousand and ninety United States dollars) in respect of each of the periods (2004-2005 and 2006-2007), comprising auditing of WHO's regular programme and of activities funded from extrabudgetary resources; in addition to secretarial and auxiliary staff costs and the travel and subsistence expenses of assistants.

The breakdown of costs for each period or biennium is shown below:

	Total work months	Total cost (US\$)
Permanent staff at headquarters	22	660 000
Financial audit activities	13	184 730
Audit of management and results	10	142 210
Audit of Technology and Information systems	6	85 260
Environmental audit	6	85 260
Supplementary audits	3	42 630
TOTAL FOR EACH PERIOD	60	1 200 090

Payment will be made quarterly in advance, with uniform emoluments of US\$ 150 011.25 throughout the period of office of the External Auditor, upon presentation of the billing statement and verification of the programmed activities.

7. Requests for information

Nature

The information sought is that strictly necessary to do the work, but sufficient to be able to issue reports that are of use to WHO. Should it be necessary to have access to any restricted information, the governing bodies will be notified of the reasons why the information is important.

Scope

In order to perform the auditing work effectively and diligently, it is necessary before any visit to know the main features of the region concerned, to be acquainted with the consolidated accounts for recent months at WHO Headquarters in Geneva, to examine the internal control reports and previous audit reports, to check the budget for the region in the coming years, to be familiar with the administration's strategic and operational plans in respect of the region and with the special rules laid down for the handling of resources and the extent to which the corresponding countries collaborate in WHO's projects.

For consolidated review of the financial statements, permanent access would be required, for the sake of comparison with what is happening in each of the parts where WHO has resources involved.

Timetable

The above information will be sought one month in advance of the field work, as agreed with senior management.

8. Conclusion

This proposal deals with the major aspects of the likely work of the External Auditor. A more detailed approach can be provided should WHO deem this necessary, and the specific aspects would be agreed when the appointment is formalized.

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