

Report of the Internal Auditor

1. The Office of Internal Oversight Services transmits herewith its annual report for the calendar year 2013 for the information of the World Health Assembly.
2. Rule XII of the Financial Rules – Internal Audit – establishes the mandate of the Office of Internal Oversight Services. Paragraph 112.3(e) of Rule XII requires the Office to submit a summary annual report to the Director-General on its activities, their orientation and scope, and on the implementation status of recommendations. It also states that this report shall be submitted to the Health Assembly, together with any comments deemed necessary.
3. The Office provides independent and objective assurance and advisory services, designed to add value to and improve the Organization's operations. Using a systematic and disciplined approach, it helps the Organization accomplish its objectives by evaluating and improving the effectiveness of processes for risk management, control and governance. It is responsible for conducting investigations of alleged wrongdoing and it implements the Organization's independent evaluation function. The Office is authorized full, free and prompt access to all records, property, personnel, operations and functions within the Organization which, in its opinion, are relevant to the subject matter under review. No limitation was placed on the scope of the work of the Office during 2013.

SCOPE OF WORK

4. The Office views risk as the possibility of an event occurring that will influence the achievement of objectives. It assesses risk in terms of degree of impact and likelihood of occurrence. Methodical consideration of risk guides the Office's prioritization of activities and provides a basis for work planning.
5. The scope of work of the Office is to evaluate whether the framework of processes for risk management, control and governance, as designed and implemented by the Organization's management, was adequate and functioning in a manner so as to achieve WHO's objectives. The Office assessed whether: (a) risks were identified, analysed and mitigated; (b) financial, managerial and operating information was accurate, reliable and timely; (c) staff actions complied with WHO's regulations, rules, policies, standards and procedures; (d) resources were used efficiently and protected adequately; (e) programme objectives were achieved; and (f) the control process fostered quality and continuous improvement.
6. At the conclusion of each assignment, the Office prepared a detailed report and made recommendations to management designed to help manage risk, maintain controls and implement effective governance within the Secretariat. Crucial issues identified during each assignment have been summarized in this report. Annex 1 lists the reports issued by the Office under its 2013 plan of work, along with information on the status of implementation as of 11 March 2014.

7. In the Region of the Americas, the Office relies on the work performed by the Internal Evaluation Services of the Pan American Health Organization for the coverage of risks.

MANAGEMENT OF THE OFFICE

8. The Office conducts its work in accordance with the International Standards for the Professional Practice of Internal Auditing promulgated by the Institute of Internal Auditors and adopted for use throughout the United Nations system.

9. The Office reports directly to the Director-General. In response to the concerns expressed by Member States, the External Auditor and the Independent Expert Oversight Advisory Committee, a two-phase plan to strengthen the Office was approved by the Director-General. One evaluation officer joined the Office at the beginning of 2014 and another position is expected to be filled during the first quarter of 2014. During the same period, two financial auditors will also be recruited. In addition, the Office advertised two positions that had become vacant, namely, coordinator of investigations and an auditor. The recruitment of two performance auditors is planned for the second half of 2014.

10. Available human resources are assigned in accordance with the priorities of the Office. High-risk situations developing unpredictably may divert human resources away from initial priorities. Accordingly, the Office prioritizes scheduled work and then adjusts the schedule in order to compensate for any unexpected assignments. The Office also provides support to other entities (for example, the Joint United Nations Programme on HIV/AIDS, the International Computing Centre, and certain partnerships, such as the International Drug Purchasing Facility) on a reimbursable cost basis.

11. The budget of the Office is distributed between human resources, travel, consultancies and operating supplies, with a view to fulfilling the mandate of the Office. During 2013, the Office covered all its activity expenses with the available funding. Continuing efforts to reduce travel costs included efficiency measures and desk reviews of activities in other countries that were conducted from headquarters, using information available through the Global Management System and supporting documentation uploaded to the Records Management System.

12. The Office maintains regular contact with the Organization's External Auditor in order to coordinate audit work and avoid overlap in coverage. The Office provides the External Auditor with a copy of all internal audit reports. The Office also provides copies of internal audit reports to the Independent Expert Oversight Advisory Committee and attends the Committee's meetings in order to maintain an open dialogue with its Members, and to implement their guidance and recommendations.

AUDITS

Operational audits at the Global Service Centre

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

14. **Accounts payable at the Global Service Centre.** The audit found that the internal controls for the processing of accounts payable transactions in the accounts payable unit appeared to be adequately designed and operating in a way that mitigated key risks and ensured the integrity, accuracy and

completeness of accounts payable data and payments made. Recommendations were made for improving, as well as increasing the number of post-facto checks performed on travel claims submitted by staff members, in order to strengthen existing quality checks on invoice processing, and to enhance the maintenance of the supplier master data.

15. Global Human Resources at the Global Service Centre. The audit found that the internal controls in place for the processing of human resources transactions in the Global Human Resources unit at the Global Service Centre were not adequately designed or operating effectively to ensure the integrity, accuracy and completeness of data entered in the Global Management System. The latter, as implemented, has few automated data validations that use the in-built functionality to check, validate or reject data input during the processing of transactions. The manual and quality check processes in place were found to be insufficient to compensate for the lack of system validations and effective work flow. The audit identified other areas of weakness in internal controls, namely, failure to ensure timely revocation of access rights to the Global Management System; incomplete recoveries of mobility and non-removal allowances; insufficient timeliness of the verification of dependents; lack of audit trails; and errors in auxiliary systems. Such weaknesses increased the risk of inaccurate data on human resources, as well as of fraud, incorrect payments to staff members, non-recovery of amounts owed by staff members at the time of separation, and unauthorized changes in entitlements. However, the testing performed did not indicate actual systemic errors resulting in incorrect payments, except in the case of the special operations living allowance, which was only applicable to certain staff in specific locations.

16. Procurement at the Global Service Centre. The audit concluded that the specific control processes and procedures in place in the global procurement and logistics unit at the Global Service Centre provided only partial assurance of value for money for the Organization and did not provide adequate assurance that effective and efficient procurement processes had taken place. This was partly attributable to the inherent design of the controls under which the processing teams focus on the verification of the existence and completeness of key supporting documentation rather than on the review of the procurement content for validity and suitability. In the context of decentralized procurement, the processes were performed mostly outside the Global Management System. Within the Global Management System, the majority of users were able to initiate procurement requests that were approved through the project approval hierarchy, based on value. However, the Organization had not set any training prerequisites to ensure that all staff involved had an accurate and detailed grasp of the process requirements. If it were properly resourced, the global procurement and logistics unit, as a point of centralized processing, would be able to ensure compliance and consistency with WHO rules and regulations and exercise adequate internal control. In its current form, teams in charge of global contracts were not involved in major procurement cases, decreasing opportunities to achieve economies of scale and the optimal use of global contracts.

Operational audits at country and regional offices

17. Country Office, Islamabad, Pakistan. The audit showed that some controls had been strengthened since the last operational review in 2008, in particular, in the area of procurement. However, the Office still rated the overall effectiveness of internal controls in the areas of administration and finance as unsatisfactory. An effective direct disbursement mechanism has been developed for paying poliomyelitis workers directly through two banks. However, for direct financial cooperation activities processed through other channels, there is neither a comprehensive tool to track advances that have not been accounted for, nor an effective mechanism to validate documentation supporting statements of expenditure relating to cash advances made to staff members for programme implementation. The Office had already identified the same weaknesses in 2008, which had resulted in

a financial waiver of US\$ 1.9 million for statements of expenditure deemed to be missing for the period 1998–2007. Furthermore, there is no comprehensive tool to monitor adherence to donor reporting requirements, and financial information included in management reports prepared by technical units is not systematically reviewed by finance staff, resulting in possible inaccuracies. The fixed assets register was incomplete and inaccurate as a result of inadequate procedures for physical inventory and asset recording, leading to inaccurate financial reporting and possible undetected theft and loss of assets. Finally, although WHO benefits from some tax exemptions under the Convention on the Privileges and Immunities of the Specialized Agencies, the Country Office was paying value added tax on certain categories of expenses, including fuel, utilities and telecommunications, without requesting a refund from the revenue authorities. The Office estimated that, for fuel alone, US\$ 116 467 had been paid in value added tax over the preceding twelve months.

18. **Country Office, N'Djamena, Chad.** While the audit noted improvements in the running of the Country Office since the intra-office self-assessment carried out in 2011, in particular in the areas of procurement of goods and expenditure monitoring, the overall effectiveness of risk management and control processes in the areas of administration and finance remained unsatisfactory and significant work was required. The audit findings noted internal control deficiencies that needed to be rectified in order to reduce residual risks to an acceptable level in the following areas: (a) integrity of managerial information (delays in recording transactions in the Global Management System and lack of adequate supporting documentation for the selection of Special Services Agreement holders); (b) compliance with WHO rules and regulations (non-adherence to procurement procedures as adjudication reports did not appropriately document exceptions, and budgets for direct financial cooperation not fully justified); and (c) safeguarding of assets (significant control weaknesses in handling cash advances to coordinators and consultants at sub-offices, ineffective controls over the existence and valuation of inventory and fixed assets, deficiencies in the monitoring of inventories, and inadequate segregation of duties in the finance and procurement areas – such as staff being assigned incompatible functions). The audit also identified opportunities for operational improvements in the timeliness of travel request approvals.

19. **Country Office, Pyongyang, Democratic People's Republic of Korea.** The audit concluded that the risk management and control processes in the Country Office were unsatisfactory and significant improvements were required. Material control deficiencies were noted which needed to be addressed promptly in the areas of: (a) procurement (lack of control over vendor selection and supplier management and need to document the receipt and handover of goods); (b) direct financial cooperation (inadequate access to monitor the effectiveness of programme implementation and lack of detailed budgets); and (c) eImprest (functions not properly segregated and supporting documentation not adequately checked).

20. **Country Office, Conakry, Guinea.** The audit concluded that the risk management and control processes in the Country Office were unsatisfactory and required significant improvement. Deficiencies in control procedures that needed to be rectified included: (a) lack of timeliness in the recording of transactions in the Global Management System; (b) failure to upload required documents consistently to the Records Management System and to ensure the suitability of supporting documentation for direct financial cooperation; (c) failures in ensuring that requests for direct financial cooperation are based on adequate detailed budgets; (d) failures in segregating functions in the eImprest area; (e) failures in documenting the receipt and handover of goods; and (f) the need to take action to implement recommendations in order to achieve minimum operating security standards. The audit also identified opportunities for improving the timeliness of dealing with travel requests.

21. **Country Office, Addis Ababa, Ethiopia.** The audit found that, overall, the effectiveness of risk management and control processes in the areas of administration and finance was unsatisfactory.

Deficiencies in control procedures with an unacceptable level of residual risk needed to be rectified, in particular: technical reports for direct financial cooperation activities were not consistently obtained and detailed budgets were not consistently available; and the selection of Special Services Agreement holders for less than six months was not carried out through a competitive process and background checks were not obtained. In addition, WHO regulations relating to procurement were not consistently adhered to during bidding and in adjudication procedures and flaws in the vehicle rental bidding procedure and the related contract documents were identified. Further, eImprest purchase orders, including for the salary payments of Special Services Agreements holders, were not consistently supported by detailed budgets or recorded in a timely manner. Duties in the areas of finance, procurement and fixed assets were not properly segregated, which increased the risk of potential fraud, mismanagement, errors and other irregularities. No documentation was available on the latest physical verification of fixed assets and the fixed assets register had not been kept up to date. The functions of receiving, maintaining and recording information technology equipment in the fixed assets records were not properly segregated. Lastly, the audit noted a disconnect between the Global Management System work-flow approvals and the actual (hardcopy-based) approval process at the Country Office, which increased the workload and exacerbated inefficiencies in the approval process.

22. **Regional Office for South-East Asia.** The audit found that except for the items summarized below, the controls implemented to mitigate the key risks in the division of administration and finance relating to compliance with rules and regulations, reliability and integrity of financial information, safeguarding of assets and efficiency and economy in the use of resources, had been generally effective. In the context of centralized processing within the Global Service Centre, the audit focused specifically on assessing the roles and responsibilities of the Regional Office in monitoring and controlling transactions and in providing administrative support to country offices. The assessment reviewed the respective roles and responsibilities of the division of administration and finance, including the newly established compliance unit and the functions supported by the Global Service Centre, and concluded that they should be further clarified in order to enhance the effectiveness of controls, in particular, in relation to procurement of goods and services, and monitoring and assurance activities under direct financial cooperation. The audit showed that records on the delegation of authority from the Regional Director to department directors had not been updated since 2006 and there was therefore no evidence of functions having been delegated to directors in key areas such as procurement of goods, duty travel, consultancy and recruitment of temporary international professional staff. Additionally, the Global Management System work-flow approval levels did not consistently reflect the level of delegation of authority to department directors and WHO country representatives. The audit recognized that the Regional Office had begun to identify the main risks in the division of administration and finance through the use of a risk register, although it had not yet been finalized and operationalized. The audit also found that the recruitment of temporary international professional staff through the roster mechanism was not conducted in accordance with the Regional Office guidelines, and, therefore, failed to ensure that the best candidates were selected. Assurance activities relating to direct financial cooperation had not been consistently carried out and there were contractual partners with overdue technical and financial reports. Therefore, the Regional Office needed to provide further guidance and support to country offices on such assurance activities. It should also enhance its procedures for monitoring the performance of local suppliers. The audit concluded that the roles and responsibilities of the newly established compliance unit needed clarification, to include an enhanced role in implementing controls addressing systemic issues instead of the current practice of conducting post-facto checks.

Operational audits using desk reviews

23. Operational audits using desk reviews were also carried out in headquarters instead of on site, using data from the Global Management System and supporting documentation obtained through the Records Management System. Details are given below of the audit findings for each country office relating to the overall effectiveness of risk management and control processes in the areas of administration and finance. The information provided covers significant weaknesses noted in internal control procedures in the following areas:

- (a) integrity of managerial information in relation to the recording of transactions in the Global Management System and the adequacy of the supporting documentation;
- (b) compliance with WHO rules and regulations;
- (c) safeguarding of assets, including appropriate segregation of functions and duties; and
- (d) efficient use of resources.

24. **Country Office, Dakar, Senegal.** The audit found that, overall, the effectiveness of risk management and control processes in the areas of administration and finance was partially satisfactory. Several deficiencies in control procedures that posed unacceptable levels of residual risk were noted relating to: lack of independent review of statements of expenditures connected with direct financial cooperation; late approval of service purchase orders in the Global Management System; division of purchase orders into multiple transactions to circumvent the delegated purchasing authority; inappropriate use of age as a selection criterion for recruitment and failure to systematically check references; lack of evidence of reviews of deliverables relating to direct financial cooperation having been carried out; absence of a formal mechanism to ensure that unused direct financial cooperation funds are returned to WHO; and insufficient segregation of duties in the eImprest function.

25. **Country Office, Cotonou, Benin.** The audit concluded that, overall, the effectiveness of risk management and control processes in the areas of administration and finance was unsatisfactory. Several deficiencies in control procedures that posed an unacceptable level of residual risk were noted in direct financial cooperation processes. These were: lack of independent review statements on expenditures; lack of evidence of strict budget reviews; incomplete supporting documentation in the Records Management System; funds committed without a signed agreement; lack of evidence of reviews of activity deliverables; payments to partners with overdue reports; and absence of a formal mechanism to ensure that unused direct financial cooperation funds are returned to WHO.

26. **Country Office, Ashgabat, Turkmenistan.** The audit found that, overall, the effectiveness of the risk management and control processes in the areas of administration and finance was partially satisfactory. Deficiencies in control procedures posing a high level of residual risk were noted in relation to: adjudication reports for procurement of services; documentation of deliverables by contractors; and the safeguarding of electronic data using proper back-up storage.

27. **Country Office, Freetown, Sierra Leone.** The audit found that, overall, the effectiveness of the risk management and control processes in the areas of administration and finance was unsatisfactory. Deficiencies in control procedures carrying a high level of residual risk were noted in connection with: the monitoring of use of in-kind contributions associated with direct financial cooperation; the preparation of eImprest bank reconciliations and clearing of old reconciling items; the

submission of duty travel supporting documents; and the prevention of per-diem overpayments to individual contractors for services.

28. **Country Office, Bangkok, Thailand.** The audit disclosed a reasonable level of assurance that, overall, controls were satisfactory to mitigate major risks to an acceptable level of residual risk. However, some deficiencies in control procedures were noted in relation to: the timeliness of processing actions connected with recruitment reference checks, leave and absence recording; the lack of appropriate adjudication reports for Agreements for Performance of Work; insufficient accountability reporting on direct financial cooperation; and inadequate segregation of petty cash functions. The audit also identified opportunities for improvement in the timeliness of the processing of travel requests.

29. **Country Office, Minsk, Belarus.** The audit found that, overall, the effectiveness of risk management and control processes in the areas of administration and finance areas was satisfactory. Deficiencies in control procedures that needed to be rectified were related to: a lack of monitoring to ensure that appropriate deliverables for work performed under service contracts are received; failure to ensure that Agreements for Performance of Work and requests for direct financial cooperation are supported by appropriate adjudication reports and detailed budgets; and the lack of systematic electronic data back-up procedures.

30. **Country Office, Tashkent, Uzbekistan.** In 2013, the audit noted evidence of improvements in the effectiveness of internal controls in the Country Office compared with 2012. However, the overall effectiveness of risk management and control processes in the areas of administration and finance remained partially satisfactory. Deficiencies in control procedures that need to be rectified related to: insufficient segregation of duties in eImprest function and electronic data back-up procedures; inadequate availability of supporting documentation, including in the recruitment process for Special Services Agreements; and the splitting up of transactions to circumvent delegation of authority limits.

31. **Country Office, Apia, Samoa.** The audit concluded that, overall, the effectiveness of risk management and control procedures in the areas of administration and finance areas was partially satisfactory and significant improvements were required. Deficiencies in control procedures that needed to be rectified related to: insufficient monitoring to ensure that deliverables for work performed under direct financial cooperation were received; failure to ensure that requests for direct financial cooperation were supported by correct, detailed budgets; incomplete adjudication reports for contract awards; and the absence of a transparent selection process for both suppliers and Special Services Agreements.

32. **Country Office, Ulaanbaatar, Mongolia.** The audit found that, overall, the effectiveness of the risk management and control processes in the areas of administration and finance was partially satisfactory. Deficiencies in control procedures with a high level of residual risk needed to be rectified, namely: failure to provide documentary evidence justifying why the competitive selection process had not been adhered to and background checks had not been obtained in the recruitment of national professional officers and general service staff; failure to follow procurement procedures, as evidenced by inconsistencies in the availability of requests for quotations; failure to ensure that staff had sufficient background experience to enable them to adhere strictly to procurement requirements; failure to prepare comparative tables in a consistent manner; and failure to provide detailed budgets for direct financial cooperation activities. Limited resources prevented a proper segregation of duties in the areas of finance and procurement as the same staff member was assigned to process eImprest transactions, handle cash and cheques, prepare bank reconciliations, collect and analyse invitations to bid, receive and request goods and services, and perform physical verification and recording items in

the inventory. The travel regime also needed improvement as requests were approved less than 10 days before departure date.

33. **Country Office, Chisinau, Republic of Moldova.** The audit concluded that, overall, the effectiveness of the risk management and control processes in the areas of administration and finance areas was satisfactory. Most of the controls tested were operating effectively, but those that were not carried a high level of residual risk. Deficiencies in control procedures which needed to be rectified related to failures in ensuring adequate support in the selection processes for Special Services Agreements; that the correct procedures for processing requests for direct financial cooperation were followed and the related documentation uploaded to the Records Management System; and that electronic data back-up procedures protected electronic data through proper back-up storage.

34. **Country Office, Bujumbura, Burundi.** The audit found that, overall, risk management and control procedures in the areas of administration and finance were partially satisfactory. Deficiencies in control procedures with a high level of residual risk and therefore in need of rectifying included: deficiencies in the provision of adequate supporting documentation for eImprest purchase orders; lack of evidence of independent review of statements of expenditure for direct financial cooperation and training activities; insufficient segregation of duties in the eImprest function; incomplete review of Global Management System access rights and the work-flow approval process; and gaps in the fixed assets register. The Country Office should also strengthen its monitoring mechanism for tracking advances paid to staff, as well as the process of documenting the annual physical verification of fixed assets. It should also conduct a periodic review of performance and update the list of preferred suppliers.

35. **Country Office Antananarivo, Madagascar.** The audit found that, overall, the risk management and control processes in the areas of administration and finance were partially satisfactory. There were deficiencies in control procedures that caused a high level of residual risk and were in need of rectification as a priority. These included controls to ensure the integrity of managerial information and the safeguarding of assets. In particular, technical and financial reports for direct financial cooperation activities were not consistently obtained and there was no evidence that they had been reviewed; spot-checks were not carried out by the Country Office on the quality of supporting documentation for direct financial cooperation financial reports; and the selection of Special Services Agreement holders did not follow a competitive process and background checks and educational certificates were not consistently obtained. The audit also found that duties in the area of finance were not properly segregated, no documentation was available on the latest physical verification of fixed assets, and the fixed assets register had not been kept up to date. The functions of receiving, maintaining and recording information technology equipment in the fixed assets register were not properly segregated.

Integrated audits

36. The objective of integrated audits is to assess: the performance of WHO at country level in the achievement of results as stated in the country workplan; the contribution of WHO towards improving health outcomes in the country; and the operational capacity of the country office to support the achievement of results.

37. **Country Office, Hanoi, Viet Nam.** The audit concluded that the overall performance of WHO in Viet Nam is above average when compared to other country offices that had been audited using a common assessment methodology. The Country Office team was found to be achieving the expected results as stated in its workplan and to be involving other partners in the process. Partners recognized

and appreciated WHO's contribution towards achieving health outcomes. The profile of the Country Office team with respect to WHO core functions was perceived to be appropriate, and the feedback from the Ministry of Health and other interviewed partners was judged to be highly satisfactory. The strategic positioning of WHO and its collaborative agenda with Viet Nam were found to be well adapted to the needs of the country and based on a thorough dialogue with national and external partners. WHO's collaborative agenda is integrated in the United Nations One Plan and is aligned with national processes. The mechanisms of collaboration are adequate with respect to the country's absorption capacity, in particular at the central policy level. However, in order to strengthen the implementation and monitoring of health policies, WHO needed to clarify its strategy and collaborative agenda for its work at the subnational level before the end of 2013. The financial implementation of the 2010–2011 and the 2012–2013 workplans was found to be adequate despite a five-month delay in the government approval process and limited availability of counterparts for implementation of some programmes. The main issues that WHO needed to address in Viet Nam included: (a) the sustainability of its high technical performance in view of the financial situation foreseen for 2014–2015, which will force a reduction in the composition of the technical teams; (b) the provision of support for pilot initiatives to inform policies, while negotiating an exit strategy with national and external partners that will ensure the sustainability of the initiatives; (c) the work at subnational level to foster policy implementation and improvement of health indicators in areas where progress has stagnated; and (d) participation in the United Nations One Plan to ensure a corporate understanding of the challenges of such collaboration. Additionally, the following elements carrying high-level residual risks impeded the overall assessment of WHO's country presence and needed to be mitigated at the corporate level: (a) integration of WHO-wide support into the Viet Nam country workplan; and (b) a more systematic approach to knowledge management and advocacy, as well as resource mobilization. The Country Office's operational capacity is adequate to support the achievement of results. However, there were some compliance issues relating to: the timeliness of processing and approving transactions in the Global Management System; the availability of documentation supporting requests for procurement bids; and the maintenance of the fixed assets register, all of which need greater attention in order to enhance accountability and efficiency. In relation to the sub-office in Ho Chi Minh City, although the audit considered it should continue to be maintained for strategic reasons, its role needed to be reviewed and the WHO presence re-profiled to allow it to support other priority programmes in addition to communicable diseases.

38. **Country Office, Kathmandu, Nepal.** The Office conducted an integrated audit of the Country Office in Nepal in late November 2013. The report is in the process of being finalized, the results will be reported in the 2015 annual report.

Performance audits

39. Performance audits adopt a risk-based approach in order to review the organizational setting and management processes, and focus on the identification of constraints that potentially limit the achievement of results of the workplan.

40. The Office initiated a performance audit of the area of publications at headquarters, the results of which will be reported in the 2015 annual report.

EVALUATION

41. In 2013, the Office continued to work on the establishment of an independent evaluation function at WHO as part of the reform process and the implementation of the evaluation policy, which was approved by the Executive Board in May 2012 and formally issued in mid-October 2012.¹

42. The Global Network on Evaluation (hereafter referred to as “the Network”), which was established in early 2013, comprises 23 representatives at the country, regional, headquarters, and global level, nominated by the regional directors, assistant directors-general and departmental directors. Those focal points were selected from among staff members with monitoring and evaluation responsibilities at different levels of the Organization. The mandate² of the Network is to establish and maintain a mechanism for the institutionalization and promotion of evaluation as a means of improving programme performance and accountability for results at the beneficiary level, through capacity-building, information-sharing, lessons learnt and evidence-based planning. The Network is chaired by the Executive Director of the Office of the Director-General and the Office acts as the secretariat in providing the relevant support.

43. The first meeting of the Network in April 2013 established its operational mechanisms and identified its workplan for 2013. Eleven task forces were set up to deliver the agreed outputs, operating under the coordination of an overall task force, which operated virtually. Owing to operational and cost constraints, all meetings of the task forces were conducted by teleconference. A second meeting took place in December 2013 to identify the workplan for 2014 and the resources needed to further develop the function, practice and utilization of evaluation across WHO. A preliminary draft of the proposed evaluation workplan for 2014–2015 was submitted to the Executive Board in January 2014.³ The final workplan will be presented to the Board at its 135th session in May 2014.

44. The *Evaluation practice handbook* prepared by the Office⁴ was finalized and published in mid-November 2013. It complements the evaluation policy, streamlines evaluation processes by providing step-by-step practical guidance and describing how to use associated tools and methods, and clarifies the roles and responsibilities in the area of evaluation.

45. **Second stage evaluation of WHO reform.** During 2013, the Office supported the conduct of the independent evaluation of WHO reform by an external consulting firm. The report on the second stage evaluation was presented to the Executive Board in January 2014.⁵

46. **Ombudsman function.** During 2013, the Office carried out an evaluation of the ombudsman function across WHO. The objective was to assess the relevance, efficiency and effectiveness of the mandate and operational processes of the ombudsman function, and the extent to which it contributed to institutional-level change. The evaluation concluded that WHO has a strong policy framework to support the ombudsman function. However, action is needed in the context of the review of WHO’s

¹ See document EB131/2012/REC/1, Annex 2.

² Complete terms of reference are available from the Office on request.

³ See document EB134/38, Annex 3.

⁴ http://reliefweb.int/sites/reliefweb.int/files/resources/9789241548687_eng.pdf (accessed 1 April 2014). Copies available from the Office on request.

⁵ See document EB134/39.

internal justice system to ensure that existing policies are operationalized and that the impact of the ombudsman function on organizational culture change is meaningful, in particular by: (a) reinforcing incentives for informal solutions over adversarial processes, developing mediation services and capacity, and harmonizing the terms of reference of the ombudsman function to ensure fair and equal access across WHO; (b) reviewing the global coordination of ombudsman services across WHO and establishing common caseload management processes; (c) enhancing prevention and awareness-raising activities and adopting a more holistic approach towards conflict resolution that entails closer collaboration with its different actors; and (d) improving the reporting of results, trends and related risks in order to produce annual reports that provide meaningful analysis and can be used as a communication tool.

INVESTIGATIONS

47. In 2013, the Office received 21 complaints in relation to allegations of harassment or wrongdoing. Nine cases were closed, either because the issue was not within the scope of the Office or did not require an investigation, or because it was subsequently settled informally. During 2013, five investigation reports were issued and three cases (one of which dated from 2012) were closed through an investigation memorandum. The remaining cases are under review or under investigation.

48. **At headquarters.** The Office investigated a formal complaint encompassing several allegations of harassment against an ex-director at headquarters. The allegations submitted by the complainant included: (i) withdrawal of a specific responsibility; (ii) refusal of a request to conduct a specific mission at a WHO office; (iii) reassignment of the complainant's administrative assistant; (iv) exclusion from meetings relating to the complainant's assigned post; and (v) disregard of the complainant's nomination to an acting function. The investigation corroborated the last two allegations. In accordance with the established procedure, a report was addressed to the Director-General for appropriate action.

49. **At headquarters.** The Office investigated allegations by a technical programme director of fraudulent conduct by a programme coordinator. The allegations included: (i) award of Agreements for Performance of Work to close associates, including full payment of such contracts before completion of the work; (ii) recording of private telephone calls made from a WHO mobile device as official phone calls; (iii) not selecting the most direct route and/or the less expensive tickets for official trips; (iv) failure to fulfil the purpose of an official mission; (v) requesting an official travel authorization for a period significantly longer than the related conference; (vi) claiming a 100% per diem reimbursement for other conferences where accommodation and meals were provided; and (vii) repeated absences from the office without a valid reason. The investigation found that there was insufficient evidence to determine the best value or prevailing market prices for the work awarded under the contracts. In addition to following the sole source method for the procurement process, the coordinator was the only staff member directly engaged in the negotiation of the value of the contracts and the selection of the contractors. With regard to the phone calls, the coordinator expressed a willingness to refund the cost of certain calls identified as private. The remaining allegations were not corroborated by any available evidence. In accordance with the established procedure, a report was addressed to the Director-General for appropriate action.

50. **At headquarters.** The Office investigated a formal claim of harassment. The complainant raised a number of issues relating to hurtful repeated comments, humiliating treatment and attempts by the supervisor to discredit the complainant. The investigation found that the available evidence corroborated some of the complainant's allegations and that the comments in question had caused

distress, but other allegations were not proved. In accordance with the established procedure, a report was addressed to the Director-General for appropriate action.

51. **At a country office.** During an operational audit at a country office, the Office found inconsistencies and discrepancies in two statements of expenditures relating to training activities prepared by a contractor under a Special Services Agreement. As the technical programme concerned had spent more than US\$ 800 000 on training in 2012–2013 the Office decided to further investigate the two statements of expenditure, which amounted to approximately US\$ 7000. The Office found that the contractor, who had received the cash advances, had made unjustified payments. In particular, the contractor had attached fake invoices as supporting documentation. The Office concluded that there was a need to expand the verification process to cover all the 2012–2013 activities for which the staff member had received cash advances for programme implementation and prepared statements of expenditure. In accordance with the established procedure, the report was addressed to the Regional Director for appropriate action. The Office had subsequently been informed that the contract holder had been terminated.

52. **At a country office.** The Office investigated an allegation of fraudulent conduct against two staff members who had reportedly colluded with management staff in three different local hotels. The latter had allegedly submitted inflated quotations and invoices to WHO claiming double value added tax for goods and services supplied to the Organization; and the staff members had allegedly received cash rewards from the three hotels. The complaint material provided limited details, making it difficult for the Office to investigate the allegations fully. An examination of the purchase orders from the three hotels did not find any evidence of value added tax fraud having been committed or any instance of overcharging. No independent evidence was found to support the allegation of collusion between WHO staff and the hotel management staff in order to commit fraud, nor that the staff members received cash rewards from the hotels for contracts with WHO. A full report was sent to the Regional Director, but no further administrative action was recommended.

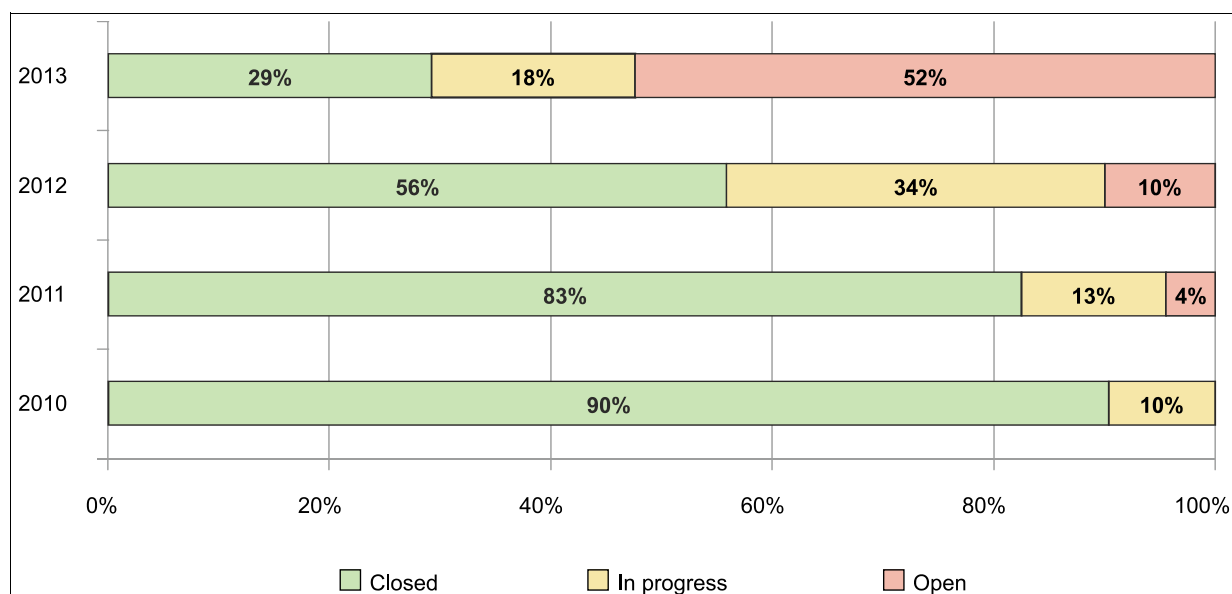
IMPLEMENTATION OF AUDIT RECOMMENDATIONS

53. On a periodic basis, the Office follows up with management on the implementation status of internal audit recommendations. The Office then reports the status of open audit recommendations and on the progress made since the prior reporting period. For the purposes of reporting to Member States, the Office prepares cumulative implementation statistics for all its open recommendations since the date of the Office's last report to the Health Assembly (see Annex 1).

54. The Office has categorized the audit recommendations made in 2013 by audit risk category and significance (see Annex 2). In addition, attention has been focused on monitoring the progress of implementation of high priority recommendations for most open audits, namely, those considered as being highly significant and requiring relatively low level of effort to implement (see Annex 1).

55. Since the previous Health Assembly in May 2013, the Office has received updates on progress of implementation of recommendations. After review of the effectiveness of the progress reported, the Office was able to close 16 audits, as reported in Annex 3(a). At the same time, some audits for which an initial response was due but had not yet been provided at the time of drafting this report, are listed in Annex 3(b).

56. Figure 1 below highlights the cumulative annual and overall implementation rates as at 11 March 2014 for all reports issued since 1 January 2010.

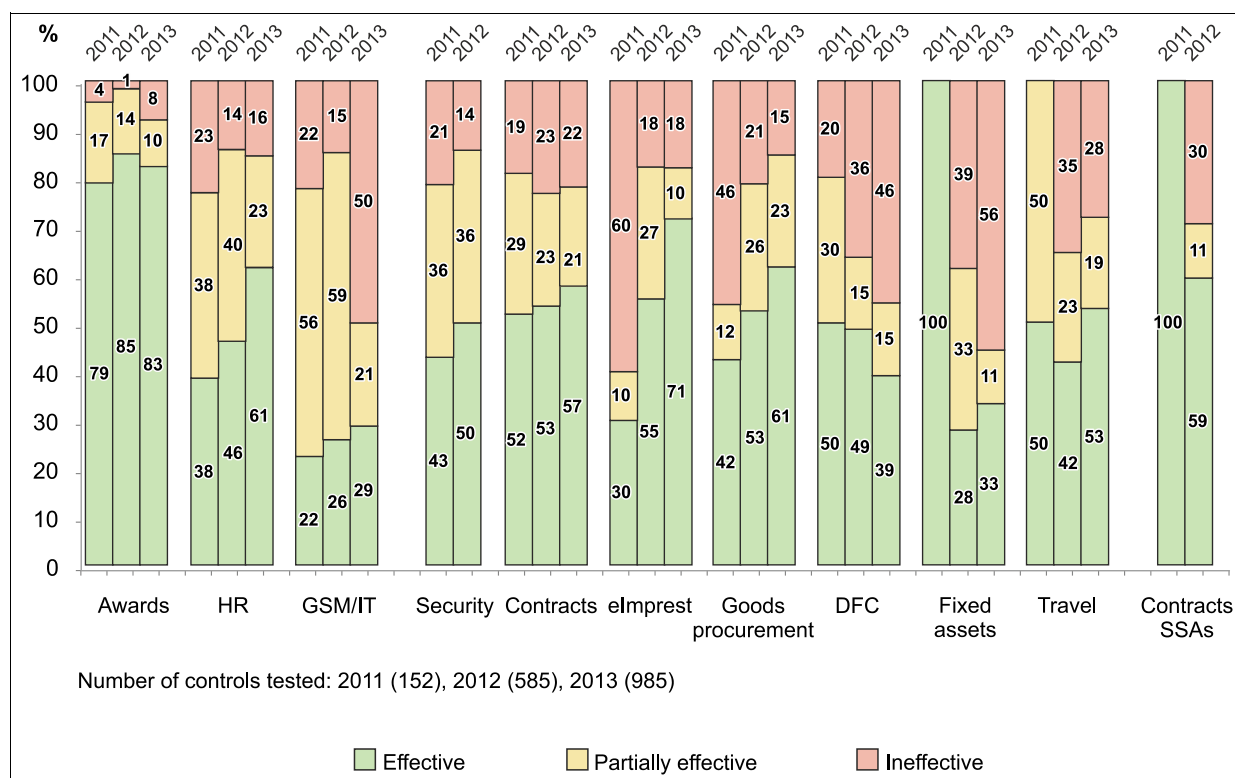
Figure 1. Overall audit recommendation implementation rates, as at 11 March 2014

57. In order to achieve continuity in perspective on specific areas of concern arising from its audit work at country level, the Office updated the “meta-analysis” of the results obtained from 26 country audits conducted in 2011–2013, in order to: (a) demonstrate the trend in compliance with WHO rules and regulations; and (b) highlight the process areas¹ that represent the greatest challenges. In relation to (a), the analysis (see Figure 2) provides a proxy indicator suggesting that the level of “control effectiveness”² has improved during the audit period (there were relative increases in the proportion of effective controls over the period, except for direct financial cooperation activities). However, the disparities in compliance effectiveness in the major process areas mean that further progress is required; the continued high percentage of ineffective controls confirms that the level of residual risk is still significant and that important weaknesses in the internal control environment persist.

¹ For the main testing exercise, internal controls have been grouped under process areas: awards; human resources; Global Management System/ information technology; security; contracts; eImprest; goods; direct financial cooperation; fixed assets; travel; and Special Services Agreements.

² The internal control framework identifies control objectives and control activities which, if implemented and operated effectively, could address the high-level risk considerations identified.

Figure 2. Operating effectiveness of internal controls in country audits, by process area, over time (results of desk audits performed in 2011–2013)



58. The results of a more detailed analysis of the audit findings by process area also demonstrate the need to address the question of why certain countries or certain processes within countries have more effective controls. It is anticipated that the work being carried out to strengthen risk management and the introduction of the new internal control framework should further enhance awareness of internal controls. However, the respective business process owners need to take the lead in further clarifying and enforcing responsibility for individual controls (from an end-to-end process perspective) and in designing enhancements to the Global Management System in order to ensure that sustained levels of operating effectiveness are achieved in the face of recurring, systemic weaknesses across the Organization.

59. With regard to the situation in the Region of the Americas, the Inspector-General of the Office of Internal Oversight and Evaluation Services has confirmed in his 2013 report to the Pan American Sanitary Bureau that “the Pan American Sanitary Bureau’s internal control environment provides reasonable assurance on the accuracy, authorization and timely recording of transactions, assets and liabilities, and on the mitigation of risks to the achievement of the Organization’s objectives”. Based on the findings of its oversight activities in 2013, the Office of Internal Oversight and Evaluation Services has seen a gradual improvement in the Pan American Sanitary Bureau’s internal controls in 2013 and recognizes that management has taken steps to further develop the enterprise risk management process, in particular, by linking it to planning and results-based management activities.

ACTION BY THE HEALTH ASSEMBLY

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

ANNEX 1

STATUS OF OPEN AUDIT RECOMMENDATIONS AS AT 11 MARCH 2014

							Status as at 27 February 2013				Current status as at 27 February 2014					High significance		High priority***		
Audit No.	Audit title	Responsible manager	Date of final report	No. of years since report issue	Latest communication from auditee*	No. of months since last response or report issuance	Number of recommendations	Open	In progress	Closed	Number of recommendations	Open	In progress	Closed	Implementation rate compared to first response due date	Not closed**	In progress	Not closed**	In progress	Comments on changes since previous status report
07/758	GSM Global Service Centre Control Readiness Assessment	ADG/GMG	2008/01	N/A	N/A	N/A	4	0	3	1	N/A	N/A	N/A	N/A	100%	0	0	0	0	Audit closed since previous status report
08/779	Global Insurance Coverage at Headquarters	ADG/GMG	2008/11	5.3	2013/12	2	45	0	31	14	45	0	22	23	51%	7	7	0	0	All recommendations in progress
09/805	Review of WHO's approach to Comptrollership	ADG/GMG	2009/07	N/A	N/A	N/A	31	0	4	27	N/A	N/A	N/A	N/A	100%	0	0	0	0	Audit closed since previous status report
09/808	Management and oversight of the Staff Health Insurance Fund	ADG/GMG	2009/09	4.4	2013/11	3	49	0	17	32	49	0	3	46	94%	1	1	0	0	All recommendations in progress
09/813	WHO Office for Southern Sudan, Juba	RD/EMRO	2009/11	N/A	N/A	N/A	34	0	8	26	N/A	N/A	N/A	N/A	100%	0	0	0	0	Audit closed since previous status report
09/814	Knowledge Management Strategy at WHO headquarters	ADG/IER	2009/11	N/A	N/A	N/A	11	0	1	10	N/A	N/A	N/A	N/A	100%	0	0	0	0	
09/819	Review of controls over selected business processes at the GSC	ADG/GMG	2009/12	N/A	N/A	N/A	62	12	0	50	N/A	N/A	N/A	N/A	100%	0	0	0	0	
10/824	Secretariat of the Global Drug Facility	ADG/HTM	2010/11	3.3	2014/01*	1	50	0	37	13	50	0	37	13	26%	29	29	0	0	IOS awaiting additional supporting documentation for the response
10/829	WHO Country Office, Tehran, Islamic Republic of Iran	RD/EMRO	2010/12	N/A	N/A	N/A	44	0	11	33	N/A	N/A	N/A	N/A	100%	0	0	0	0	Audit closed since previous status report
10/830	Records Management System for the Global Management System	ADG/GMG	2010/08	N/A	N/A	N/A	20	0	2	18	N/A	N/A	N/A	N/A	100%	0	0	0	0	
10/845	WHO Country Office, Yangon, Myanmar	RD/SEARO	2011/01	N/A	N/A	N/A	39	1	0	38	N/A	N/A	N/A	N/A	100%	0	0	0	0	
Audit reports issued during 2011																				
10/846	Travel	ADG/GMG	2011/07	2.6	2014/01	1	34	4	21	9	34	1	19	14	41%	12	12	0	0	Action taken for 3 of previously 4 open recommendations
10/847	Employee Payables and Receivables (Personal Accounts)	ADG/GMG	2011/07	2.7	2013/07	7	32	0	15	17	32	0	12	20	63%	11	11	7	7	All recommendations in progress
10/850	Performance audit of the Department of Nutrition and Health Development at headquarters	ADG/NMH	2011/02	3.0	2013/01	13	25	0	7	18	25	0	7	18	72%	4	4	0	0	
11/852	Performance audit of the Department of Food Safety and Zoonoses at headquarters	ADG/HSE	2011/05	2.8	2013/11	3	32	1	25	6	32	1	7	24	75%	3	3	0	0	No progress for open recommendations
11/858	Review of the internal control environment at the Regional Office for Europe post-GSM go live	RD/EURO	2011/06	N/A	N/A	N/A	11	0	3	8	N/A	N/A	N/A	N/A	100%	0	0	0	0	Audit closed since previous status report
11/860	Integrated audit of WHO in India	RD/SEARO	2011/07	N/A	N/A	N/A	36	19	0	17	N/A	N/A	N/A	N/A	100%	0	0	0	0	

							Status as at 27 February 2013			Current status as at 27 February 2014					High significance		High priority***			
Audit No.	Audit title	Responsible manager	Date of final report	No. of years since report issue	Latest communication from auditee*	No. of months since last response or report issuance	Number of recommendations	Open	In progress	Closed	Number of recommendations	Open	In progress	Closed	Implementation rate compared to first response due date	Not closed**	In progress	Not closed**	In progress	Comments on changes since previous status report
11/861	Special Review of Streptomycin Procurement for the Global Drug Facility	ADG/HTM	2012/01	N/A	N/A	N/A	2	1	1	0	N/A	N/A	N/A	N/A	100%	0	0	0	0	
11/867	Pre-Implementation review of the General Management Cluster Standard Operating Procedures	ADG/GMG	2011/12	2.2	2012/08	19	15	0	2	13	15	0	2	13	87%	2	2	0	0	No new response received from the auditee during the period
Audit reports issued during 2012																				
11/872	Integrated audit of WHO in Angola	RD/AFRO	2012/02	2.0	2014/02	1	32	32	0	0	32	0	9	23	72%	3	3	1	1	All previously open recommendations in progress
11/874	Regional Office for Africa Post-GSM Implementation	RD/AFRO	2012/03	2.0	2013/09	5	46	46	0	0	46	1	11	34	74%	9	8	4	3	Action taken for 45 of previously 46 open recommendations
11/875	WHO Office for West Bank and Gaza, Jerusalem	RD/EMRO	2012/06	N/A	N/A	N/A	51	0	17	34	N/A	N/A	N/A	N/A	100%	0	0	0	0	Audit closed since previous status report
11/878	Review of leave and absence records	ADG/GMG	2012/03	1.9	2013/11	4	5	5	0	0	5	0	3	2	40%	3	3	0	0	All previously open recommendations in progress
11/879	Roll Back Malaria Partnership Secretariat	EXD/RBM	2012/02	2.1	2012/10	16	26	6	0	20	26	6	0	20	77%	2	0	1	0	No new response received from the auditee during the period
12/883	Integrated audit of WHO in Uganda	RD/AFRO	2012/06	N/A	N/A	N/A	32	32	0	0	N/A	N/A	N/A	N/A	100%	0	0	0	0	Audit closed since previous status report
12/884	Review of Declarations of Interests	DG	2012/06	1.7	2013/10	5	21	21	0	0	21	0	15	6	29%	10	10	0	0	All previously open recommendations in progress
12/885	Payroll at the Global Service Centre	ADG/GMG	2012/09	1.5	2013/07	8	25	25	0	0	25	0	16	9	36%	6	6	0	0	
12/891	WHO Country Office, Bangui, Central African Republic	RD/AFRO	2012/07	1.6	2013/04	10	53	53	0	0	53	4	41	8	15%	36	35	17	16	Action taken for 49 of previously 53 open recommendations
12/892	Health Metrics Network	ADG/IER	2012/09	1.5	2013/02	13	16	9	0	7	16	9	0	7	44%	9	0	3	0	No progress for open recommendations
12/893	Internal control environment at the Regional Office for the Eastern Mediterranean post-GSM go live	RD/EMRO	2012/09	1.5	2013/11	3	20	20	0	0	20	0	3	17	85%	3	3	0	0	All previously open recommendations in progress
12/896	WHO Country Office, Dushanbe, Tajikistan	RD/EURO	2012/09	N/A	N/A	N/A	38	38	0	0	N/A	N/A	N/A	N/A	100%	0	0	0	0	Audit closed since previous status report
12/897	WHO Liaison Office for Somalia (located in Nairobi, Kenya)	RD/EMRO	2012/09	1.5	2013/12	2	65	65	0	0	64	6	38	20	31%	28	27	9	8	Action taken for 59 of previously 65 open recommendations
12/898	WHO Country Office, Ankara, Turkey	RD/EURO	2012/11	1.3	2013/12	3	26	26	0	0	26	0	10	16	62%	6	6	2	2	All previously open recommendations in progress
12/903	WHO Country Office, Maputo, Mozambique	RD/AFRO	2012/11	1.3	2013/11	3	52	52	0	0	52	1	22	29	56%	16	15	6	6	Action taken for 51 of previously 52 open recommendations

Audit No.	Audit title	Responsible manager	Date of final report	No. of years since report issue	Latest communication from auditee*	No. of months since last response or report issuance	Number of recommendations	Status as at 27 February 2013			Current status as at 27 February 2014			Implementation rate compared to first response due date	High significance		High priority***		Comments on changes since previous status report	
								Open	In progress	Closed	Number of recommendations	Open	In progress		Closed	Not closed**	In progress	Not closed**		In progress
Audit reports issued during 2013																				
11/882	Intercountry Support for West Africa, Ouagadougou, Burkina Faso	RD/AFRO	2013/01	1.2	Unresponded	14	9	9	0	0	9	9	0	0	0%	7	0	0	0	No initial response received
12/900	Global Human Resources at the Global Service Centre	DG	2013/06	0.8	2013/12	2	N/A	N/A	N/A	N/A	24	0	11	13	54%	5	5	0	0	New audit report
12/902	WHO Country Office, Vientiane, Lao People's Democratic Republic	RD/WPRO	2013/01	N/A	N/A	N/A	28	28	0	0	N/A	N/A	N/A	N/A	100%	0	0	0	0	Audit closed since previous status report
12/904	WHO Country Office, Conakry, Guinea	RD/AFRO	2013/03	1.0	2014/02	0	N/A	N/A	N/A	N/A	25	0	1	24	96%	0	0	0	0	New audit report
12/905	WHO Country Office, Pyongyang, Democratic People's Republic of Korea	RD/SEARO	2013/09	0.5	Not due yet	5	N/A	N/A	N/A	N/A	23	23	0	0	N/A	13	N/A	8	N/A	Not due yet
12/906	Performance audit of the Department of Governing Bodies and External Relations	DG	2013/04	0.9	2014/01	1	N/A	N/A	N/A	N/A	30	4	11	15	50%	8	7	2	2	New audit report
12/907	WHO Country Office, Afghanistan	RD/EMRO	2013/01	1.1	2013/12	3	27	27	0	0	27	0	14	13	48%	13	13	6	6	All previously open recommendations in progress
12/908	WHO Country Office, Monrovia, Liberia	RD/AFRO	2013/01	1.1	2013/12	2	28	28	0	0	28	0	2	26	93%	2	2	0	0	
12/909	Integrated audit of WHO in Viet Nam	RD/WPRO	2013/03	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100%	0	0	0	0	Audit report issued and closed during the reporting period
12/914	WHO Country Office, Bangkok, Thailand	RD/SEARO	2013/03	1.0	2013/12	2	N/A	N/A	N/A	N/A	30	0	22	8	27%	20	20	9	9	New audit report
13/915	WHO Country Office, Bujumbura, Burundi	RD/AFRO	2013/04	0.9	2014/02	0	N/A	N/A	N/A	N/A	35	0	18	17	49%	15	15	7	7	
13/916	WHO Country Office, Minsk, Belarus	RD/EURO	2013/06	0.8	2014/01	2	N/A	N/A	N/A	N/A	17	3	12	2	12%	8	6	1	0	No initial response received
13/919	WHO Country Office, Tashkent, Uzbekistan	RD/EURO	2013/08	0.6	Unresponded	7	N/A	N/A	N/A	N/A	24	24	0	0	0%	19	0	10	0	
13/920	WHO Country Office, Ashgabat, Turkmenistan	RD/EURO	2013/07	0.7	2014/01	2	N/A	N/A	N/A	N/A	14	4	2	8	57%	2	2	1	1	New audit report
13/921	WHO Country Office, Dakar, Senegal	RD/AFRO	2013/06	0.7	2014/01	2	N/A	N/A	N/A	N/A	22	5	4	13	59%	4	2	0	0	
13/923	WHO Country Office, Apia, Samoa	RD/WPRO	2013/08	0.5	2014/02	0	N/A	N/A	N/A	N/A	31	0	11	20	65%	11	11	0	0	Not due yet
13/924	WHO Country Office, Addis Ababa, Ethiopia	RD/AFRO	2013/09	0.4	Not due yet	5	N/A	N/A	N/A	N/A	69	69	0	0	N/A	61	N/A	33	N/A	
13/926	Procurement at the Global Service Centre	ADG/GMG	2013/12	0.2	Not due yet	3	N/A	N/A	N/A	N/A	18	18	0	0	N/A	8	N/A	0	N/A	
13/927	WHO Country Office, Islamabad, Pakistan	RD/EMRO	2013/10	0.4	Not due yet	5	N/A	N/A	N/A	N/A	62	62	0	0	N/A	54	N/A	21	N/A	
13/928	WHO Country Office, Antananarivo, Madagascar	RD/AFRO	2013/10	0.4	Not due yet	4	N/A	N/A	N/A	N/A	43	43	0	0	N/A	28	N/A	17	N/A	Not due yet
13/931	WHO Country Office, N'Djamena, Chad	RD/AFRO	2013/12	0.2	2014/01	2	N/A	N/A	N/A	N/A	65	65	0	0	N/A	30	N/A	11	N/A	New audit report
13/932	WHO Country Office, Cotonou, Benin	RD/AFRO	2013/12	0.2	Not due yet	2	N/A	N/A	N/A	N/A	29	29	0	0	N/A	15	N/A	7	N/A	Not due yet
13/933	WHO Country Office, Freetown, Sierra Leone	RD/AFRO	2013/12	0.2	2014/02	1	N/A	N/A	N/A	N/A	38	16	9	13	N/A	17	N/A	7	N/A	New audit report
13/934	WHO Country Office, Chisinau, Republic of Moldova	RD/EURO	2013/12	0.3	Not due yet	3	N/A	N/A	N/A	N/A	18	18	0	0	N/A	13	N/A	11	N/A	Not due yet
13/936	Operational audit of the ICC Service Level Management and cost allocation and usage reporting processes	DG	2013/10	0.4	Not due yet	5	N/A	N/A	N/A	N/A	23	23	0	0	N/A	N/A	N/A	N/A	N/A	

							Status as at 27 February 2013				Current status as at 27 February 2014					High significance		High priority***		Comments on changes since previous status report
Audit No.	Audit title	Responsible manager	Date of final report	No. of years since report issue	Latest communication from auditee*	No. of months since last response or report issuance	Number of recommendations	Open	In progress	Closed	Number of recommendations	Open	In progress	Closed	Implementation rate compared to first response due date	Not closed**	In progress	Not closed**	In progress	
13/937	Accounts Payable at the Global Service Centre	Director/GSC	2014/01	0.1	Not due yet	1	N/A	N/A	N/A	N/A	14	14	0	0	N/A	3	N/A	1	N/A	
13/938	WHO Country Office, Ulaanbaatar, Mongolia	RD/WPRO	2014/01	0.2	Not due yet	1	N/A	N/A	N/A	N/A	33	33	0	0	N/A	22	N/A	5	N/A	

TOTAL	1176	560	205	411	1419	491	394	534
	47.6%	17.4%	34.9%		34.6%	27.8%	37.6%	

Excluding "Not yet due"	842	233	205	404	1087	159	394	534
	27.7%	24.3%	48.0%		14.6%	36.2%	49.1%	

* Response currently under consideration by the Office of Internal Oversight Services

** Not closed = either open or in progress

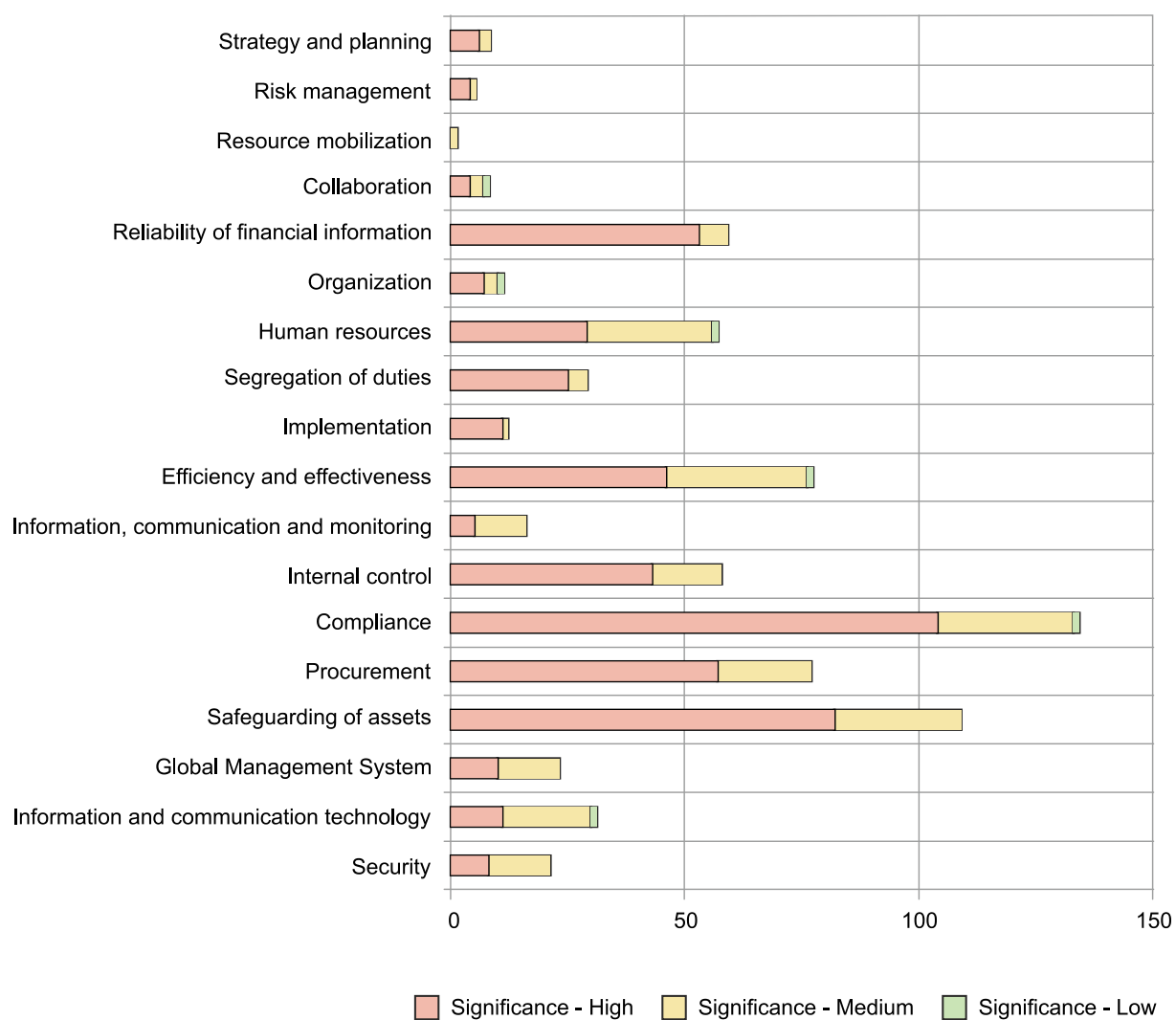
*** High priority = high significance and low implementation effort

Legend. Explanation of conditional formatting

Number of years since report issue: criteria	
0.8	Final report issued less than one year ago
1.1	Final report issued between 1 and 1.3 years ago (1.3 years corresponds to the current average closing time for an IOS audit)
1.3	Final report issued more than 1.3 years ago (i.e. > than the current average closing time for an IOS audit)
Number of months since last response or report issuance: criteria	
4	Latest response received from auditee or final report issued less than or equal to six months ago
9	Latest response received from auditee or final report issued between six and twelve months ago
15	Latest response received from auditee or final report issued more than twelve months ago
Implementation rate compared to first response due date: criteria	
90%	Implementation rate more than 85%
60%	Implementation rate between 50% and 85%
15%	Implementation rate less than 50%
Not closed / high significance: criteria	
N/A	Significance not rated (IOS started to use significance rating consistently from 2010 onwards)
1	One or more recommendations of high significance not closed
0	All recommendations of high significance closed
Not closed / high priority: criteria	
N/A	Implementation effort not rated (IOS started to use implementation effort rating consistently from 2010 onwards)
1	One or more recommendations of high significance and low implementation effort not closed
0	All recommendations of high significance and low implementation effort closed

ANNEX 2

**BREAKDOWN OF AUDIT RECOMMENDATIONS ISSUED IN 2013
BY AUDIT RISK CATEGORIES AND SIGNIFICANCE**



Number of recommendations (n=736)

ANNEX 3

**LIST OF (A) AUDITS CLOSED SINCE JANUARY 2013 AND (B) AUDITS
FOR WHICH THE INITIAL RESPONSE IS DUE
AS AT 11 MARCH 2014**

(A) Audit reports closed since the last report to the Health Assembly¹

Audit no.	Audit title	Date of final report	Closing date
07/758	GSM Global Service Centre Control Readiness Assessment	01/2008	07/2013
09/805	Review of WHO's approach to Comptrollership	07/2009	02/2014
09/813	WHO Office for Southern Sudan, Juba	11/2009	04/2013
09/814	Knowledge Management Strategy at WHO headquarters	11/2009	03/2013
09/819	Review of controls over selected business processes at the GSC	12/2009	10/2013
10/829	WHO Country Office, Tehran, Islamic Republic of Iran	12/2010	04/2013
10/830	Records Management System for the Global Management System	08/2010	10/2013
10/845	WHO Country Office, Yangon, Myanmar	01/2011	05/2013
11/858	Review of the internal control environment at the Regional Office for Europe post-GSM go live	06/2011	05/2013
11/860	Integrated audit of WHO in India	07/2011	03/2013
11/861	Special Review of Streptomycin Procurement for the Global Drug Facility	01/2012	05/2013
11/875	WHO Office for West Bank and Gaza, Jerusalem	06/2012	07/2013
12/883	Integrated audit of WHO in Uganda	06/2012	03/2014
12/896	WHO Country Office, Dushanbe, Tajikistan	09/2012	01/2014
12/902	WHO Country Office, Vientiane, Lao People's Democratic Republic	01/2013	07/2013
12/909	Integrated audit of WHO in Viet Nam	03/2013	01/2014

¹ Document A66/35

**(B) Audits for which the initial response is due and has not yet been received by
the Office of Internal Oversight Services**

Audit no.	Audit title	Responsible manager	Date of final report	Latest communication from auditee	Number of months since last response or report issuance	Number of recommendations	Open	In progress	Closed	Comments on changes since previous status report
11/882	Intercountry Support for West Africa, Ouagadougou, Burkina Faso	RD/AFRO	2013/01	Unresponded	14	9	9	0	0	No initial response received
13/919	WHO Country Office, Tashkent, Uzbekistan	RD/EURO	2013/08		7	24	24	0	0	