

## **Appointment of the External Auditor**

### **Report by the Director-General**

1. In accordance with Regulation 14.1 of the Financial Regulations, the Health Assembly appoints an External Auditor, who shall be “the Auditor-General (or an officer holding equivalent title or status) of a Member government”. The duration of the appointment is at the discretion of the Health Assembly, however, previous practice has been to appoint the External Auditor for two financial periods. In resolution WHA60.7, the Sixtieth World Health Assembly resolved that the Comptroller and Auditor-General of India be appointed as the External Auditor of WHO’s accounts for the two financial periods 2008–2009 and 2010–2011.
2. At its 128th session in January 2011, the Executive Board proposed an amendment to Financial Regulation 14.1 to set the term of office of the External Auditor to four years, covering two budgetary periods, renewable once for an additional term of four years (see also document A64/34 on Amendments to the Financial Regulations).<sup>1</sup>
3. The appointment of the External Auditor is for consideration by the Sixty-fourth World Health Assembly and will take effect from 1 January 2012.
4. It should be noted that as of 2012, the Organization plans to adopt the International Public Sector Accounting Standards. Compliance with International Public Sector Accounting Standards requirements will mean, inter alia, the performance of annual audits of the accounts of the Organization as well as of non-consolidated affiliated entities and partnerships.
5. A practice has been established as from the Forty-eighth World Health Assembly whereby proposals for the post of External Auditor were made by Member States upon invitation by the Director-General. The Health Assembly made its selection, in common with the governing bodies of other organizations of the United Nations common system, by secret ballot, in the same way as any election under Rules 78 and 79 of the Rules of Procedure of the World Health Assembly. This was also the practice followed by the Fifty-sixth World Health Assembly and the Sixtieth World Health Assembly.
6. In accordance with the practice referred to in paragraph 5 and existing in some other organizations of the United Nations system, all Member States were invited, by Circular Letter C.L.35.2010, dated 27 December 2010 (Annex 1), to nominate a candidate for consideration by the Sixty-fourth World Health Assembly for the position of External Auditor of WHO for the period 2012–2015. A deadline of 15 February 2011 was established for the receipt of nominations.

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<sup>1</sup> See document EB128/2011/REC/1.

7. Member States have submitted their nominations as contained in the respective bids, in accordance with the requirements outlined in Circular Letter C.L.35.2010. Nominations were received within the deadline from the governments of **France**, dated 14 February 2011 (Annex 2); **Germany**, dated 14 February 2011 (Annex 3); **Ghana**, dated 15 February 2011 (Annex 4); **Malaysia**, dated 15 February 2011 (Annex 5); the **Philippines**, dated 15 February 2011 (Annex 6); and **Spain**, dated 15 February 2011 (Annex 7). Annexes 2–7 each comprise three elements: a summary of the audit approach; the curriculum vitae of the nominee of the respective Member State; and the related proposed audit fees. The section on audit fees incorporates: (a) the breakdown of the total proposed cost figures for both WHO and the non-consolidated affiliated entities and partnerships; and (b) the number of auditor-months per year included in the respective bid. Annex 8 provides a table summarizing nominations with the corresponding proposed audit fees. Copies of the complete applications in the language of submission from these Member States are available on request.

## **ACTION BY THE HEALTH ASSEMBLY**

8. Since several proposals for the appointment as External Auditor have been received, the Sixty-fourth World Health Assembly may wish to proceed in the same manner as it has done in recent years, namely, to invite representatives of the concerned Member State to make a summary presentation of their proposal to assist in the selection decision, then to select the External Auditor by holding a secret ballot with the requirement of a simple majority. Once the selection has been completed, the Health Assembly is invited to adopt the following draft resolution:

### **The Sixty-fourth 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 as well as the non-consolidated affiliated entities and partnerships for the period 2012–2015, and that he/she audits in accordance with the principles incorporated in Regulation XIV of the Financial Regulations and the Appendix to 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 Comptroller and Auditor-General of India for the work he has performed for the Organization in his audit of the accounts for the financial periods 2008–2009 and 2010–2011.

3. FURTHER REQUESTS the Director-General to establish contractual terms and conditions between the Organization and the appointed External Auditor to cover the modalities of the External Auditor's work in fulfilling its mandate, with particular reference to the additional requirements posed by the introduction of the International Public Sector Accounting Standards as of 2012, as per the attached Annex providing further background information on the appointment of the External Auditor.

## ANNEXES

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Ref.: C.L.35.2010

**Appointment of External Auditor of the World Health Organization  
for financial periods 2012–2013 and 2014–2015**

The World Health Organization presents its compliments to Member States and has the honour to recall that, in May 2007 the Sixtieth World Health Assembly, by resolution WHA60.7, appointed the holder of the office of the Comptroller and Auditor-General of India to be the External Auditor of the World Health Organization (WHO) for the period 2008–2011. Accordingly, and with reference to Regulation 14.1 of WHO's Financial Regulations, it will be necessary for the Sixty-fourth World Health Assembly in May 2011, 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 period 2012–2015. The purpose of this Note Verbale is to prepare for the appointment of the External Auditor by inviting nominations from all Member States.

... The Organization has the honour, therefore, to invite Member States to nominate a candidate fulfilling the conditions of Regulation 14.1 of WHO's Financial Regulations, whom they may wish the World Health Assembly to consider for appointment as the External Auditor of WHO for the period 2012–2015. The full text of Regulation XIV 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 2011, and Annex III provides background information on WHO's financial operations and links to the 2008–2009 Financial Report.

The entry into function of the next External Auditor will coincide with the adoption by the Organization of the International Public Sector Accounting Standards (IPSAS) as of 2012. Compliance with the IPSAS requirements will mean, inter alia, the performance of annual audits of the financial statements of the Organization as well as the non-consolidated entities and partnerships administered but not controlled by WHO (shown on the attached Annex III). This will have as a consequence an increase in the number and scope of the audits and the associated external audit services to be provided. In order to incorporate this requirement into the Financial Regulations of WHO, the Secretariat has proposed an amendment to Regulation XIV of the Financial Regulations, which will be considered by the Executive Board at its 128th session in January 2011 and will be submitted to the Sixty-fourth World Health Assembly for final adoption. Annex I provides the text of Financial Regulation XIV as it is expected to be amended by the Sixty-fourth World Health Assembly.

ENCLS: (3)

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C.L.35.2010

Should a Member State wish to propose a candidate, the name of the candidate and the supporting nomination should reach the Organization no later than 15 February 2011, to allow time for the preparation of the submission to the Sixty-fourth World Health Assembly in May 2011.

The nomination should not exceed 6000 words, should not include photographs, and should include, in respect of the proposed External Auditor:

- (a) a curriculum vitae and details of the national and international activities of the nominee noting the range of audit specialties that can be of benefit to the Organization (not to exceed 600 words);
- (b) a description of the audit approach, procedures and standards that the nominee would apply, having regard to the Organization's accounting principles and practices, its Financial Regulations and Financial Rules, together with a sample audit plan. Please note in this context that with effect from 2012, WHO will adopt the International Public Sector Accounting Standards (IPSAS), replacing the United Nations System Accounting Standards, and prepare annual financial statements in accordance with IPSAS and Financial Regulation 13.2;
- (c) estimates of the overall number of auditor-work-months which would be devoted to carrying out the audit for each year from 2012–2015;
- (d) **for each year (2012–2015)**, a proposed audit fee expressed in US 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, 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. Costs for the non-consolidated entities should be provided separately;
- (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 nominees cooperation, on completion of appointment, in responding to similar requests for information by an incoming auditor; and
- (f) a summary (not to exceed 600 words) of **the audit approach**.

C.L.35.2010

The Secretariat will undertake to translate the curriculum vitae mentioned in (a), the one page summary of the fees mentioned in (d) and the summary mentioned in (f) in the six official languages (Arabic, Chinese, English, French, Russian and Spanish) for submission to the Health Assembly.

The World Health Organization avails itself of this opportunity to renew to the Member States the assurance of its highest consideration.

GENEVA, 27 December 2010





**THE WORLD HEALTH ORGANIZATION**  
**EXTRACT FROM FINANCIAL REGULATIONS**

**Regulation XIV – External Audit**

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

14.2 Subject to any special direction of the Health Assembly, each audit which the External Auditor(s) performs/performs 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.

14.3 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.

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

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

14.6 The Director-General shall provide the External Auditor(s) with the facilities required for the performance of the audit.

14.7 For the purpose of making a local or special examination or for effecting economies of audit cost, the External 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 that, in the opinion of the External Auditor(s), is technically qualified.

14.8 The External Auditor(s) shall issue a report on the audit of the annual financial statements prepared by the Director-General pursuant to Regulation XIII. The report shall include such information as he/she/they deem(s) necessary in regard to Regulation 14.3 and the Additional Terms of Reference.

14.9 The report(s) of the External Auditor(s) shall be transmitted through the Executive Board, together with the audited financial statements, to the Health Assembly not later than 1 May following the end of the financial year to which the final accounts relate. The Executive Board shall examine the annual financial statements 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 External Auditor(s) shall perform such audit of the accounts of the World Health Organization, including all Trust Funds and special accounts, as deemed necessary in order to satisfy himself/herself/themselves:
  - (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 External Auditor(s) have been applied to the recording of all assets, liabilities, surpluses and deficits.
2. The External 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/she/they choose(s) of all financial records including those relating to supplies and equipment.
3. The External Auditor(s) and staff shall have free access at all convenient times to all books, records and other documentation which are, in the opinion of the External Auditor(s), necessary for the performance of the audit. Information classified as privileged and which the Secretariat agrees is required by the External Auditor(s) for the purposes of the audit, and information classified as confidential, shall be made available on application. The External Auditor(s) and 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 connection with the performance of the audit. The External Auditor(s) may draw the attention of the Health Assembly to any denial of information classified as privileged which, in his/her/their opinion, was required for the purpose of the audit.
4. The External 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 that creates 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 External Auditor(s) shall express and sign an opinion on the financial statements of the Organization. The opinion shall include the following basic elements:
  - (a) identification of the financial statements audited;
  - (b) a reference to the responsibility of the entity's management and responsibility of the External Auditor(s);

- (c) a reference to the audit standards followed;
- (d) a description of the work performed;
- (e) an expression of opinion on the financial statements as to whether:
  - (i) the financial statements present fairly the financial position as at the end of the period and the results of the operations for the period;
  - (ii) the financial statements were prepared in accordance with the stated accounting policies;
  - (iii) the accounting policies were applied on a basis consistent with that of the preceding financial period;
- (f) an expression of opinion on the compliance of transactions with the Financial Regulations and legislative authority;
- (g) the date of the opinion;
- (h) the External Auditor's(s') name and position;
- (i) the place where the report has been signed;
- (j) should it be necessary, a reference to the report of the External Auditor(s) on the financial statements.

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

- (a) the type and scope of 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 that 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 a material nature from a consistent application of generally accepted accounting principles, these should be disclosed;
- (c) other matters that 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 that 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 External Auditor(s) may make such observations with respect to his/her/their findings resulting from the audit and such comments on the financial report as he/she/they deem(s) appropriate to the Health Assembly or to the Director-General.

8. Whenever the External Auditor's(s') scope of audit is restricted, or insufficient evidence is available, the External Auditor's(s') opinion shall refer to this matter, making clear in the report the reasons for the comments and the effect on the financial position and the financial transactions as recorded.

9. In no case shall the External Auditor(s) include criticism in any report without first affording the Director-General an adequate opportunity of explanation on the matter under observation.

10. The External Auditor(s) is/are not required to mention any matter referred to in the foregoing which is considered immaterial.

## THE WORLD HEALTH ORGANIZATION

### EXTERNAL AUDITORS 1948 TO 2011

<b>Period</b>	<b>No. of years</b>	<b>Name</b>	<b>Nationality</b>
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 Lindmark	Swedish
1.1.1978 to 31.12.1981	4	Sir Douglas Henley	British
1.1.1982 to 31.12.1995	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 31.12.2003	8	Holder of the Office of Auditor-General of the Republic of South Africa	South African
1.1.2004 to 31.12.2011	8	Holder of the Office of Comptroller and Auditor-General of India	Indian

## **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 Period 1 January 2008 – 31 December 2009” available on request or via the World Health Organization web site on:

[http://apps.who.int/gb/ebwha/pdf\\_files/WHA63/A63\\_32-en.pdf](http://apps.who.int/gb/ebwha/pdf_files/WHA63/A63_32-en.pdf)

In addition, documents A60/32 and A60/32 Corr.1, entitled “Appointment of the External Auditor” provide the bids submitted for the two financial periods 2008-2009 and 2010-2011. These are available on request or via the World Health Organization web site on:

[http://apps.who.int/gb/ebwha/pdf\\_files/WHA60/A60\\_32-en.pdf](http://apps.who.int/gb/ebwha/pdf_files/WHA60/A60_32-en.pdf)  
[http://apps.who.int/gb/ebwha/pdf\\_files/WHA60/A60\\_32Corr1-en.pdf](http://apps.who.int/gb/ebwha/pdf_files/WHA60/A60_32Corr1-en.pdf)

2.2 Main centres of financial activity are the World Health Organization headquarters of Geneva, Switzerland, the six regional offices located at Cairo, Brazzaville, (with satellite operations in Harare, Libreville and Ouagadougou), Copenhagen, Manila, New Delhi and Washington, DC (see also paragraph 8 below), and the African Programme for Onchocerciasis Control (APOC) in Ouagadougou. The six regional offices and APOC prepare monthly financial statements for review and consolidation at WHO headquarters, Geneva. The World Health Organization also has a presence in over one hundred and fifty countries through a representative or liaison office, as well as resident staff and projects in other locations, where expenditure is incurred locally.

2.3 A separate audit on APOC, IARC, ICC, UNAIDS and UNITAID is required, entities which are further described below.

#### **3. The African Programme for Onchocerciasis Control (APOC)**

The World Health Organization is the executing agency of APOC. In accordance, the External Auditor of the World Health Organization is required to act as the External Auditor of APOC. A copy of the latest audited financial statements for APOC is available on request.

#### **4. 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 audited financial statements for IARC is available via the IARC web site on:

[http://governance.iarc.fr/GC/GC52/En/Docs/GC52\\_10.pdf](http://governance.iarc.fr/GC/GC52/En/Docs/GC52_10.pdf)

#### **5. The International Computing Centre (ICC)**

The External Auditor of the World Health Organization is required also to perform a separate audit on ICC. A copy of the latest available audited financial statements for ICC is available on request.

#### **6. Joint United Nations Programme on HIV/AIDS (UNAIDS)**

The Memorandum of Understanding that governs the establishment of UNAIDS notes that WHO shall provide administration for UNAIDS. In accordance with this principle, the External Auditor of the World Health Organization is required to act as the External Auditor of UNAIDS. A copy of the latest audited financial statements for UNAIDS is available on request.

#### **7. UNITAID**

In line with the Memorandum of Understanding signed between UNITAID and WHO, the operations of the UNITAID secretariat are administered in accordance with the Constitution of UNITAID and WHO rules. In accordance, the External Auditor of the World Health Organization is required to act as the External Auditor of UNITAID. Furthermore, UNITAID applies supplement internal guidance for the financial analysis and there are authorized adaptations or exceptions to WHO administrative procedures and practices in order to meet UNITAID's specific needs. A copy of the latest audited financial statements and the supplement internal guidance for UNITAID is available via the UNITAID web site on:

[http://www.unitaid.eu/images/NewWeb/documents/Finance/2008-09financialstatements\\_web\\_27may10.pdf](http://www.unitaid.eu/images/NewWeb/documents/Finance/2008-09financialstatements_web_27may10.pdf)

#### **8. The Regional Office for the Americas**

The Pan American Health Organization (PAHO), whose headquarters are located in Washington, DC, 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.

#### **9. Internal Oversight Services (IOS)**

The World Health Organization maintains an office of internal oversight services which at present comprises a director and eleven professional staff. 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 Regulation XII of the WHO Financial Regulations, is to provide an effective review, evaluation and monitoring of the adequacy and effectiveness of the Organization's overall systems for internal control. 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.

## **10. External audit fee**

The all-inclusive World Health Organization external audit fee paid for 2008–2009 was US\$ 860 422. Note that for this period there were certification audits each biennium, and an audit without an opinion issued on the interim financial statements. From 2012, there will annual financial statements, in accordance with IPSAS and Financial Regulation 13.2.

## **11. Project Audits**

The External Auditor could be requested to perform audits on certain projects for which an additional fee would be agreed upon with the Secretariat.

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



## ANNEX 2

ORIGINAL VERSION: FRENCH

### FRANCE

#### **SUMMARY OF THE AUDIT APPROACH**

We shall proceed to undertake financial audits (in accordance with ISA and INTOSAI standards) and performance audits.

The External Auditor, Mr Migaud, will form an opinion on each financial statement and will himself present to the World Health Assembly the report that will include recommendations on improving the accounting procedures and financial management of WHO.

#### **Phase 1. Understand the auditee**

Thorough knowledge of the audited entity is the frame of reference in which we exercise our professional judgement most efficiently and effectively. This enables us:

- to assess the risks and internal controls in place;
- to perfect our detailed audit plans and programme of work;
- to determine the level of substantive detail associated with our audit;
- to identify efficiently the nature and source of the available evidence;
- to assess the appropriateness of the evidence presented in support of the accounts;
- to assess the appropriateness of the accounting methods and financial reporting;
- finally, to assess the overall presentation and genuinely informative nature (for the benefit of Member States) of the financial statements submitted for our opinion.

During this initial phase, we shall accept all sources of available information on strategy and organization: previous audits, reference documents of the organization (both institutional and operational), proceedings of boards and committees, interviews with senior management and the operational officers of the organization concerned.

#### **Phase 2. Assess the internal audit system**

International audit standards require the auditor to acquire a thorough knowledge of the internal controls established by the auditee. From the outset, we shall focus on describing, testing and assessing this system in a comprehensive manner. The level of detail adopted will obviously depend on the importance that we attach to these internal controls (in our risk assessment-based audit method).

We shall focus as much on the “audit culture” (i.e. the general attitude of employees of the organization and the vigilance and proactiveness of senior management) as on the audit procedures themselves.

We shall systematically require of senior management a declaration of accountability regarding internal controls.

### **Phase 3. Assess the risks for planning control procedures**

Our teams' investment in a thorough understanding of the entities themselves and their internal controls enables us to describe and assess the first two categories of risk that can affect financial statements, namely, inherent risks and control risks.

In addition, we use an integrated and structured approach involving the simultaneous description and assessment of the key processes that take place when carrying out operations and, at the heart of these processes, the controls that have been established to ensure the effectiveness and regularity of operations, transposed into accounting terms.

This comprehensive approach yields an audit planning map that enables us to decide, depending on the effectiveness of the processes and the robustness of the controls, whether to apply a greater or lesser battery of substantive tests to the various categories of transactions.

### **Phase 4. The audit per se**

#### ***The financial audit***

The preparatory work that enabled us to link operational processes with the accounting components of financial statements facilitates the conduct of the audit per se. Each component of the financial statements can thus be processed wholly or partially according to seven applicable base assertions (normal audit criteria), namely, existence, rights and obligations, reality, completeness, evaluation, valuation and allocation, and presentation.

An audit plan is drawn up and approved by the director of audit. This is the road map for the audit teams. It is not disclosed to the organization or its entities, but is used as a tool in the launch meetings that our director and his principal collaborators organize with managers and other officers of the organization (finance, internal audit, key process managers).

#### ***The performance audit***

In the course of its international audit missions, the Court of Audit has developed a specific culture of performance evaluation. It believes that the auditing of accounts and the auditing of performance are both essential to form a well-founded opinion about performance. Thus our approach is not confined to a review of financial statements. The performance audit, which is based on an analysis of the key processes in the financial audit, seeks to evaluate the organization's operations from the standpoint of efficiency and effectiveness.

We undertake to carry out as part of our annual workplans a regular update of the analyses and recommendations made during our performance audits with a view to providing the organization with follow-up on the impact of the recommendations adopted.

We shall appoint a quality control officer. This quality control will cover the policies and procedures established by the external auditor with a view to ensuring that the audit is of excellent quality.

Our audit plans are confidential. The methodology of preparing the audit plans has been described in detail in this application. Nevertheless, we shall communicate to you on a strictly confidential basis a previous example of an audit plan (see annex, as requested under paragraph (b) of the call for candidates).

## **CURRICULUM VITAE**

[ORIGINAL VERSION: FRENCH]

### **The candidate for the post of external auditor of the World Health Organization**

Mr Didier Migaud, President of the Court of Audit, is the candidate to perform the duties of auditor of the World Health Organization for an initial mandate of four years covering the period 2012–2015.

### **Curriculum vitae of Mr Didier Migaud**

Mr Migaud (date of birth 6 June 1952) is a graduate of the Political Studies Institute at Lyon and has an advanced diploma in public law. He was a member of the National Assembly from 1988 to 2010. He was the general Rapporteur of the Finance Commission from 1997 to 2002, where he played a key role in the 2001 budget and accounting reform that introduced accrual-based accounting and IPSAS standards into the national accounts, tasked the Court of Audit with certification thereof, and placed the national budget on a performance evaluation footing. Mr Migaud was Chairman of the Finance Commission of the National Assembly from 2007 to 2010 before being sworn in as President of the Court of Audit on 11 March 2010. This is a life appointment.

He oversees the national financial court system (the Court of Audit and its 26 regional and territorial divisions) whose jurisdiction includes the Government, social security, public corporations, local authorities and private-sector bodies in receipt of public funds or donations. He presides over the Disciplinary Offences (Budget and Finance) Court which sanctions management irregularities, and is also president of two assessment and monitoring commissions overseeing compulsory taxation and the management of public services. In 2011 he helped to frame provisions on conflicts of interest in public life, as part of a commission made up of three senior judges.

### **National and international activities of the President of the Court of Audit**

The President determines the strategy of the Court and decides the annual audit programme. He manages the budget of the financial court system (US\$ 270 million) and all its staff (1800 people).

He is the presiding officer of the collegial bodies that decide on publications of the Court (approximately 30 every year) and presents these reports to the public and the media: the annual report, which analyses how the Court's previous recommendations have been followed up; six certification reports and instruments concerning the national and social security budgets; three or four thematic reports; approximately 15 communications to Parliament; and three or four reports on organizations funded by public charity. He circulates about 30 letters containing observations to ministers, which are also in the public domain.

The Court publishes a number of reports in areas of interest to WHO, for example on the Cancer Plan (2008), HIV/AIDS control policy (2010) and sustainable water management instruments (2010).

### **International activities**

Mr Migaud is currently external auditor for eight international organizations. He was the external auditor for the United Nations from 2001 to 2010, and continues to perform this function for the United Nations Children's Fund, the International Organization of the Francophonie, the World Trade Organization, the International Civil Aviation Organization, the European Organisation for the Exploitation of Meteorological Satellites, the Organisation for Economic Co-operation and Development, the Comprehensive Nuclear-Test-Ban Treaty Organization and the Council of Europe.

## ANNEX 2

The Court of Audit has helped a number of these organizations to introduce IPSAS standards.

Mr Migaud is chairman of the International Organization of Supreme Audit Institutions (INTOSAI) Working Group on Programme Evaluation. He is a member of the steering committees of three INTOSAI strategic commissions on professional standards, capacity building and knowledge sharing. He chairs the group tasked with monitoring the ISSAI 20 and 21 principles of transparency and accountability, which were endorsed by the INTOSAI Congress in 2010. He is a member of the EUROSAI working groups on environmental audit and IT, and is co-chairman (with Spain) of the EUROSAI Training Committee.

In 2010 Mr Migaud chaired the Contact Committee of the Supreme Audit Institutions of the European Union and is participating in the Committee's preparatory work for 2011.

He is Secretary-General of the Association of Supreme Audit Institutions Sharing the Use of French (AISCCUF), an associate member of INTOSAI, which plays an extensive role in capacity building and professional exchanges.

## PROPOSED AUDIT FEES

### Estimate of working time

This estimate covers the audit of the annual financial statements of WHO and its non-consolidated entities (APOC, IARC, ICC, UNAIDS and UNITAID), in addition to the performance audits. Our audits will be carried out at WHO Headquarters and in the Regional Offices.

Following our analysis of WHO operations, financial statements and annual reports, and on the basis of the experience we have acquired at other international organizations that we have audited externally, we are of the view that the audit of WHO will require 590 on-site audit days or 36 work months per year. Any revision of this estimate in the course of the audit cycle will naturally form the basis of a prior discussion with WHO. Our report will be submitted in French and English.

### Fees

The Court of Audit will invoice the World Health Organization **US\$ 413 393 per year**, with no increase for the duration of the mandate, **broken down as follows**:

	Amount in US\$
World Health Organization	287 170
Non-consolidated entities	126 223
<b>TOTAL</b>	<b>413 393</b>

These fees shall cover all expenses connected with our mission and shall comprise the total amount of all emoluments, travel costs, secretariat costs and other related expenses, in addition to per diem allowances for the audit personnel. It is understood that WHO will allow the auditors free use of offices, communications, photocopiers and stationery. Accordingly, these expenses are not included.

## ANNEX 3

### GERMANY

#### SUMMARY OF THE AUDIT APPROACH

We would conduct the audit in accordance with best audit practice.

We plan, prepare, conduct and report on our audit exercises in compliance with internationally accepted standards. We follow the International Standards on Auditing (ISA) issued for the private sector and the International Standards of Supreme Audit Institutions (ISSAI). With our certification of WHO's financial statements we would follow ISA 700, which obliges us to comply with ethical requirements and to plan and perform the audit in order to obtain reasonable assurance that the financial statements are free from material misstatement.

ISSAI have added a chapter on performance audit to the ISA, which encourages SAIs to put a greater emphasis on economy, efficiency and effectiveness rather than merely checking the regularity of the accounting. In all their work, our auditors would be guided by a cooperative attitude towards WHO's management and internal auditors and we would very much like to continue this best practice.

#### **Audit methods**

The following methods would be applied in carrying out our audits:

##### ***Financial audit***

The financial audit mainly aims at assessing whether the financial statements fairly present the financial position at the end of a financial period, and whether the financial statements have been prepared in accordance with the relevant accounting guidelines and policies, applied on a basis consistent with that of the preceding financial period.

The financial audit will be based on analytical audit procedures. This includes detailed scrutiny of the financial statements, an examination of WHO's internal control system and sample testing of transactions and vouchers. Our financial audit is supported by commercial audit software.

##### ***Performance audit***

The first step in conducting a performance audit is to obtain an understanding of the audit subject by carrying out a task analysis. Areas of high financial impact and high risk for the Organization are identified. As a result of discussions with responsible officials and the collection of audit evidence on the premises of functional and programme management units, additional audit subjects may emerge.

Performance audits would cover the whole range of WHO activities. We would measure these against the criteria of economy, efficiency and effectiveness. To make our own audits as efficient as possible, we would consider asking for the support of Auditors General of developing countries, if special examinations in the fields of operations are necessary.

The overall ratio between performance and financial audit would be about 60 to 40. Accordingly, our team has both financial and technical qualifications.

**Risk assessment as part of the conduct of audits**

The strengths and weaknesses of controls within WHO's financial systems would be assessed in order to determine the likelihood of material error occurring. The results of this assessment would help to determine the level of audit evidence needed to support the audit opinion, to concentrate efforts towards high risk areas and to improve the cost-effectiveness of audit testing.

**Workplan**

As required, we provide a sample workplan in the annex to this document. We designed this plan for one of our audits. We would design a similar plan for WHO once we have carried out the analysis of the Organization's mandate and the necessary risk assessment.

**Professional standards to be applied to audits**

We would carry out the audit of WHO in accordance with International Standards on Auditing (ISA) in the form of the ISSAI. These standards were tailored to the special circumstances of organizations in the United Nations system by INTOSAI and their application endorsed by the Panel of External Auditors of the United Nations.

For financial audit work we apply UNSAS as adopted by the Panel of External Auditors of the United Nations for the time being. However, for the first WHO financial statement we would audit (2012), we would apply IPSAS (to the extent that WHO will have carried out this changeover successfully).

## CURRICULUM VITAE<sup>1</sup>

### **A Curriculum vitae and details of national and international activities**

**Professor Dr. Dieter Engels**  
**President**  
**Bundesrechnungshof**  
**(German Supreme Audit**  
**Institution)**

**Adenauerallee 81**  
**D - 53113 Bonn**  
**Germany**

born 7 February 1950 in Mechernich, Germany

married, two children

\*\*\*\*\*

as from 2002	President of the Bundesrechnungshof (German Supreme Audit Institution)
	Chair of the European Organization of Supreme Audit Institutions, EUROSAI (2005 – 2008)
	Bundesrechnungshof mandates as External Auditor during his presidency: <ul style="list-style-type: none"><li>- External Auditor of the Organization for the Prohibition of Chemical Weapons (as from 2009)</li><li>- External Auditor of the International Atomic Energy Agency (as from 2004)</li></ul>
as from 2001	Professor at the German Postgraduate School of Administrative Sciences in Speyer
1996 - 2002	Vice-President of the Bundesrechnungshof
1992 - 1996	Director of the Administrative Office of a German party's parliamentary group
1983 - 1989	Senior Civil Servant, final position held as Senior Executive Director at the Office of German Federal Parliament, <i>inter alia</i> Chief Secretary to the Parliamentary Appropriations Committee
1978 - 1983	Research Associate at the Institute for Penal Law at the University of Bonn
1979	Doctor's degree in law
1968 - 1973	Law studies at the University of Bonn followed by Junior Barrister education

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<sup>1</sup> The material in this section is reproduced as presented by the candidate.



## **A Curriculum vitae and details of national and international activities**

### International Background:

**Professor Dr. Engels' national activities** cover the full range of external audit missions at federal departments and agencies and the relationship with Parliament. **International activities** include audit and representational responsibilities regarding international organizations and permanent working contacts with supreme audit institutions of foreign countries, with a recent focus on technical support to Central and Eastern European countries.

In 2005, the Bundesrechnungshof hosted the VI<sup>th</sup> EUROSAI Congress in Bonn. Subsequently, Professor Dr. Engels served as EUROSAI's chairman for a three-year term.

When he started his term as Vice-President of the Bundesrechnungshof in 1996, the Bundesrechnungshof was holding the mandate as **External Auditor of the United Nations Industrial Development Organization**. This mandate ended in 2002.

As from 1 July 2004, the Bundesrechnungshof took over the mandate as **External Auditor of the International Atomic Energy Agency** and delivered its first report as External Auditor of the Agency on 31 March 2005.

The Conference of the States Parties of the **Organization for the Prohibition of Chemical Weapons** mandated the Bundesrechnungshof as **External Auditor** of the organization for an initial term of three years, from 2009 to 2011.

## PROPOSED AUDIT FEES

### The Bundesrechnungshof's financial offer for 2012–2015

We offer WHO (headquarters and the regional offices) the services of the Bundesrechnungshof for 2012–2013 and 2014–2015 on the basis of zero real growth (the inflation rate adjustment at the end of 2013 is estimated at only 2 percent) on the following terms per year:

Work months per year	Fee for 2012 (USD)	Fee for 2013 (USD)	Fee for 2014 (USD)	Fee for 2015 (USD)
50	490 000	490 000	499 800	499 800

The fee is calculated on the basis of a USD-Euro exchange rate of 1.35 USD/Euro. The moderate increase to the current biennium results from the yearly audit opinion as required under IPSAS. There would be no increase in the fee for each second year of the assignment.

For the separate audit opinions that have to be expressed for APOC, IARC, ICC, UNAIDS and UNITAID we estimate four months per year for the additional financial audit of all these entities, resulting in:

Work months per year	Fee for 2012 (USD)	Fee for 2013 (USD)	Fee for 2014 (USD)	Fee for 2015 (USD)
4	49 000	49 000	49 980	49 980

For the financial and performance audit of WHO, its regional offices and the audit of the five non-consolidated entities our estimate, including all costs that would be charged to WHO on the basis of the current appointment, totals:

Work months per year	Fee for 2012 (USD)	Fee for 2013 (USD)	Fee for 2014 (USD)	Fee for 2015 (USD)
54	539 000	539 000	549 780	549 780

We would like to point out that all work we undertake at the Bundesrechnungshof would be free of charge. We only ask for reimbursement for those work months that are delivered at WHO. All additional audit time required is not taken into account. This includes:

- drafts of reports and evaluation of answers
- evaluation of documents drawn from WHO's web site
- the preparation of field missions
- preparation of audit plans, concept papers
- the External Auditor's and his staff's presence in meetings with governing bodies
- Staff training.

We estimate the **additional time required in our Headquarters at approximately 20 work months**. Should more audit efforts be necessary in the process of the implementation of IPSAS and WHO's Global Management System, we would not require extra payment.

As we could not establish a reliable estimate of the work month required for the non-consolidated entities we estimated the time presumably needed for the certification of the accounts of these entities to 4 work months on the spot. In case we need more time for this exercise we will do the extra work without additional pay.

Our focus on value for money audits requires higher efforts and increases the costs of the audit slightly. In return, WHO would receive analyses which show synergies and often generate saving on a short term.

## ANNEX 4

### GHANA

#### SUMMARY OF THE AUDIT APPROACH

##### **Audit approach, procedures and standards**

1. The audit approach shall be risk based, objective driven and control oriented. Thrust areas to be covered would include Cash Management, Budgetary Control, Contracts and Procurement, Travel, personnel and Payroll, Projects Execution, Trust Funds and Special Accounts, Expendable and Non-Expendable Property Control and Governance Matters.
2. The audit shall be conducted in conformity with International Public Sector Auditing Standards (IPSAS) and generally accepted common auditing standards, subject to any special direction of the Assembly, in accordance with WHO Financial Regulations.
3. In carrying out my audit I would comment on significant issues such as credibility of the budget, comprehensiveness and transparency, policy based budgeting, predictability and control in budget execution, accounting, recording and reporting in my report to the Assembly.
4. The basic principles and considerations outlined in public financial management framework worldwide would be applied to WHO objectives, programmes and activities, as may be desirable, taking also into account decisions and policies of the Health Assembly. This would include issues of credibility, comprehensiveness and transparency of budgets and fiscal risk, predictability and control in budget execution, recording, accounting and reporting of the information produced for decision making and management control.
5. A study of the relationships with Regional and Field Offices as well as associated bodies and how their activities impact on and enhance the goals and objectives of WHO would be undertaken and appropriate comments made on their relevance. Selection of activities to be audited and their prioritization would be by budget size, by audit risk and by complexity of operations, by sensitivity and materiality; and by decision of WHO governing body's policy or priority areas.

##### **Planning and preparation**

6. During this stage, we shall undertake activities to confirm the scope of our engagement which would enable us to properly reconfirm the engagement content. The activities will mainly include the following:
7. We will hold an entrance conference with the Director-General. During this meeting, we will:
  - (a) discuss in its entirety how we intend to conduct the audit;
  - (b) obtain the views of the Director-General regarding any experiences they wish to share with us or any areas of importance they will like us to pay more attention to (even though we shall retain ultimate responsibility for our work);
  - (c) discuss communication protocols, deliverables, key milestones and timelines;

8. The team leader will discuss role assignments with our proposed team members through a debriefing and how their roles link to the commitments made to WHO.

(a) As part of the Pre-audit steps, we will review the relevant documents considered necessary to perform the audit:

- (i) WHO Financial Regulations and Financial Rules;
- (ii) Approved Budget and Financial Statements;
- (iii) Copies of significant contracts and agreements, including performance contracts;
- (iv) WHO organizational charts;
- (v) Internal audit reports for the period under review and the immediately preceding period;
- (vi) Any executive guidelines and administrative instructions;
- (vii) Minutes of meetings of Health Assembly, Executive Board and management committees; and
- (viii) Prior years' audit reports.

### **Strategy and risk assessment**

9. During this stage, we will review all the information obtained during the preceding stage and put the results of our review in the proper context to determine the nature and extent of the various audit procedures we need to carry out to achieve the objectives of the assignment. We will ensure at this stage that appropriate attention is devoted to identifying significant problems and designing audit programmes to adequately address the identified risk factors in a timely manner.

10. We will perform the following activities in this regard:

- (a) identify significant classes of transactions and significant processes that affect the significant accounts and the sources and preparation of information resulting in significant disclosures in the financial statements;
- (b) walkthrough tests to confirm our understanding of the significant processes and also confirm that controls exist to address errors; and
- (c) gain an understanding of the general IT controls and confirm this understanding by walkthrough tests to determine whether these controls functioned throughout the audit period to enable us to rely on them and any electronic evidence generated.

11. To make our audit programmes more realistic to what exactly we shall be doing during the executions stage, we shall preliminarily assess inherent risk and control risk to determine the combined risk and summarize the risk assessment for each assertion in the audit documentation. We deem it important to state that as part of the execution stage, we will perform further procedures in developing our conclusions regarding our combined risks assessment.

## **Execution**

12. The key objective of this stage is to ensure that the assignment is executed according to the Terms of Reference which are:§

- (a) expression of opinion on the financial statements of WHO and its agencies, for the biennium ending 2013 and 2015;
- (b) to confirm that accounting records, which provide the basis for the preparation of the financial statements, are established and maintained to reflect the financial transactions of WHO; and
- (c) review and assess the adequacy of internal control systems put in place by the Director-General.

## **Internal controls and accounting records**

13. We shall carry out detailed procedures to build on the work done at the risk assessment stage to evaluate the efficacy and effectiveness of the design and operation of relevant internal control policies and procedures. The major control components to be evaluated include controls relating to the following:

- (a) financial management and reporting;
- (b) asset management;
- (c) cash management and reporting;
- (d) internal audit and programme risks management;
- (e) personnel functions such as salaries and benefits;
- (f) general administration; and
- (g) information systems in as far as they relate to any of the areas mentioned above.

14. We will design tests of controls for all relevant assertions. We will also rely on and apply appropriate procedures such as observation, inspection and in some cases re-performance of the control.

15. In addition to the above procedures, we will review compliance with pertinent terms of agreement and requirements under the financial regulations, rules and other guidelines.

## **Sampling**

16. We will aim to obtain an audit confidence of at least 95% which means a tolerable error rate of at most 5%. To select transactions for detailed testing, we will apply systematic sampling methods to ensure that we cover a sufficient sample of expenditure transactions to enable us to conclude whether:

- (a) expenditure and income figures disclosed in the financial statements are not materially misstated and are exhaustively accounted for;

- (b) goods, works and services procured are in accordance with WHO Financial Regulations and Financial Rules and other appropriate procurement guidelines;
- (c) all necessary supporting documents, records, files and accounts were properly kept; and
- (d) all necessary controls have been carried out in a reasonable period of time.

## **CURRICULUM VITAE<sup>1</sup>**

### **PROPOSAL FOR THE APPOINTMENT OF THE AUDITOR-GENERAL OF THE REPUBLIC OF GHANA AS THE EXTERNAL AUDITOR OF THE WORLD HEALTH ORGANISATION (WHO) FOR THE FINANCIAL PERIODS 2012-2013 AND 2014-2015**

#### **A. Curriculum vitae and details of national and international activities of the Auditor-General of Ghana**

1. The Auditor-General, Mr. Richard Quartei Quartey, was born on 22<sup>nd</sup> December 1954. He joined the Audit Service in 1976 and has served in various capacities and Departments of the Service. He was appointed Deputy Auditor-General in charge of Finance and Administration in 2006. Mr Quartey also acted as Auditor-General from 4th May 2009 and was confirmed as Auditor-General on 2nd August 2010.
2. Mr. Richard Quartei Quartey on entering the Service, worked in the Indebtedness Monitoring Unit, a unit responsible for monitoring business transactions of government. From 1978, he studied at the Institute of Accountancy Training, Accra and later gained admission to the then School of Administration, University of Ghana, to read a two-year Diploma course in Accounting. He later registered with the Institute of Chartered Accountants, (Ghana) and qualified as a Chartered Accountant in 1991.
3. During his 35 years in the public service he has developed very good analytical skills and participated in the formulation of policies and strategic plans of the Audit Service and facilitation of donor support to the Service. For years he has been involved in the facilitation of workshops and seminars for the Service and other government institutions on new trends in auditing. He also represented the

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<sup>1</sup> The material in this section is reproduced as presented by the candidate.



Service on the Accounting Standards Committee of the Institute of Chartered Accountants (Ghana) and served on the Auditor-General's Report Committee for over 15 years. Additionally, Mr Quartey has participated in a number of local and international conferences and workshops for Accountants and Auditors in Ghana, Turkey, Senegal, South Africa, United States, etc.

#### ***United Nations audit experience***

4. Mr. Quartey between 1987 and 2000 carried out audit assignments at the United Nations Headquarters in New York, in the offices of UNICEF, UN Pension Fund and UN Peace Keeping Operations. He also audited the International Criminal Tribunal office in Arusha, Tanzania in 1998, UNHCR in 1987, UNIPAC in Denmark 1989, UNEP/UN Habitat in Kenya in 1991 to 1993 and DPKO in Kuwait in the year 2000.

#### ***Post Auditor-General appointment activities***

5. Since his appointment as the Auditor-General in August 2010, he has ensured the completion of five major reports that were in arrears from 2004-2007 and submitted them to Parliament.

6. Mr. Quartey, as Auditor-General, is the head of the Ghana Audit Service, the members of which assist the Auditor-General in the performance of his work. He is allowed to engage other experts to assist in the performance of his work.

#### ***Appointment***

7. The Auditor-General of Ghana is appointed by the President, acting in consultation with the Council of State, a constitutional advisory body to the President, and the removal provisions relating to judges of the Superior Courts apply to the Auditor-General. There is no fixed duration for the Auditor-General's appointment but he retires at the age of 60. He can be offered a contract for a further 5 years.

8. Under the Constitution, the Auditor-General is responsible for the audit of the accounts of the entire public sector, both service oriented and commercial institutions, including any newly created entity established with public funds. The wide mandate of the Auditor-General therefore covers the public accounts of Ghana and of all public offices, including the courts, the central and local government administrations, of the Universities and public institutions of like nature and of any public corporation or other body or organisation established by an Act of Parliament.
9. The functions, powers and authority of the Office of the Auditor-General have been elaborated upon by the Audit Service Act 2000, Act 584 which, among other things, requires the Auditor-General to undertake variety of audits, including financial, regularity, performance, environmental, forensic and information systems audits.
10. The Auditor-General's auditing work is governed by INTOSAI Code of Ethics and International Standards of Supreme Auditing Institutions (ISSAIs) and those promulgated by the International Federation of Accountants (IFAC)

**PROPOSED AUDIT FEES****Estimates of auditor-work-months per year**

<b>WHO Offices</b>	<b>No. of work-month per year For 2012, 2013, 2014 &amp; 2015</b>
Headquarters	7.5
ICC, UNAIDS, UNITAID, IARC	8
APOC	2
20 Country offices	16
<b>Total</b>	<b>33.5</b>

**AUDIT FEES**

In accordance with our proposal for the audit of WHO, our fee for the biennium 2012–2013 will be US\$ 871 300, that is US\$ 435 650 per year.

## ANNEX 5

### MALAYSIA

#### SUMMARY OF THE AUDIT APPROACH

##### **Audit approach and procedures**

The objective of the audit is essentially to promote and enhance the standard of public accountability by providing information and assurance on the accountability relationship of the World Health Organization (WHO) to the United Nations and its Member States through the proper examination and timely and accurate reporting of accounts and management of WHO funds and resources.

The audit of financial statements involves the attestation of, and reporting on, the financial information contained in WHO financial statements, the African Programme for Onchocerciasis Control (APOC), the International Agency for Research on Cancer (IARC), the International Computing Centre (ICC), Joint United Nations Programme on HIV/AIDS (UNAIDS) and UNITAID. The audit covers an examination of the accounting systems on which the statements are based and the validity of financial transactions entered into. The emphasis on the audit is on gaining a thorough understanding of WHO activities and the internal control system so as to identify potential areas of risk. The assessment processes would provide the basis for planning and directing the audit effort towards those areas which are material in the context of the financial statements and those where the potential for material error or misstatement is greatest. Where appropriate, reliance is placed on information systems by performing compliance testing to minimize the level of substantive testing.

With respect to compliance audit, the purpose is to ascertain whether the provisions of the WHO Constitution, WHO's Financial Regulations and Financial Rules, the International Public Sector Accounting Standards (IPSAS) and any other written law and rules relating to the financial management of the organization subject to the audit have been in all respect complied with. In addition, the audit is carried out to ascertain whether moneys have been applied to the purpose for which they were appropriated or authorized and activities related to such purpose were carried out or managed in an efficient manner with due regard for economy and avoidance of waste or extravagance.

In addition, the NAD audit approach integrates the impact of information systems and the associated internal control system and recognizes that they are vital to the operations of WHO and to the development of the financial statements. During the financial statements audit, IT auditors will review the computer processing environments and systems for the preliminary indication that controls are in place and IT systems are reliable, the IT controls are strong enough for audit to rely on them and to provide feedback on areas of IT management weaknesses and significant IT related risks. The financial statements audits will use computer assisted audit techniques (CAATs) to analyse WHO transactions.

##### **Quality assurance and reporting**

The quality assurance is embodied in the Audit Client Charter, which gives the assurance that the audit will be conducted in a professional manner guided by the internationally accepted auditing standards.

Communication and transparency are key factors in achieving a good outcome from the audit. The NAD has a policy of full communication with WHO at all stages of the audit process. The NAD will

coordinate their work with Internal Audit and Oversight (IAO) to promote efficiency in audit. The NAD proposes to keep the Audit Committee informed of proposed and current audits and to involve the committees in audit activity.

Throughout the course of the audit, progress reports would be provided to WHO detailing the results of the audit work conducted. These reports assist communication and feedback between the NAD and WHO. Audit observations will be issued after the audit has been carried out. Exit conference will be conducted in which the comments and responses of WHO are actively sought. Management letters will be issued to the various Executive Directors or Regional Directors and they will provide a formal response to the NAD recommendations. Every effort is made to achieve a cooperative approach, but this is not at the expense of audit independence; an audit report is an expression of the Auditor-General's independent view. An audit report on WHO financial statements and financial management will be issued as required by Regulation 14.8.

## **CURRICULUM VITAE<sup>1</sup>**

### **2.2 The Auditor-General of Malaysia**

Tan Sri Dato' Setia Ambrin bin Buang joined the public service in 1971 after completed his study in Economics from University of Malaya. In 1981, he received his Masters Degree in International Business from South Carolina University, USA. He started his career in the public service as Assistant Secretary in the Ministry of Trade and Industry from 1971 until 1979. Upon leaving the ministry to further his studies in 1979, he was the Deputy Director of Industry Division. After completing his master's degree, he was appointed as Deputy Director of Small Industry Division.

Tan Sri Dato' Setia Ambrin bin Buang was appointed the Auditor General of Malaysia on 22 February 2006 upon his retirement after having served the Government (Malaysian Civil Service) for over 35 years. Prior to this appointment, he was the Secretary General of the Ministry of Education Malaysia, a post he held since October in 2001. His working career includes experience in the Ministry of Trade and Industry from 1971 to 1982 and was appointed as Deputy Director, Small Scale Industries Division in 1981. He had also served in Malaysian Timber Industry Board from 1982 to 1987, and National Institute of Public Administration from July 1987 to 1991.

Tan Sri Dato' Setia Ambrin has also served at the Malaysian Mission in Tokyo, Japan from 1992 to March 1995 as Head for Economic Affairs and Deputy Head of Mission. He was a Senior General Manager for the Kuala Lumpur International Airport Berhad from April 1995 to February 1999 and the State Secretary of the Selangor State Government from March 1999 to September 2001.

In recognition of his contributions, he was conferred several honours and decorations from the Federal Government such as Panglima Setia Mahkota (PSM) which carries the title TAN SRI (2005), Kesatria Mangku Negara (KMN) in 1990, as well as from State Government of Selangor that is Darjah Paduka Mahkota Selangor (DPMS) which carries the title DATO' in 2000 and conferred decoration from His Royal Highness Sultan of Selangor Darjah Dato' Setia Sultan Sharafuddin Idris Shah (SSIS) which carries the title DATO' SETIA on 11 December 2005.

He has already begun his sixth year as an Auditor-General. Since he became the Auditor-general, he has brought innovative changes such as introducing the Star Rating for measuring the financial management performance of ministry/department/agency and propelling the idea of the National Audit Academy as the course provider under the Malaysia Technical Cooperation Programme. He is pursuing an agenda for the NAD to become a global player in public sector auditing through knowledge and experience sharing. He is very active locally and internationally, participating in conferences, seminars, workshops and meetings.

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<sup>1</sup> The material in this section is reproduced as presented by the candidate.

## PROPOSED AUDIT FEES

### Proposed Audit Budget

#### Estimated Time Requirement

The types of audit to be carried out, the estimated man days and man working months to audit the WHO financial statement for the period 2012–2013 and 2014–2015 including its operations at the headquarters, regional and country offices are as follows:

Types of Audits	Auditor – Man Days	Auditor– Work Months
Interim Audit • Evaluation of Internal Controls	792	36
Final Audit	396	18
Performance Audit	528	24
Finalization and Reporting	308	14
<b>Total</b>	<b>2 024</b>	<b>92</b>

The proposed number of work months to be spent on audit assignments are as follows:

### WORLD HEALTH ORGANIZATION FINANCIAL STATEMENT FOR THE PERIOD 2012–2013 & 2014–2015

TYPES OF AUDITS	WORLD HEALTH ORGANIZATION ACCOUNTS		NON CONSOLIDATED ENTITIES APOC, IARC, ICC, UNAIDS AND UNITAID	
	WITHIN WHO (work months)	BACK STOPPING SERVICES (work months)	REGIONAL COUNTRIES OFFICE (work months)	BACK STOPPING SERVICES (work months)
Interim: Evaluation on Internal Controls	10	8	14	4
Final Audit	12	-	6	-
Performance Audit	20	4	-	-
Finalization and Reporting	2	8	1	3

#### Notes:

Performance Audit: (i) 2 studies on programmes/activities  
(ii) 2 studies on IT related

At the moment, national government accounts are not prepared under IPSAS. The accounts are prepared according to Generally Accepted Accounting Practices which includes Financial Reporting Standards.

### **Proposed Audit Fee**

Based on the assessment of WHO's level of operation at headquarters, including UNAIDS and IARC and its regional/country offices, the proposed audit fee of US\$ 950 000 for biennium 2012–2013 and US\$ 997 500 for biennium 2014–2015. These fees include all traveling and living expenses and other ancillary costs. Office accommodation, telecommunication and photocopying facilities are not included and will be provided by WHO. The 5% increase is proposed after taking into account the annual inflationary rate. It is proposed that a progress claim is forwarded every three months in arrears to WHO for billings. The NAD will resolve with WHO for any unexpected circumstances which warrants additional audit works and budget.



## ANNEX 6

### PHILIPPINES

#### SUMMARY OF THE AUDIT APPROACH

##### **Audit approach, procedures and standards**

##### **Annual audit of WHO financial statements**

##### *Standards governing our auditing work*

In the context of public interest and support to strengthen the worldwide accountancy profession, we adhere to high-quality professional standards. We conduct our audits (i.e. comprehensive audit – financial and compliance and value for money audits) in conformity with: (a) the International Standards on Auditing (ISA); (b) auditing standards of the International Organization of Supreme Audit Institutions (INTOSAI); and (c) such other auditing standards that may be relevant to the audit of WHO, and other benchmarks and best practices for value for money audits.

##### *Risk-based audit approach*

We shall employ the **Risk-Based Audit (RBA)** approach in our audit engagement.

The RBA process framework entails the primary activities carried out in each of the following major process components:

1. *Understanding the operations to identify and prioritize risks*

We shall understand the business of WHO in the context of reviewing its strategy, operations, performance and information framework to identify, source and prioritize the key information and information processing risks that impact the audit of the financial statements, and the management risks associated with the economic, efficient and effective use of WHO resources.

2. *Assessing WHO risk management strategies and controls*

We shall evaluate how WHO management controls the more significant and likely information and information processing risks. The evaluation shall involve the identification of risk controls, evaluation of the control design and recommend measures if the design is ineffective, test the effectiveness of risk controls and recommend measures to improve the risk controls if found ineffective. The assessment of WHO risk controls shall provide a basis for extensive reliance on their risk control processes and developing value added insights on improving those processes. The results shall provide us a higher degree of ongoing assurance on the processes that produce the results reported in the financial statements.

3. *Managing residual audit risk to reduce residual audit risk to an acceptable level*

We shall determine whether WHO's risk control processes are effective in reducing the identified risk to an acceptable level or, to the contrary, if deficiencies exist in those control processes resulting in residual audit risk. We shall evaluate WHO's analyses and actions on risks identified, and perform risk

reduction procedures, inter alia, testing WHO financial transactions or account analyses, testing reconstruction of account activity and balance, and recommend measures for the improvement of WHO's information and information processing systems. Testing of controls shall encompass evaluation of general and applications controls in a computer-based information systems environment.

4. *Communicating value delivered and measuring satisfaction*

We shall prepare and issue the External Auditors' Report (management letter in interim audits and long-form report at the end of the financial year) detailing the results of our audit. The report shall also include the status of implementation of previous audit recommendations and its impact on WHO's objectives, as part of our monitoring and evaluation component of communicating results.

***International Public Sector Accounting Standards***

Our audit approach shall support the WHO's implementation of International Public Sector Accounting Standards (IPSAS) which commences in 2012. The audit shall monitor closely the implementation of IPSAS in the financial reporting process to ensure transparency and relevance of the financial statements produced adopting these new accounting standards.

***Quality assurance***

We shall ensure that audit quality controls are designed, implemented and working effectively. We shall perform an Audit Quality Control Review for every audit visit in accordance with ISA 220 (Quality Control for an Audit of Financial Statements) and adopted by INTOSAI as ISSAI 1220. No auditor's report shall be issued until the completion of the audit quality control review.

The Quality Assurance Checklist adopted by the United Nations Board of Auditors (UNBOA) and thereafter, by us in our audit of international organizations shall, likewise, be implemented as part of the audit methodology in the audit of WHO.

Our audit plans and programmes shall be presented to and reviewed by a technical working group and an Audit Committee composed of senior COA officials. Audit Observation Memoranda shall be reviewed by the Audit Director with the audit execution being monitored closely by the technical working group. Management Letters shall be reviewed by the Audit Director and the technical working group and thereafter, presented to the Audit Committee prior to its release to the audit client.

## *Curriculum Vitaé<sup>1</sup>*

### **REYNALDO A. VILLAR** CHAIRMAN, COMMISSION ON AUDIT Republic of the Philippines

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#### **PERSONAL DATA**

Date of birth - 24 September 1941  
Country of birth - Philippines

#### **PROFESSION**

Lawyer

#### **EDUCATION**

1967 **Bachelor of Laws**  
Ateneo de Manila University  
  
1963 **Bachelor of Arts, Major in Political Science**  
Ateneo de Manila University

#### **PROFESSIONAL EXPERIENCE**

##### **A. National**

##### **Government of the Republic of the Philippines**

2008-present	<b>Chairman</b> Commission on Audit (COA)  <b>Member</b> Multi-Sectoral Anti-Corruption Council Office of the Ombudsman  <b>Member</b> Constitutional Integrity Group
2004-2008	<b>Commissioner, COA</b>

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<sup>1</sup> The material in this section is reproduced as presented by the candidate.

1995-2004	<b>Department Legislative Liaison Officer<sup>1</sup></b> , COA
1989-1995	<b>Human Resource Management Officer V</b> , COA
1988-1989	<b>Staff Officer II</b> , COA
1980-1986	<b>Board Member</b> , Province of Pangasinan
1971	<b>Delegate/Floor Leader</b> Philippine Constitutional Convention
1968	<b>Legal Assistant</b> to the Provincial Governor Province of Pangasinan

**Private Sector**

1982	<b>Professor</b> (College of Law) Ateneo de Manila University
1968-1971 & 1973-1980	<b>Law Practitioner</b>

**B. International**

2008-present	<b>External Auditor</b> Food and Agriculture Organization (FAO) of the United Nations
	<b>Member</b> Panel of External Auditors of the United Nations, the Specialized Agencies, and the International Atomic Energy Agency
(ASOSAI)	<b>Member</b> Asian Organization of Supreme Audit Institutions
Institutions	<b>Member</b> International Organization of Supreme Audit (INTOSAI)
2008	<b>Member</b> United Nations Board of Auditors (UNBOA)

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<sup>1</sup> With the rank of Assistant Commissioner

## PROFESSIONAL MEMBERSHIP

Integrated Bar of the Philippines (IBP)

## HIGHLIGHT OF NATIONAL AND INTERNATIONAL ACTIVITIES

Mr. Reynaldo A. Villar as incumbent COA Chairman provides executive management and overall direction to the organization which continues to make its mark in the accounting and auditing milieu. In performing his assignment, he is supported by the COA Commissioner, Mr. Juanito G. Espino, Jr., a Certified Public Accountant who actively participates, *inter alia*, as Audit Committee Chairman in international audits.

### ***National Activities***

#### *Regular audits*

- Annual financial and compliance audits as well as value for money audits in national, local and corporate agencies nationwide
- Of the 6,680 auditors assigned in the audit sectors, time and resources are allocated as follows:

Type of Audit	Man-months	Percentage Allocated
Financial and compliance	34,736	60 - 70%
Value for money	18,704	30 - 40 %
<b>Total</b>	<b>53,440</b>	<b>100 %</b>

#### *Special audits*

- Value for money audits or performance audits on a government-wide or sector-wide basis by the Special Audits Office which devotes 90 per cent of its resources to these audits and other special audits such as rate, franchise, levy, and subsidy audits.
- Fraud audits based on complaints or requests from stakeholders undertaken by the Fraud Audit and Investigation Office devoting 70 per cent of its resources.

#### *Audit reports*

Annually, the COA issues 13,435 audit reports.

Sector	No. of reports	Issued to
National Government <sup>2</sup>	337	Heads of national government agencies
Corporate Government	125	Heads of corporations/Board of Directors
Local Government	1,788	Local chief executives of provinces, cities and municipalities
	11,099	<i>Punong Barangays</i>
Special Services (SAO)	27	Heads of implementing agencies
Legal Services (FAIO)	59	Heads of agencies
<b>Total</b>	<b>13,435</b>	

### ***International Activities***

- External audit of the FAO (2008-2012)
- External audit of the UN and its funds and programmes (UNBOA, 1984-1993 and 1999-2008)
- Audit of UN Development Programme (UNDP), UN Population Fund (UNFPA) and UN Children's Fund (UNICEF)-assisted projects<sup>3</sup>
- Participation in sessions/meetings/conferences: (a) Panel of External Auditors of the United Nations, the Specialized Agencies, and the International Atomic Energy Agency; (b) INTOSAI; and (c) ASOSAI.
- Provision of resource persons and inputs/comments/information on environment audit; quality assurance on financial and performance audits; audit of privatization; information technology (IT) audit, and other related subjects, through study visits, observation tours, workshops, knowledge sharing and discussions on best practices under INTOSAI and ASOSAI programmes and activities.

<sup>2</sup> The National Government Sector also issues around 2,375 Management Letters yearly.

<sup>3</sup> These audits are contracted by the respective Country Offices in the Philippines. The COA has derived significant audit experience from these audits for 16 years, three years and one year, respectively, as at current date.

## PROPOSED AUDIT FEES

### Proposed Audit Fees for 2012–2015

Based on our assessment of the WHO requirements, we propose audit fees of US\$ 449 000 and US\$ 454 000 per year for the periods 2012–2013 and 2014–2015, respectively. Details are shown in the table below:

Particulars	2012	2013	2014	2015
Daily Subsistence Allowance (DSA)	347 000	347 000	347 000	347 000
Travel and related Costs	82 000	82 000	86 000	86 000
Other Costs	20 000	20 000	21 000	21 000
<b>Total</b>	<b>449 000</b>	<b>449 000</b>	<b>454 000</b>	<b>454 000</b>

The proposed audit fees include mainly costs of daily subsistence allowance, travel, audit briefings/update seminars, attendance to meetings, other ancillary costs and contingencies. The fees do not include the salaries of the audit staff as they are permanent personnel of the Philippine Commission on Audit.

The modest increase in the audit fees for the periods 2014 and 2015 is due to a five (5) per cent mark-up on the 2012–2013 estimates for travel and other costs.

## ANNEX 7

### SPAIN

#### SUMMARY OF THE AUDIT APPROACH

##### **Methodology, audit standards and procedures**

###### ***Methodology***

The audit process will cover the different stages of planning and programming, internal control evaluation, risk analysis, carrying of substantive checks, supervision and reporting.

Our audit approach will accomplish with the Financial rules and other directives and terms of reference and will seek to gain assurance that:

- The system of recording and processing transactions provides an adequate basis for the preparation of financial statements and the effective management of assets and interests;
- There are adequate corporate governance arrangements in place which reflect the three fundamental principles of openness, integrity and accountability;
- The systems of internal control provide an adequate means of preventing or detecting material misstatement, error, fraud or corruption;
- Transactions have been processed and recorded in accordance with statutory and management requirements;
- The financial statements are fairly presented in accordance with accounting policies.
- The management has made proper arrangements for securing value for money in its use of resources;
- The management has properly considered and acted upon all matters of legality.

###### ***Planning, risk analysis and internal control evaluation***

The first stage to elaborate an audit plan shall be developed by identifying the audit universe, performing a risk analysis, and obtaining a wide knowledge relative to controls and governance processes. Flexibility of the plan is necessary in order to respond to the new risk evaluations arising from audit findings. We will consider financial, legal and managerial risks, and additionally others if necessary. Risk factors include aspects like complexity of operations or of their regulation, quality of internal control, management accountability, significant changes in business processes, rapid growth, risk of financial loss, technological risks, etc. The first input that will be obtained will come from the conclusions of the previous Auditor, the Internal Audit Unit and the Senior Management.

The internal control framework established by management is an integral part of our review. Internal control is a process, effected by the management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the categories of effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations. The different perspectives of an internal control system, which are the Control Environment, Risk



Assessment, Control Activities, Information and Communication activities and Monitoring, will be subject to evaluation.

To reach an efficient process it is necessary to keep materiality into perspective (Annex I Financial Rules, paragraph 10). Materiality would include looking at the relative size, complexity and other such stuff of the operations or group of operations.

The planning process shall involve the prioritization risk-based of audit areas (general areas and specific areas or projects outlined by the WHO Health Assembly, if applicable, according to Article 14.5 of the Financial Rules) and the determination of the scope and nature of audit checking at WHO headquarters and in Regional Offices as well as in OPC, IARC, ICC, UNITAID and UNAIDS.

The Audit Plan Memorandum, as a result of the planning process, will show the audit approach and shall define the audit areas, distribute team, establish checking and supervising assignments and determine time schedules for the different activities. For each audit area, which will have been assigned to a team member, it will be defined an Audit Programme containing a detailed list of tests to perform and its extension. The audit programme will specify: the audited area; the concrete objectives to be fulfilled; the detailed checks to be performed; the distribution of responsibilities among the members of the audit team and the time scheduled.

### ***Main audit work***

It will include the *performance of the audit tests* defined in the Audit Programme, the supervision and obtaining results of the audit which will be considered in reporting.

Along the audit works, an adequate level of direction and supervision will be kept to guarantee the correspondence among the objectives, the programme and the checks done. Supervision includes coordination between audit areas, giving instructions to the team members, solving differences in criteria, and evaluating the work done. During the audit we will make efforts to maintain a fluid and permanent communication with the Management of the audited Entity. We also maintain our professional secret and adequate custody of documentation.

### ***Reporting***

The communication of results and findings of audit will be performed through a report, which also may contain recommendations in order to improve information systems, accountability, management, etc. The Final Report will be issued after wide discussion with Senior Management.

### **Audit standards and procedures**

The audit will be carried out under the Auditing Standards of the INTOSAI (ISSAIs); the Common Auditing Standards and Auditing Guidelines issued by the Panel of External Auditors of the United Nations and its Specialized Agencies and the Audit Standards of the International Federation of Accountants. The SAI has developed its own Audit Standards, that cover the principles of the INTOSAI Audit Standards.

Some aspects to be highlighted are:

- The importance of the preliminary tasks and evaluation of internal control to elaborate the Audit Plan and the Programmes.
- Risk-based evaluations in order to determine the audit areas and the nature and extent of checks.

## ANNEX 7

- The permanent direction and supervision along the whole audit process, aimed to guarantee an efficient inter-relation among the checks programmed and the audit targets, as well as the coordination between the different areas.
- Documental support, as well as their correspondence with the programme.
- A constant and fluid communication with the audited Entity.
- A rigorous evaluation process of audit quality is applied.

The audit activity will be conducted by the staff of the Spanish SAI under the principles of impartiality and objectivity, professional capacity, due diligence and professional secret.

The collection of evidence would involve different procedures. The audit team will collect and analyse information through sampling techniques and using procedures such as:

- Meetings with internal audit personnel;
- Analysis of ratios, trends, etc.;
- Interviews and questionnaires with the responsible staff;
- Analysis of previous audit reports;
- Physical inspection;
- Verifying financial records;
- Documental exam.

## **CURRICULUM VITAE<sup>1</sup>**

### **CURRICULUM VITAE OF MR. MANUEL NÚÑEZ PÉREZ,** **PRESIDENT OF THE TRIBUNAL DE CUENTAS (SPANISH SAI)**

**I. PERSONAL DETAILS:** Mr. Núñez was born in Órbigo (Leon), Spain, on 28 October 1933.

#### **II. TRAINING AND COMPETITIVE EXAMINATIONS:**

- Lawyer of the Bar Association of Madrid and a State Civil Servant.
- Law Degree from the University of Oviedo (Spain).

#### **III. PROFESSIONAL DETAILS**

##### **1. At the Spanish Tribunal de Cuentas:**

- Elected Member of the Spanish Tribunal de Cuentas by the Parliament on 30<sup>th</sup> October, 2001. He was appointed, by the Full Session of the Court of Audit, President of the Auditing Section of the Court of Audit and Head of the Audit Department for Regions and Autonomous Cities on 12<sup>th</sup> November, 2001.
- Elected President by the Full Session of the Court of Audit on 12<sup>th</sup> November, 2007; appointed by Royal Decree 1539/2007 of 23<sup>th</sup> November 2007, and designated as such by H.M. the King of Spain.
- As President of the Spanish Court of Audit, Mr. Núñez holds also the position of Secretary General of the European Organisation of Supreme Audit Institutions (EUROSAI). In this capacity, he participates actively in international forums and meetings related to auditing. He develops an intense activity for keeping contacts and communication among EUROSAI members, and supporting the Congress and the Governing Board of the Organisation..
- Mr. Núñez takes part, on regular basis, in the Congresses and activities of the International Organisation of Supreme Audit Institutions (INTOSAI). He also participates in a number of the INTOSAI Committees, Sub-Committees and Task Forces, where the Spanish Supreme Audit Institution is a member.
- Mr. Núñez participates in the Assemblies of the Organisation of Latin-American countries Supreme Audit Institutions (OLACEFS); Institution where the Spanish Tribunal de Cuentas takes part as Adherent Member.
- He keeps permanent international collaboration with a number of Supreme Audit Institutions under international cooperation agreements signed for exchanging knowledge, skills and information, and developing joint audit initiatives in the field of public funds auditing. He is also involved in supporting other\*Supreme Audit Institutions under projects for technical assistance for enhancing capacity building.
- Mr. Núñez is a member of the Contact Committee of Presidents of EU Supreme Audit Institutions; assembly for exchanging experiences related to the auditing of UE funds and promoting the collaboration in the EU context, including the development of joint audit activities.

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<sup>1</sup> The material in this section is reproduced as presented by the candidate.

- He has leaded the external audit of several international organisations and programmes, twinning projects and technical assistances entrusted to the Spanish *Tribunal de Cuentas*.
- He has published several works in the auditing field.

## **2. In the State General Administration and Government:**

Among others, he has held the following positions:

- Director of the Publications Service of the Ministry of Education and Culture (1976).
- Secretary of State for Employment and Work Relations (1980).
- Minister of Health and Consumption (1981-1982).

## **3. At the Parliament**

- Mr. Núñez has been Member of the Parliament (MP) during several legislatures.
- Within his duties as MP, Mr. Núñez took part in the Committees on Rules, Budget, Infrastructure, Public Administration, Justice and Home Affairs, Education and Science, Social Policy and Employment. He held in these committees the positions of President, Secretary or Spokesperson.
- He has participated as a Speaker and Spokesman on numerous organic and ordinary laws.

## **IV MERITS AND HONORS**

- Doctor *Honoris Causa* by the University of San Antonio de Cuzco, Peru
- He holds several decorations, including:

Grand Cross of Charles III.  
Order of Constitutional Merit.

### **SAI's NATIONAL ACTIVITIES**

The *Tribunal de Cuentas of Spain* (SCA) is defined by the Spanish Constitution as the Supreme Audit Institution of the public sector. It conducts its activity independently (SAI, Members, staff and budgetary independence) and impartially. It has and develops two functions:

- **Auditing**: Performs the external/permanent/ex-post audit over public sector (State, Regional and Local Administrations; Social Security, public entities/enterprises).

Audit activity covers legality/compliance/regularity/economy/efficiency/effectiveness of public management. Audit process phases: programming/planning/field-works/findings/submission for auditee's comments/reporting; all in accordance with international audit standards/principles (ISSAIs/IPSAS...).

All audit reports/products (Annual Report/Final Declaration of the General State Account/special reports/motions proposing measures for management improvement) are presented to Parliament. Audit reports incorporate recommendations for good practices and legislative changes when convenient.

- **Jurisdictional**: It is competent for trying for accounting liabilities (in first instance and appeal), searching for recovering mismanaged funds.

### **SAI's INTERNATIONAL ACTIVITIES**

#### **WITHIN EUROPEAN UNION (EU):**

The SCA:

- Supports the European Court of Auditors (ECA) in auditing EU funds managed by Spain (liaison with auditees/observer in ECA's audits/providing experts).
- Acts as a Member of the Contact Committee of Heads of UE SAIs (Assembly for cooperating, fixing common positions and developing joint activities); designates a Liaison Officer (for permanent technical contact); takes part in working groups (Structural Funds/VAT audit/Reports of EU funds/EU Audit Standards) and Experts Networks (Lisbon/Europe 2020 Strategy; Fiscal Policy).
- Participates in Coordinated Audits with other UE SAIs
- Cooperates with Candidate Countries (PHARE) and countries with EU preferential agreements (TACIS): twinning projects (Slovenia/Bulgaria/Romania/Turkey/Morocco), technical assistances (Bulgaria/Lithuania/Poland/Slovak Republic...).

## WITHIN ORGANISATIONS OF SAIs

### **INTOSAI (International Organisation of SAIs):**

The SCA:

- Is an INTOSAI Member, since its constitution (1953)
- Is member of several INTOSAI committees/subcommittees/taskforces (Subcommittees of Financial Audit and Internal Control Standards/Professional Standards and Capacity Building Committee Committees/Task Forces "INTOSAI-Donors for Financing" and "Financial Crisis")

### **EUROSAI (European Organisation of SAIs):**

The SCA:

- Is a Member since its constitution (Madrid, 1990)
- Holds permanently the EUROSAI General Secretariat
- Co-chairs the Training Committee.
- Is member of the Working Groups on IT and Environmental Audit
- Cooperates regularly with INTOSAI and some of its Regional Groups (OLACEFS, ARABOSAI, ASOSAI), with the INTOSAI Initiative Development, SIGMA, ECIIA and other partners

### **OLACEFS (Latin-American and Caribbean Organisation of SAIs)**

- The SCA is an OLACEFS Adherent Member

## BILATERAL COOPERATION AGREEMENTS/TECHNICAL SUPPORT TO SAIs

- Cooperation agreements have been signed with fourteen SAIs. Three more are under preparation.

## SCA: EXTERNAL AUDITOR OF INTERNATIONAL ORGANISATIONS/PROJECTS

***-Already developed:***

- INTOSAI-1989/1991
- Western European Union (WEU-1997/1999)
- European Organization for Nuclear Research (CERN-1998/2002)
- European Molecular Biology Laboratory (EMBL-1998/2000)
- Organisational Review of the Financial Control Office of the European Organisation for the Exploitation of Meteorological Satellites (EUMETSAT), 2010

***- Currently in progress:***

- Audit of the European Fighter Aircraft (NETMA)- EF-2000 PROGRAM
- Member of the Board of Auditors of:
  - \*Organization for Promoting Defence and Weapons Co-operation (OCCAR-EA)
  - \*Financial Mechanisms Military and Defensive Operations of EU (ATHENA)

**OTHER INTERNATIONAL CO-OPERATION PROJECTS of SCA:**

- Support to Latin-American SAIs (training/technical assistance) in the framework of Spanish international cooperation.
- Training on-line provided to civil servants from Latin-America, in cooperation with the Spanish Foundation CEDDET.
- Participation in meetings of other international organisations (Board of Auditors of NATO...)

**PROPOSED AUDIT FEES****AMOUNT OF ANNUAL FEES**

The annual fees amounts to US\$ 460 300, representing a total of US\$ 1 841 200 for all of the financial years 2012–2015, distributed as follow:

World Health Organization (WHO)	403 486
Onchocerciasis Control Programme (OPC)	10 295
International Agency for Research on Cancer (IARC)	11 806
International Computing Centre (ICC)	11 101
UNAIDS	11 806
UNITAID	11 806
<b>TOTAL (\$)</b>	<b>460 300</b>

(1) *Work-months proposed to be spent on audit assignments within WHO (work on behalf of WHO proper/and work on behalf of the separate audits which will be required for the non-consolidated entities) versus the expected number of related months at our home bases.*

The distribution in *work-months* that we propose would be as follows (this information was offered under item “C) Total number of months/auditor per year” of our Proposal):

	<b>On the ground</b>	<b>Madrid Headquarters</b>	<b>TOTAL</b>
WHO Headquarters	11	24	35
WHO Regional Offices	10	22	32
<b>TOTAL WHO</b>	<b>21</b>	<b>46</b>	<b>67</b>
Onchocerciasis Control Programme (OPC)	1	2	3
International Agency for Research on Cancer (IARC)	1	2	3
International Computing Centre (ICC)	1	2	3
UNAIDS	1	2	3
UNITAID	1	2	3
<b>TOTAL</b>	<b>26</b>	<b>56</b>	<b>82</b>



In short, of the offered work-months per financial year -amounting to 82 auditor-months for each of the four years-, a total of 26 months correspond to field work at WHO Headquarters and other Offices of the Organization, as well as each one of the separate audits for the non-consolidated Entities (APOC, IARC, ICC, UNAIDS and UNITAID). Another 56 auditor-months are to be spent at the Spanish Court of Audit Headquarters in Madrid. The distribution for each independent report, and between the Headquarters and other Offices of WHO itself is shown in the chart above.

In development of the chart above, further information is offered, in the chart below (connected to the information offered in our Proposal under item E) “*indication of the schedule of information requests*”), specifying the number of auditors and the tentative time-schedule of works on the ground, ***calculated in weeks***, within WHO and the non-consolidated Entities Headquarters and Offices. In order to conciliate the information of both charts, we have considered that each month is made of four and a half weeks, with a total of 117 auditor/week:

<b>Field work</b>	<b>Number of weeks</b>	<b>Number of auditors</b>	<b>Auditors-Weeks</b>
Preliminary works on the ground in Geneva	1	11	11
Internal control Checks on the ground in Geneva	2	10	20
Field work at WHO Headquarters in Geneva	5	5	25
Field work at WHO Delegation for Europe in Copenhagen	2	4	8
Field work at WHO Eastern Mediterranean Regional Office in Cairo	2	5	10
Field work at WHO Regional Office for South-East Asia, in New Delhi	2	4	8
Field work at WHO Regional Office for the Western Pacific, in Manila.	2	3	6
Coordinated work with Panamerican Health Organization’s Auditor, in Washington.	1	2	2
Field work in African places of Regional Office for Africa.	2	4	8
<b>TOTAL AUDITOR-WEEKS ON THE GROUND WHO</b>			<b>98</b>

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<b>Field work</b>	<b>Number of weeks</b>	<b>Number of auditors</b>	<b>Auditors-Weeks</b>
Field work at Onchocerciasis Control Programme Headquarters in Ouagadougou	1	3	3
Field work at International Agency for Research in Cancer Headquarters in Lyon	1	4	4
Field work at ICC Headquarters in Geneva	1	4	4
Field work at UNAIDS Headquarters in Geneva	1	4	4
Field work at UNITAID Headquarters in Geneva	1	4	4
<b>TOTAL AUDITOR-WEEKS ON THE GROUND</b>			<b>117</b>

## ANNEX 8

## SUMMARY TABLE OF NOMINATIONS WITH PROPOSED AUDIT FEES

Nominating country	Name and title of nominated candidate	Number of auditing months per annum for WHO <sup>1</sup>	Number of auditing months per annum for the associated entities <sup>1</sup>	Proposed yearly audit fees for WHO (US\$; rounded figures)	Proposed yearly audit fees for the associated entities (US\$; rounded figures)	Total audit fees proposed over the appointment period 2012–2015 (US\$)
France	Mr Didier Migaud, President, Cour des Comptes	20	16	287 170	126 223	1 652 000
Germany	Prof. Dr Dieter Engels, President, German Supreme Audit Institution	50	4	490 000 (2012–2013) 499 800 (2014–2015)	49 000 (2012–2013) 49 980 (2014–2015)	2 187 560
Ghana	Mr Richard Quartei Quartei, Auditor-General of Ghana	23.5	10	305 650	130 000	1 742 600
Malaysia	Mr Tan Sri Dato' Setia Ambrin Buang, Auditor-General of Malaysia	Not provided	Not provided (total of 92 months)	475 000 (2012–2013) 498 750 (2014–2015) including unconsolidated entities		1 947 500
Philippines	Mr Reynaldo A. Villar, Chairman, Philippine Commission on Audit (COA)	Not provided	Not provided (total of 36 months)	449 000 (2012–2013) 454 000 (2014–2015) including unconsolidated entities		1 806 000
Spain	Mr Manuel Núñez Pérez, President, Court of Audit (Tribunal de Cuentas)	67	15	376 100	84 200	1 841 200

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<sup>1</sup> This includes both on-site work at WHO offices and the related support provided by each national audit office.