



## **Report of the Internal Auditor**

### **Report of the Programme, Budget and Administration Committee of the Executive Board to the Sixty-sixth World Health Assembly**

1. The eighteenth meeting of the Programme, Budget and Administration Committee was held in Geneva on 16 and 17 May 2013 under the chairmanship of Dr Jamal Thabet Nasher (Yemen).<sup>1</sup> The Committee adopted its agenda.<sup>2</sup>
2. Reviewing the report of the Internal Auditor,<sup>3</sup> the Committee expressed its appreciation of the work performed, the clarity of the summaries of the individual audit reports and the usefulness of the content of the report annexes. The Committee recognized the initial efforts under way to strengthen the resources of the Office of Internal Audit and Oversight Services; however, it expressed concern that the function required further strengthening in order to ensure adequate audit coverage, in the context of the Office's expanded activities and recurrent weaknesses in controls.
3. The Committee expressed concern at the shortcomings in compliance with WHO rules and procedures, and urged the Secretariat to continue to strengthen internal controls through the accelerated implementation of the internal control framework, as well as by reinforcing accountability. The Committee noted the Internal Auditor's findings from the "meta-analysis" concerning the main operational risks, the recurring nature of the weaknesses identified in internal controls and the unacceptable level of non-compliance with rules and procedures in a number of common areas. The Committee requested the Secretariat to draw conclusions on the underlying causes and take corrective action.
4. In relation to the reports of investigations, the Committee requested information on the follow-up action that had been taken in terms of staff disciplinary measures and recovery efforts.
5. The Committee sought clarification on the role of the new Compliance, Risk Management and Ethics Office.

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<sup>1</sup> The list of participants is available in document EBPBAC18/DIV./1.

<sup>2</sup> Document EBPBAC18/1.

<sup>3</sup> Document A66/35.

6. In response, the Secretariat reported that senior management was undertaking a holistic review regarding the systemic changes required in order to tackle the recurring weaknesses identified in internal controls and non-compliance with rules and procedures. Additionally, the Secretariat indicated that other measures were already being considered for implementation, such as the rolling-out of existing initiatives in some regions in order to perform comprehensive administrative reviews of country operations; focused training in key areas, introducing Global Management System enhancements; and increased clarity and enforcement of responsibilities of staff, including key positions in country offices (with sanctions for non-compliance). The Secretariat reassured the Committee that disciplinary measures for staff had been taken and actions to recover funds initiated, including involvement of national authorities, as appropriate.

7. The Committee was informed that the new Compliance, Risk Management and Ethics Office was expected to be staffed during the second half of 2013. The new unit would play a key role in working with senior management in related departments at headquarters (e.g. the Office of Internal Oversight Services, the Office of the Legal Counsel, and the General Management cluster), as well as with the regional offices, in order to analyse the root causes of weaknesses, identify solutions and enhance the monitoring of the implementation of improvement initiatives.

## **RECOMMENDATION TO THE HEALTH ASSEMBLY**

8. The Committee, on behalf of the Executive Board, recommended that the Sixty-sixth World Health Assembly note the report of the Internal Auditor.

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