

Report of the Internal Auditor

1. The Office of Internal Oversight Services transmits herewith its annual report for the calendar year 2014 for the information of the 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 an 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 to accomplish its objectives by evaluating and improving the effectiveness of processes for risk management, control and governance. The Office is also responsible for conducting investigations of alleged wrongdoing.
4. 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 2014.
5. As part of the reform efforts, in order to further strengthen the work on organizational performance, accountability and learning across the Organization, the Director-General appointed, effective from 1 August 2014, her Representative for Evaluation and Organizational Learning, with responsibility to lead a review of this work. The evaluation function has therefore become a separate unit within the Office of the Director-General that will be responsible for work related to the WHO Evaluation Policy.

OBJECTIVE AND SCOPE OF WORK

6. 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.
7. The objective and scope of work of the Office are to evaluate whether the framework of processes for risk management, control and governance, as designed and implemented by the Organization's management, is adequate and functioning in a manner so as to achieve WHO's objectives. The Office assesses 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.

8. At the conclusion of each assignment, the Office prepares a detailed report and makes 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 2014 plan of work, along with information on the status of implementation as of 9 March 2015.

9. In the Region of the Americas, the Office relies on the work of the Office of Internal Oversight and Evaluation Services of the Pan American Health Organization for the coverage of risk management, control and governance.

MANAGEMENT OF THE OFFICE

10. The Office, which reports directly to the Director-General, 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.

11. In 2014, the Office has continued implementing plans designed to strengthen its capacity, in response to the concerns expressed by Member States, the External Auditor and the Independent Expert Oversight Advisory Committee. In this regard, two financial auditors joined the Office in August 2014 and the vacant post of Coordinator Investigation was filled in January 2015. Furthermore, following the transfer of two positions to the new Evaluation and Organizational Learning unit in 2014, the Office has re-profiled its resource requirements and will recruit two technical officers, a senior auditor and an additional investigator in 2015; also, two vacant posts will be advertised in order to support information technology systems (one operational and one support position).

12. 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. During 2014, the Office also provided support to other entities and certain partnerships (e.g. UNAIDS, the Stop TB Partnership, the International Drug Purchase Facility (UNITAID)).

13. 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 the first year of the biennium 2014–2015, the Office covered all its expenses with the funding available. The Office continued to monitor its expenses closely, maintaining its efforts to reduce travel costs through efficiency measures and by conducting desk reviews at headquarters (using the information available from the Global Management System and the supporting documentation uploaded in the Records Management System).

14. With a view to maximizing internal oversight coverage within available resources, the Office (a) continuously refines its risk assessment model so as to allocate its resources to the highest risk areas; (b) adapts its approaches to desk and operational audits; (c) uses short-form reports for operational compliance audits; and (d) has further developed the use of its audit software system to manage work papers electronically.

15. In relation to the important initiatives to implement Organization-wide risk registers and the internal control self-assessment checklist, the Office recognizes that they are still work in process; however, the Office is already adapting its approach to reporting to stakeholders in line with the model

issued by the Committee of Sponsoring Organizations of the Treadway Commission, which has been adopted by WHO as the basis for its accountability framework. This will permit greater alignment in the reporting of assurance across the “three lines of defence”, from management’s assertions on internal control as part of the first line of defence to internal audit findings as part of the third line of defence. Regarding the risk assessment for 2016, it should be noted that the preparation of the Office’s plan of work for 2016 will be based on the corporate risk register to be produced by the Office of Compliance, Risk Management and Ethics.

16. The Office maintains regular contact with the Organization’s External Auditor in order to coordinate audit work and avoid overlap in coverage, sharing the annual work plan and providing a copy of all internal audit reports. The Office also provides copies of internal audit reports to the Independent Expert Oversight Advisory Committee and participates in the Committee’s meetings in order to maintain an open dialogue with its members and implement their guidance and recommendations. The Office has recently implemented a secure external web-based platform to facilitate remote access by Member States, which can view audit reports on request.

AUDITS

Operational audits

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

Cross-cutting areas

18. **Direct financial cooperation.** Direct financial cooperation is an implementation mechanism for programme delivery which was introduced in 2006,¹ defined as “payments made by the Organization to cover the cost of items or activities that would otherwise be borne by governments, in order to strengthen their health development capacity and ability to participate more effectively in, or to meet their commitments to, WHO technical cooperation at country level.” Direct financial cooperation activities were reviewed in all regions except the Region of the Americas. The audit looked at the mechanism from the perspective of (a) governance, policy and control environment; (b) initiation, processing and recording of transactions; (c) monitoring and reporting; and (d) assurance activities. The overall conclusion was that the control processes and procedures in place in relation to this mechanism were unsatisfactory to mitigate key risks, potentially impeding the achievement of expected results. This situation was mainly due to an unclear determination of roles and responsibilities at the policy level, coupled with insufficient formal screening and assurance activities (pre- and post-implementation) such as risk assessments, on-site reviews and reviews of supporting documentation. The audit also identified the need: to increase clarity about the conditions governing the use of direct financial cooperation, so that it is not used as a generic vehicle for programme implementation; to harmonize the level of minimum assurance procedures required; and to enforce sanctions for continued non-compliance. The audit validated that, subject to improvements in operational controls and explicit integration of the planned use of the arrangement in programme planning as part of the bottom-up operational planning, direct financial cooperation represents a valid

¹ Previously referred to as “local cost subsidies”.

implementation mechanism for WHO. However, Member States share a joint responsibility for accountability for the use of the funds.

19. **Travel.** A global audit of travel was performed with the aim of assessing the effectiveness of internal controls in travel-related processes for approval, compliance, calculation, payment and recovery of travel-related expenditure, and data integrity. Crucial managerial controls exercised over travel were included in the review. The audit found that the overall effectiveness of internal controls in travel-related processes was partially satisfactory. As in previous internal and external audit reports, the current audit concluded that (a) effective internal controls have not yet been implemented to mitigate the significant risks associated with creating and approving travel requests and travel claims; (b) operational governance mechanisms are not in place to oversee and coordinate the end-to-end travel-related processes; (c) approval procedures for travel requests and travel claims are not congruent among offices; (d) internal controls over non-staff travel are weak; and (e) the continuous high level of non-compliance in relation to staff travel (for example, gaps in the completeness of supporting documentation) has not been appropriately tackled. On the other hand, the audit noted improvements in the redesign of the travel request process at headquarters to speed up ticket issuance and secure lower cost tickets; this welcome initiative should be followed by a study to verify whether average ticket prices have been reduced. Also welcomed is the plan that the new document management system (enterprise content management) will include additional systemic checks for the existence of supporting documentation during the submission of travel claims.

On-site audits

20. **Regional Office for the Eastern Mediterranean.** The objective of the audit was to assess the effectiveness of the governance, risk management and control processes in the Regional Office's Division for Administration and Finance. Overall, although improvements were observed when compared to the previous audit conducted in 2011, the controls implemented to mitigate major risks were partially satisfactory. The main issues identified in the control environment were as follows: (a) the delegation of authority had not been updated since 2011; (b) the workflow approval levels in the Global Management System did not consistently ensure an adequate segregation of duties; and (c) declaration of interests by some staff were not up-to-date and/or not submitted. In relation to control activities, it was noted that (a) direct implementation activity reports were not formally reviewed by the Regional Office; (b) assurance measures on direct financial cooperation activities were not consistently performed and technical and financial reports from some contractual partners were overdue; (c) approval from the Regional Contract Review Committee was not systematically obtained; and (d) safeguarding of assets could be strengthened through the completion of the fixed assets register and implementation of local policies and procedures to ensure consistent, safe and efficient management of warehouses in the Region. In relation to the monitoring activities, the creation of the compliance function by the Regional Director in 2014 was seen to have improved the assurance provided by the "second line of defence". The audit also identified several best practices that the Office considers would be beneficial to share with other regional offices, including a compliance dashboard and review of Special Services Agreements. Finally, the audit was not able to conclude on the status of the risk assessment in the Region, as the Office of Compliance, Risk Management and Ethics stated that the process was still work in progress. Feedback from the Regional Office on the draft audit report suggested that, since November 2014, it was actively in the process of implementing, or had already implemented, recommendations in most of the areas despite the complex context in which many of the countries of the Region operate.

21. **Country Office, Kinshasa, Democratic Republic of the Congo.** The objective of the audit was to assess the risk management and control processes applied in the administration and finance areas. The audit concluded that the overall operational effectiveness of internal controls in this area

was unsatisfactory. In this geographically vast and logistically challenging country the existence of several sub-offices and the lack of sufficient monitoring and supervision by the main office contribute to the weaknesses in the control environment. Areas of significant weaknesses with a high residual risk were noted in the following areas: (a) *direct financial cooperation agreements*: contracting procedures were not properly documented; reporting of implementation was in some cases behind schedule with no evidence of systematic and effective follow-up by the main office; there was no indication that budgets were systematically reviewed for reasonableness and deliverables were assessed to ensure conformity of the agreement with the programme objectives; and no formal assurance activities were performed to verify the implementation of the agreement; (b) *fixed assets and warehouse*: related records were found to be incomplete and inaccurate; (c) *travel*: travel requests were not raised in a timely manner, nor were travel claims, which were not supported with appropriate documentation; (d) *procurement*: bidding and supplier selection processes did not comply with WHO eManual requirements and were not adequately documented; the reception and handover of goods as well as receipt for services were not documented to provide evidence that appropriate procedures had been followed; (e) *awards*: award balances were not appropriately monitored to ensure that programme implementation was compliant with the time frame and conditions of the award; (f) *security*: the Country Office did not have in place a comprehensive plan to reach compliance with United Nations Minimum Operating Security Standards; and (g) *expenditure*: there was an inconsistent use of contract types and some expenditure was recorded of expenditures under incorrect expenditure types.

Desk reviews

22. Operational audits were also performed in the form of desk reviews at headquarters (not involving travel on site; see paragraph 13 above).

23. **Centre Support Office at the Global Service Centre.** The Office conducted an audit of the Centre Support Office at the Global Service Centre in Kuala Lumpur, Malaysia. The mission of Centre Support Office is to support the transactional teams and undertake the human resources, administration, budget and infrastructure-related activities in the running of the Global Service Centre. It also coordinates common service delivery and business support activities. The effectiveness of controls in the administration and finance areas of the Centre Support Office was assessed as being unsatisfactory. The following weaknesses were considered to give rise to an unacceptable level of residual risk: (a) there were specific cases of management overriding controls, in a procurement of goods that was approved, despite several critical weaknesses being reported to management, and in a decision on a staff appointment – which sets a negative tone at the top and undermines the control environment, which is the foundation of the WHO internal control framework; and (b) fixed assets were not verified in a systematic and timely manner, and documentation explaining the reasons for the discrepancies between the physical verification and the fixed assets register was not prepared or reported; an inadequate monitoring of fixed assets increases the risks of theft/loss of assets for the Organization and misstatements of financial reporting.

24. **Country Office, Colombo, Sri Lanka.** The audit found that the overall effectiveness of risk management and control processes in the administration and finance areas was partially satisfactory and required improvement. Control deficiencies with a significant level of residual risk that need to be rectified included the following: (a) procurement procedures were not adhered to, as requests for quotations were not consistently available and purchase orders for goods were not always recorded in a timely manner, resulting in financial encumbrances not being up-to-date; (b) the segregation of duties was not adequate in the finance and procurement area, as the same staff members were assigned the functions of processing eImprest transactions, handling cash and cheques, preparing bank reconciliations, as well as being able to access the procurement functionality in the Global

Management System; (c) information recorded for fixed assets was not complete; and (d) information on potential overdue reports for direct financial cooperation – which should have prevented further payments – was not recorded. The audit also found that, as noted in other country offices in the South-East Asia Region, a parallel, paper-based process to review and approve transactions was maintained before they were entered in the Global Management System, which resulted in duplication of approval procedures and a loss of accountability.

25. **Country Office, Cairo, Egypt.** The objective of the audit was to assess the risk and control processes in place in the area of administration and finance. The audit concluded that the operational effectiveness of internal controls was partially satisfactory. Issues with high residual risks requiring the immediate attention of the Country Office related to direct financial cooperation and eImprest processing. The audit found that: (a) agreements for direct financial cooperation were not systematically supported by official requests and there was a lack of evidence that the receipt of final deliverables was monitored effectively; and (b) agreements for performance of work to pay Ministry of Health and Population staff members were split into smaller amounts resulting in the transactions not being subject to the required compliance review by the Regional Office, or approval of the Regional Contract Review Committee or waiver from the Regional Director for exceptional transactions. Other weaknesses requiring timely management attention included a lack of segregation of duties in the eImprest functions and supporting documents for staff travel claims not being systematically uploaded in the Records Management System.

26. **Country Office, Sana'a, Yemen.** The objective of the audit was to assess the risk and control processes in place in the area of administration and finance. The audit rated the overall effectiveness of internal controls in the administration and finance areas of the Country Office as unsatisfactory. This was partially attributable to the difficult operating environment in the country which causes daily challenges for the Country Office's operations. The main areas of weaknesses with a high level of residual risk related to direct financial cooperation, were as follows: (a) the budgets submitted for approval of direct financial cooperation were not aligned with the underlying detailed micro-planning cost estimates, making comparison with actual incurred costs difficult; (b) the extensive use of cash to pay intermediaries for direct financial cooperation activities and monthly salary subsidies, which exposed the Country Office to a risk of misappropriation or theft of cash in transit; and (c) the lack of clear understanding by technical and administrative staff of their roles and responsibilities in the processing of direct financial cooperation. Other weaknesses noted that required timely action by management were: the lack of timely monitoring of the recording of staff members' leave; lack of safeguarding of attractive assets; the failure to update the approval workflow which was not in line with the thresholds of the emergency delegation of authority; inappropriate and excessive use of imprest purchase orders instead of the relevant services purchase orders; and the issuance of travel tickets before final approval of the related travel requests in the Global Management System. It should be noted that changes in certain practices were implemented before the end of the audit on the basis of the recommendations made, such as the formal arrangement with a money transfer service provider to mitigate the risk of cash-in-transit for payments of salary subsidies.

27. **Country Office, Thimphu, Bhutan.** The objective of the audit was to assess the risk and control processes in place in the area of administration and finance. The audit concluded that the operational effectiveness of internal controls was partially satisfactory. Significant weaknesses, involving a high level of residual risk, were noted as follows: (a) lack of adequate review of budget and deliverables to ensure conformity with the programmatic objectives and the work approved in the direct financial cooperation agreements; (b) insufficient monitoring during the implementation process of direct financial cooperation agreements and a lack of spot checks of the original documentation supporting the financial reports received; (c) adjudication reports and checklists for agreements for

performance of work were not complete and did not include essential information for vendor selection; and (d) fellowship programmes were managed as direct financial cooperation.

28. **Country Office, Podgorica, Montenegro.** The objective of the audit was to assess the risk management and control processes in the administration and finance areas. The audit concluded that the overall effectiveness of risk management and control processes was satisfactory. The critical issue with a high level of residual risk requiring the attention of the Country Office's management related to weaknesses in the weighting and ranking of the technical and financial proposals for service contracts, which compromised the integrity and transparency in the procurement process. Additionally, other control deficiencies requiring attention included the timely initiation of the mid-year and year-end review of the Performance Management and Development System, and an inconsistent application of recruitment procedures.

29. **Country Office, Windhoek, Namibia.** The objective of the audit was to assess the risk management and control processes in the administration and finance areas. The audit concluded that the overall effectiveness of risk management and control processes was unsatisfactory. The following significant weaknesses were noted: (a) final payments were made to consultants even though final reports had not been received and finalized; (b) technical and financial reports for direct financial cooperation (as well as direct implementation purchase orders) were overdue and there was no evidence that spot checks were performed or supporting documentation attached; (c) some direct financial cooperation funds were used for a project of a nongovernmental organization, which commenced 11 months after the funds had been disbursed on the basis of the start date stated on the contract; (d) there was an inadequate segregation of duties in the area of eImprest processing; and (e) the eImprest payment limit of US\$ 2500 was not adhered to and no waiver had been sought. Other control deficiencies requiring timely action by management included the following: adjudication reports were not prepared for the procurement of services or were not signed by a responsible official in the requesting unit; and supporting documents were not always uploaded in the Records Management System.

30. **Country Office, Honiara, Solomon Islands.** The Office concluded that the operational effectiveness of internal controls in the administration and finance areas was partially satisfactory. The main areas with high residual risks, requiring management attention were the lack of compliance in the areas of direct financial cooperation, eImprest procedures and procurement of pharmaceutical medical supplies. In August 2012, WHO upgraded its presence in the Solomon Islands from a Country Liaison Office to a WHO Representative Office; however, one the key findings of the audit was that the staffing capacity of the Country Office was still not in alignment with its Human Resources Plan for its status as WHO Representative Office.

Integrated audits

31. The objective of integrated audits is to assess: the performance of WHO at the country level in the achievement of results as stated in the WHO country cooperation strategies and work plans; the contribution of WHO towards improving health outcomes in the countries concerned; and the operational capacity of the country offices to support the achievement of results.

32. **WHO in Kathmandu, Nepal.** The audit assessed the performance of the Country Office in Nepal in the achievement of results as stated in its work plan, its contribution towards improving health outcomes, and the operational capacity in place to support the achievement of results. For the past 10 years, overall development indicators have improved in Nepal, such as the decline in the national poverty line. However, regional, population-related (ethnic and gender), and urban-rural

differences translate into disparities in literacy (especially among women), in nutrition and in the level of access to safe drinking-water and sanitation and challenge the socio-economic development of the country. The overall conclusion of the audit was that performance was partially satisfactory. On the one hand, the programmatic performance of WHO was considered as satisfactory in the context of its organizational setting and in its contribution to improving health outcomes. On the other hand, the operational performance in terms of compliance was unsatisfactory. Specifically, the Office needs to pay urgent attention to several compliance issues in its operations in order to enhance its accountability and efficiency. These issues related to: (a) procurement – in particular the selection of suppliers and submission of requests for bids for procurement; (b) technical quality control and financial assurance of direct financial cooperation; (c) recruitment processes of staff members and holders of Special Services Agreements; (d) management of Global Management System transactions (timeliness of processing and approvals); (e) management of fixed assets (supervision and maintenance of the fixed assets register); and (f) quality control in the selection processes that could constitute a credibility risk for WHO (e.g. participants attending training, which involves travel, contracts with local institutions and the travel agency). The audit also concluded that, from a sustainability perspective, WHO needs to consider the level of investment and, accordingly, should critically review the structure of the Country Office team and reassess how best to support the national Ministry of Health and Population and other partners.

33. Audit reports for the Regional Office for Europe, the Office of the WHO Representative for the South Pacific and Division of Pacific Technical Support in Suva, Fiji, and the Country Office in Abuja, Nigeria were in progress at the time of preparation of this report. It is planned to provide a verbal update on these reports to the Health Assembly.

INVESTIGATIONS

34. In 2014, the Office received 50 reports of concern (compared with 21 in 2013) in relation to allegations of fraud, wrongdoing, corruption or harassment (the latter accounted to 36% of the reports of concern). Seven cases were closed and/or referred to other units after preliminary review because the issue was not under the scope of the Office; one case was closed because there was insufficient detail to justify an investigation; another was closed pending a request from national authorities for a waiver of immunity for the staff members involved; and another case was suspended because the staff member was arrested by local authorities. During the year 2014, altogether 17 investigation reports (some relating to the same case but concerning allegations of a different nature) were issued and six cases were closed (four of which related to allegations received in 2013). The other cases are in progress or have been carried forward to 2015. The following paragraphs provide slightly redacted details of the investigation reports issued by the Office since the last annual report, in 2014.¹ Even though the Office may have completed its investigation, any disciplinary (or other) necessary measures may still be under consideration by the responsible departments/offices.

35. **At headquarters.** The Office of Internal Oversight Services received an allegation of unauthorized disclosure of official and confidential information. It was alleged that, during private meetings preceding official fund-raising meetings with delegates of a Member State, a staff member disclosed information that another staff member was involved in an investigation of fraudulent official travel. Owing to contradictions and the absence of independent corroborative evidence regarding the

¹ Document A67/46.

alleged unauthorized disclosure of official and confidential information, it was not possible to make a reasonable and informed conclusion on the matter.

36. **At headquarters.** The Office received a complaint from a staff member at headquarters concerning allegations of sexual harassment against another staff member who was their direct supervisor. The Office had previously received an informal anonymous report alleging that another individual working on a temporary contract had also been subjected to acts of sexual harassment by the same staff member. After interviews and a review of the limited documentary evidence available, it was concluded that there was insufficient evidence to warrant further investigation into both complaints. However, as a preventive measure, it was recommended that the supervisor in question be reminded of the Policy on the Prevention of Harassment at WHO and of the appropriate ethical behaviour expected from WHO staff members and managers.

37. **At a regional office.** Allegations were received concerning several significant irregularities and suggesting potential fraud in procurement activities processed in a regional office. The investigation determined that a WHO staff member had a private/personal relationship with the owners of two companies, registered as WHO suppliers, from which equipment was bought for more than US\$ 2.1 million. The investigation also determined that the individual involved had influenced bidding procedures and violated WHO's procurement rules to direct business to the two favoured companies. Based on the estimated mark-up on the items procured, the potential financial loss for the Regional Office was estimated at an amount ranging between US\$ 420 000 to US\$ 700 000. Furthermore, the investigation revealed evidence that indicated that the staff member: (a) did not ensure that the same suppliers actually delivered items that had been purchased and paid for, which represented a loss of more than US\$ 17 000; (b) signed, without the relevant delegation of authority, an amendment to an existing contract with another WHO supplier, which led to a financial loss of more than US\$ 47 000 for the Regional Office; and also (c) ordered information technology equipment for about US\$ 800, which was not subsequently recorded in the official inventory records and was for the staff member's personal use. The subject staff member submitted a resignation letter three days after the first interview with the Office's investigator. The Office recommended that appropriate action be taken against the former staff member.

38. **At a regional office.** The Office received information regarding the alleged arrest of a staff member by the customs services of an international airport. The staff member was allegedly arrested upon return from a private trip, and subsequently released on bail, for failing to declare to the customs authorities items of a significant commercial value which exceeded the official allowance established by the country. It was also alleged that the staff member had presented a United Nations Laissez-Passer to the customs officers during the alleged arrest and may have used this document for other personal trips, without the Organization's knowledge or approval. In addition, it was alleged that the staff member failed to inform the Organization of such arrest. When the Organization subsequently received official information about the arrest and requested that the staff member to provide clarification of the related events, the latter denied the allegations. The investigation found evidence to support that the staff member (a) imported items of a significant commercial value in excess of the allowance fixed by the country; (b) did not inform WHO of the arrest by the customs officials, in contravention of WHO Staff Rule 490.4; (c) denied the arrest when WHO requested clarification of the circumstances of the incident; and (d) used the United Nations Laissez-Passer on four separate occasions for personal trips, without the knowledge of and/or prior authorization from the Organization. The matter was referred to the Director-General with the recommendation that disciplinary or other administrative action should be considered against the staff member, as appropriate.

39. **At a country office.** In June 2013, the Office of the Inspector General of a partner organization provided the Office with information regarding a possible procurement fraud implicating a WHO staff member in events that occurred in the period 2009–2010. It was alleged that the WHO staff member had provided advance procurement information to a vendor registered with WHO in exchange for favours, including hotel accommodation and air tickets for personal travel. The investigation found sufficient evidence to support that, in contravention of WHO's rules, the staff member provided advanced procurement information to the vendor, and solicited and accepted personal favours. The staff member has since retired from the Organization; however, potential administrative sanctions against the WHO supplier have been examined by the Organization in consultation with the Office of the Legal Counsel.

40. **At a country office.** The Office received a complaint from a country office staff member reporting allegations of harassment against a supervisor, two other staff members and one ex-staff member.¹ The main complaint alleged deliberate exclusion from a selection interview for a post of National Professional Officer and a series of allegations of subsequent acts of retaliation, including abolition of the complainant's post and refusal by the supervisor to conduct the mandatory performance appraisal. During the investigation, the complainant alleged that such mistreatment was due to the refusal of a sexual proposition by the supervisor and an email sent to inform regional office staff members of such behaviour. In addition, the complainant alleged that a staff member who had been given WHO funds to be used for the procurement of services had not provided evidence that the funds had indeed been spent for official purposes. The investigation did not find evidence to substantiate the allegations made. Three separate investigation reports and a closing memorandum were issued for consideration by the Global Advisory Committee on future actions in harassment complaints.

41. **At a country office.** A mission report was provided to the Office outlining several issues relating to the practices of a country office in the procurement of information technology equipment, conference services and medical services. Regarding the procurement of information technology equipment, it was alleged that the quotations obtained for the purchase of computer laptops, screens, miscellaneous accessories and an office printer were fake. A close examination of the quotation documents provided by the three companies revealed that the contact details were false and that the prices quoted for the requested goods were grossly excessive compared with the WHO catalogue prices for similar equipment. The investigation determined that two of the alleged bidders were not legitimate and that the third bidder, although legitimate, had not issued the quotation provided in its name. The investigation report concluded that the staff member involved in sourcing the bids for this procurement failed to undertake reasonable due diligence to establish the legitimacy of the companies and to verify the prices quoted, thereby causing a financial loss to the Organization. Regarding the procurement of conference services, it was alleged that a programme assistant did not adhere to the requirements for a competitive bidding process. The investigation confirmed that the two staff members involved did not adhere to WHO's procurement requirements in at least three cases. It also found that procurement documentation was not thoroughly reviewed before clearance by the relevant approvers, thus allowing irregularities to remain undetected. Furthermore, it revealed that the programme assistants and the procurement approvers at the country office had not received any specific training in relation to WHO's procurement practices and procedures. Although systemic problems were identified, no evidence was found that the staff members involved in the procurement process had received any direct benefits from the vendors selected. The investigation report recommended that the internal control

¹ The Office conducted investigations for each of the alleged respondents and four separate reports were issued.

weaknesses identified be remedied. The investigation of the allegations made regarding the procurement of medical services was still in process at the time of preparing this report.

42. **At a country office.** The Office was provided with a memorandum sent to the Secretariat by a Member State, to which was attached a complaint letter signed by staff members in a WHO country office. The complaint contained numerous allegations against the Head of the country office, namely not adhering to WHO's rules in relation to the management of the office; not adhering to WHO's rules in the recruitment of fixed-term staff and consultants; unauthorized use of WHO's official vehicles, driver and other staff members for personal purposes; and being often absent from the office, which allegedly contributed to a delay in the finalization of the biennial collaboration agreement with the national health ministry. Additional allegations were raised regarding the spouse of the Head of the office using a WHO official vehicle and signing an official WHO document on behalf of the Head of the office. The allegation that the Head of the office did not adhere to WHO's procedures in the recruitment of staff and the inappropriate absences from the office were not substantiated. Regarding the use of official vehicles, it was found that the Head of the office and close family had used WHO's official vehicles for their personal use on numerous occasions, without the authority from the Regional Office and that the Head of the office had delegated the authority for signature of an official document to an unauthorized, non-WHO staff member. As such, the Head of the office failed to fulfil the obligations of the position and therefore engaged in misconduct. The investigation report will be submitted to the Regional Director for consideration of appropriate action.

43. **At a country office.** A Regional Director requested assistance from the Office regarding potential financial irregularities and serious managerial weaknesses that had been reported following a mission to a country office. The investigation found that the previous WHO Representative had implemented a system for processing and recording both unused travel and direct financial cooperation funds returned after the implementation of field activities, which was contrary to WHO's procedures. This resulted in the incomplete recording and accountability for the unused funds, which were not systematically deposited at the bank. The investigation further indicated that an administrative staff member, who was the custodian of the returned funds: (a) failed to ensure that the unused travel funds were dealt with in an appropriate manner and that proper records were kept of the funds movements; (b) was aware that the unused funds were subsequently used for purposes other than those for which they were intended; (c) was directly involved in the misuse of these funds; (d) was in possession of some of these non-processed funds; and (e) provided the then WHO Representative with unused funds for unknown expenses despite being aware that it was not in accordance with WHO's rules. In the absence of proper records, it was not possible to determine how much of the unused travel funds were provided to the WHO Representative, nor from which mission the funds were taken. There was also no documentary evidence that the WHO Representative had effectively accounted for the use of these funds or repaid the funds provided, and the different versions provided by the administrative staff member of how the repayment was made by the WHO Representative lacked credibility. Other irregularities were found, such as the administrative staff member using single-source procurement on a number of occasions without sufficient justification and receiving favours from a WHO-appointed travel agency. An investigation report was issued to the Regional Director for consideration of disciplinary (or other administrative) action against the two staff members.

44. **At a country office.** The Office received allegations of unauthorized leave (suspected discrepancies in leave recording and frequent absences from the duty station) against the Head of a WHO sub-office. The investigation found sufficient documentary evidence supporting the claim that the staff member was absent from the assigned duty station without appropriate prior approval and that these absences were not recorded accordingly in the Global Management System on eight separate occasions and for a total of 51 days. In relation to these absences, the staff member subsequently

claimed that the absences were due to leave for attendance of family-related health emergencies, and should have been charged to annual leave. The investigation also found documentary evidence that the staff member had used an official WHO mobile telephone for making and receiving calls during days of unauthorized absence from the official duty station (while claiming actual presence), entailing higher communication costs for the Organization through the use of costly mobile roaming services. Finally, it was concluded that the staff member did not maintain timely and accurate leave records for the period under review, while declaring that the Global Management System absence dashboard and leave records were accurate in relation to the request for certification of leave records for the purposes of determining entitlement to danger pay. This had a direct consequence on the staff member's entitlement for danger pay, as the payment is calculated on the basis of presence at the duty station. The investigation report recommended that: (a) the Regional Director determine whether any disciplinary or other administrative proceedings should be applied; (b) financial recovery be initiated for amounts unduly paid; and (c) attendance records in the Global Management System be amended to reflect actual days of presence/absence.

45. **At a country office.** A Regional Director requested assistance from the Office regarding a case of suspected misuse of imprest funds by a staff member of a WHO country office. The investigation found that there had been financial irregularities and potential managerial weaknesses which had been reported to the Regional Office by the Head of the country office following a routine follow-up of outstanding eImprest returns due from the country office. Working with staff members from the Regional Office, the Office determined that the amount of funds misappropriated by the staff member, over a three-month period, was about US\$ 98 000. The Office also noted that the staff member confirmed that she misled the Head of the Country Office as to the reason for approving cheques made out to "Pay in cash" and further found evidence suggesting that the staff member had forged the signature of the Head of the country office on at least 10 cheques. The staff member has since resigned and, on separation, has repaid part of the funds misappropriated through the assignment of the balance of her United Nations Joint Staff Pension Fund "withdrawal settlement" and other terminal entitlements. The Office recommended that the actions of Head of the country office be reviewed to determine whether disciplinary or any other administrative proceedings should be initiated in light of the supervisory responsibilities over the staff member. The Office understands that the Organization is still in negotiation with the financial institution concerned regarding this matter.

IMPLEMENTATION OF AUDIT RECOMMENDATIONS

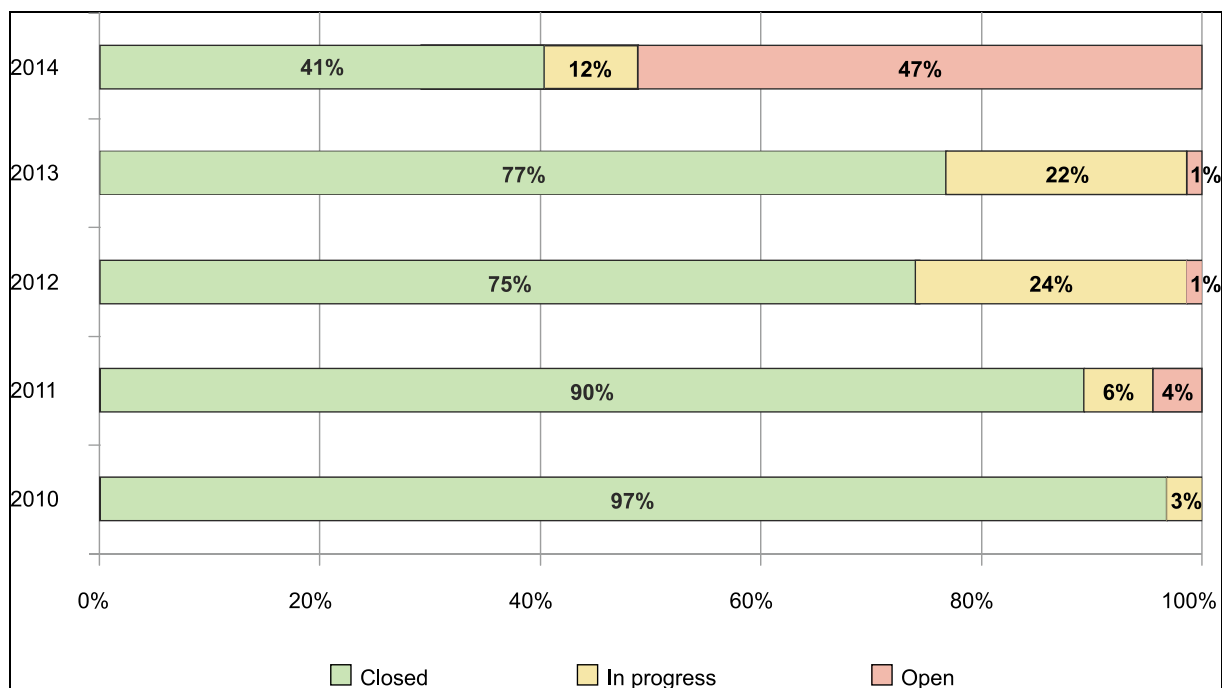
46. On a periodic basis, the Office follows up with management the implementation status of internal audit recommendations. The Office then reports on the status of open audit recommendations and the progress made since the prior reporting period. For the purposes of reporting to Member States, the Office 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).

47. The Office has categorized the audit recommendations made in 2014 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, that is, those considered as being highly significant and that require a relatively low level of effort to implement (see Annex 1).

48. Since the previous Health Assembly, the Office has received updates on the progress of implementation of its recommendations. After review of the effectiveness of the progress reported, the Office was able to close several audits (see Annex 3A). At the same time, certain other audits for which an initial response was due but had not yet been provided at the time of drafting this report are also reported (see Annex 3B).

49. Figure 1 highlights the cumulative annual and overall implementation rates as at 9 March 2015 for all reports issued since 1 January 2010.

Figure 1. Overall audit recommendation implementation rates, as at 9 March 2015



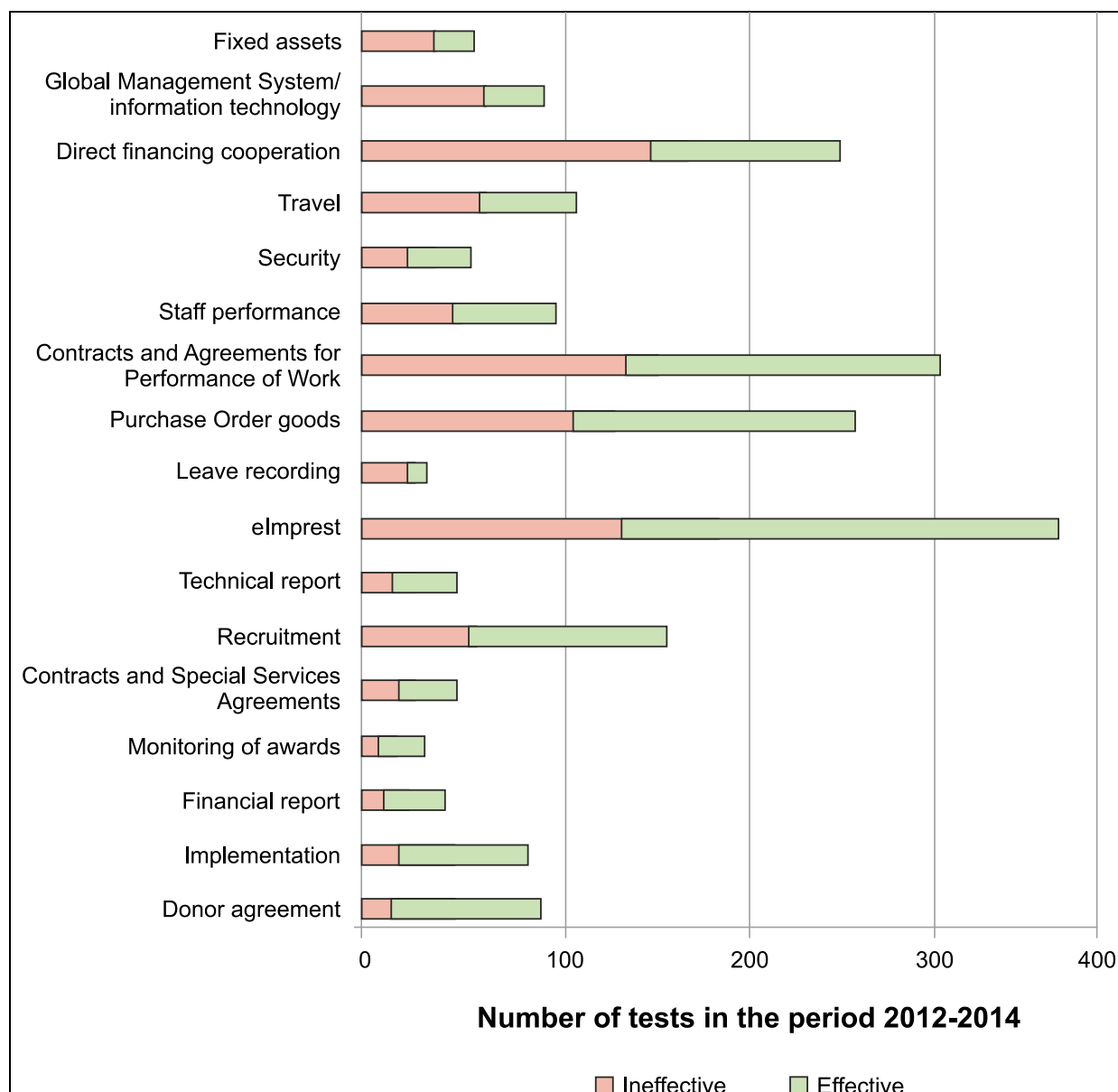
50. In order to achieve continuity in perspective on specific areas of concern arising from its audit work at country level, the Office updated the meta-analysis of the results obtained from the country audits conducted in the period 2012–2014, in order: (a) to demonstrate the trend in compliance with WHO's rules and regulations (see Annex 4); and (b) to highlight the process areas¹ that represent the greatest challenges. In relation to (b), the representation in Figure 2 suggests that the disparities in compliance effectiveness in the major process areas mean that further progress is required, as reflected in the high level of "control ineffectiveness",² and that important weaknesses in the internal control environment persist.

51. The charts contained in Annex 4A and 4B provides a more detailed analysis of the audit findings by process area. These results continue to demonstrate a wide range of compliance effectiveness with WHO's rules and regulations, between the best and worst performing countries as well as in the major process areas. Overall, the processes with less than 50% of the controls operating effectively during 2014 are direct financial cooperation, services procurement (contracts and Agreements for Performance of Work) and fixed assets, with only the areas of Special Services Agreements, and awards and donor reporting approaching acceptable levels.

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 sub-process (results of desk audits performed in 2012–2014)



52. The results of a more detailed analysis of the audit findings by process area also demonstrate the need to answer the question of why certain countries or certain processes within countries have more effective controls. It is expected that the work being done 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), notably in designing and implementing automated controls as integrated enhancements to the Global Management System in the planned transformation project in order to ensure that sustained levels of operating effectiveness are achieved in the face of recurring, systemic weaknesses across the Organization.

REGION OF THE AMERICAS

53. 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 report for 2014 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 2014, the Office of Internal Oversight and Evaluation Services has seen a gradual improvement in the Pan American Sanitary Bureau’s internal controls in 2014 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

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

ANNEX 1

STATUS OF OPEN AUDIT RECOMMENDATIONS AS AT 9 MARCH 2015

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 2014			Number of recommendations	Current status as at 9 March 2015			Implementation rate compared to first response due date	High significance		High priority***		Comments on changes since previous status report (27 February 2014)
								Open	In progress	Closed		Open	In progress	Closed		Not closed**	In progress	Not closed**	In progress	
08/779	Global Insurance Coverage at Headquarters	ADG/GMG	2008/11	6.3	2015/01	2	45	0	22	23	45	0	20	25	56%	6	6	0	0	All recommendations in progress
09/808	Management and oversight of the Staff Health Insurance Fund	ADG/GMG	2009/09	N/A	N/A	N/A	49	0	3	46	N/A	N/A	N/A	N/A	100%	0	0	0	0	Audit closed since previous status report
10/824	Secretariat of the Global Drug Facility	ADG/HTM	2010/11	N/A	N/A	N/A	50	0	37	13	N/A	N/A	N/A	N/A	100%	0	0	0	0	Audit closed since previous status report due to Stop TB Partnership move
Audit reports issued during 2011																				
10/846	Travel	ADG/GMG	2011/07	N/A	N/A	N/A	34	1	19	14	N/A	N/A	N/A	N/A	100%	0	0	0	0	Audit closed since previous status report as it will be superseded IOS report 14/958
10/847	Employee Payables and Receivables (Personal Accounts)	ADG/GMG	2011/07	3.6	2014/12	3	32	0	12	20	32	0	4	28	88%	3	3	2	2	All recommendations in progress
10/850	Performance audit of the Department of Nutrition and Health Development at headquarters	ADG/NMH	2011/02	N/A	N/A	N/A	25	0	7	18	N/A	N/A	N/A	N/A	100%	0	0	0	0	Audit closed since previous status report
11/852	Performance audit of the Department of Food Safety and Zoonoses at headquarters	ADG/HSE	2011/05	3.8	2015/01	2	32	1	7	24	32	0	1	31	97%	1	1	0	0	All previously open recommendations in progress
11/867	Pre-Implementation review of the General Management Cluster Standard Operating Procedures	ADG/GMG	2011/12	3.2	2014/11	4	15	0	2	13	15	0	2	13	87%	2	2	0	0	All recommendations in progress
Audit reports issued during 2012																				
11/872	Integrated audit of WHO in Angola	RD/AFRO	2012/02	3.0	2014/10	5	32	0	9	23	32	0	9	23	72%	3	3	1	1	All recommendations in progress
11/874	Regional Office for Africa Post-GSM Implementation	RD/AFRO	2012/03	2.9	2014/03	12	46	1	11	34	46	0	12	34	74%	9	9	4	4	All previously open recommendations in progress
11/878	Review of leave and absence records	ADG/GMG	2012/03	N/A	N/A	N/A	5	0	3	2	N/A	N/A	N/A	N/A	100%	0	0	0	0	Audit closed since previous status report
11/879	Roll Back Malaria Partnership Secretariat	ADG/HTM	2012/02	3.1	2012/10	29	26	6	0	20	26	6	0	20	77%	2	0	1	0	No new response received from the auditee during the period
12/884	Review of Declarations of Interests	Director/CRE	2012/06	2.7	2013/10	17	21	0	15	6	21	0	15	6	29%	10	10	0	0	All recommendations in progress
12/885	Payroll at the Global Service Centre	ADG/GMG	2012/09	2.5	2014/12	3	25	0	16	9	25	0	8	17	68%	3	3	0	0	All recommendations in progress
12/891	WHO Country Office, Bangui, Central African Republic	RD/AFRO	2012/07	2.6	2014/04	11	53	4	41	8	53	0	34	19	36%	25	25	11	11	All previously open recommendations in progress
12/892	Health Metrics Network	ADG/IER	2012/09	N/A	N/A	N/A	16	9	0	7	N/A	N/A	N/A	N/A	100%	0	0	0	0	Audit closed since previous status report

							Status as at 27 February 2014				Current status as at 9 March 2015					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 (27 February 2014)
12/893	Internal control environment at the Regional Office for the Eastern Mediterranean post-GSM go live	RD/EMRO	2012/09	2.4	2014/03	12	20	0	3	17	20	0	1	19	95%	1	1	0	0	All recommendations in progress
12/897	WHO Liaison Office for Somalia (located in Nairobi, Kenya)	RD/EMRO	2012/09	2.5	2014/12	3	64	6	38	20	64	0	7	57	89%	5	5	0	0	All previously open recommendations in progress
12/898	WHO Country Office, Ankara, Turkey	RD/EURO	2012/11	N/A	N/A	N/A	26	0	10	16	N/A	N/A	N/A	N/A	100%	0	0	0	0	Audit closed since previous status report
12/903	WHO Country Office, Maputo, Mozambique	RD/AFRO	2012/11	N/A	N/A	N/A	52	1	22	29	N/A	N/A	N/A	N/A	100%	0	0	0	0	
Audit reports issued during 2013																				
11/882	Intercountry Support for West Africa, Ouagadougou, Burkina Faso	RD/AFRO	2013/01	2.2	2015/01	2	9	9	0	0	9	0	9	0	0%	7	7	0	0	All previously open recommendations in progress
12/900	Global Human Resources at the Global Service Centre	Director/GSC	2013/06	1.8	2014/11	4	24	0	11	13	24	0	2	22	92%	1	1	0	0	All recommendations in progress
12/904	WHO Country Office, Conakry, Guinea	RD/AFRO	2013/03	N/A	N/A	N/A	25	0	1	24	N/A	N/A	N/A	N/A	100%	0	0	0	0	Audit closed since previous status report
12/905	WHO Country Office, Pyongyang, Democratic People's Republic of Korea	RD/SEARO	2013/09	1.5	2014/11	4	23	23	0	0	23	0	9	14	61%	4	4	2	2	All previously open recommendations in progress
12/906	Performance audit of the Department of Governing Bodies and External Relations	Director/GBS	2013/04	1.9	2014/03	12	30	4	11	15	30	4	11	15	50%	8	7	2	2	No progress for open recommendations
12/907	WHO Country Office, Afghanistan	RD/EMRO	2013/01	2.1	2015/01	2	27	0	14	13	27	0	3	24	89%	2	2	0	0	All recommendations in progress
12/908	WHO Country Office, Monrovia, Liberia	RD/AFRO	2013/01	N/A	N/A	N/A	28	0	2	26	N/A	N/A	N/A	N/A	100%	0	0	0	0	Audit closed since previous status report
12/914	WHO Country Office, Bangkok, Thailand	RD/SEARO	2013/03	N/A	N/A	N/A	30	0	22	8	N/A	N/A	N/A	N/A	100%	0	0	0	0	
13/915	WHO Country Office, Bujumbura, Burundi	RD/AFRO	2013/04	N/A	N/A	N/A	35	0	18	17	N/A	N/A	N/A	N/A	100%	0	0	0	0	
13/916	WHO Country Office, Minsk, Belarus	RD/EURO	2013/06	1.8	2014/10	5	17	3	12	2	17	0	3	14	82%	2	2	0	0	All previously open recommendations in progress
13/919	WHO Country Office, Tashkent, Uzbekistan	RD/EURO	2013/08	N/A	N/A	N/A	24	24	0	0	N/A	N/A	N/A	N/A	100%	0	0	0	0	Audit closed since previous status report
13/920	WHO Country Office, Ashgabat, Turkmenistan	RD/EURO	2013/07	N/A	N/A	N/A	14	4	2	8	N/A	N/A	N/A	N/A	100%	0	0	0	0	
13/921	WHO Country Office, Dakar, Senegal	RD/AFRO	2013/06	N/A	N/A	N/A	22	5	4	13	N/A	N/A	N/A	N/A	100%	0	0	0	0	
13/923	WHO Country Office, Apia, Samoa	RD/WPRO	2013/08	N/A	N/A	N/A	31	0	11	20	N/A	N/A	N/A	N/A	100%	0	0	0	0	
13/924	WHO Country Office, Addis Ababa, Ethiopia	RD/AFRO	2013/09	1.4	2014/09	5	68	69	0	0	68	0	23	45	66%	19	19	8	8	All previously open recommendations in progress
13/926	Procurement at the Global Service Centre	ADG/GMG	2013/12	1.2	2015/01	2	18	18	0	0	18	0	15	3	17%	7	7	0	0	All previously open recommendations in progress
13/927	WHO Country Office, Islamabad, Pakistan	RD/EMRO	2013/10	1.4	2015/01	1	62	62	0	0	62	3	16	43	69%	18	16	6	5	Action taken for 59 of previously 62 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	Status as at 27 February 2014				Current status as at 9 March 2015				Implementation rate compared to first response due date	High significance		High priority***		Comments on changes since previous status report (27 February 2014)	
							Number of recommendations	Open	In progress	Closed	Number of recommendations	Open	In progress	Closed		Not closed**	In progress	Not closed**	In progress		
13/928	WHO Country Office, Antananarivo, Madagascar	RD/AFRO	2013/10	1.4	2014/10	5	43	43	0	0	43	0	17	26	60%	15	15	10	10	All previously open recommendations in progress	
13/931	WHO Country Office, N'Djamena, Chad	RD/AFRO	2013/12	1.2	2014/06	9	65	65	0	0	65	1	21	43	66%	9	9	0	0	Action taken for 64 of previously 65 open recommendations	
13/932	WHO Country Office, Cotonou, Benin	RD/AFRO	2013/12	1.2	2014/05	9	29	29	0	0	29	0	7	22	76%	2	2	0	0	All previously open recommendations in progress	
13/933	WHO Country Office, Freetown, Sierra Leone	RD/AFRO	2013/12	N/A	N/A	N/A	38	16	9	13	N/A	N/A	N/A	N/A	100%	0	0	0	0	Audit closed since previous status report	
13/934	WHO Country Office, Chisinau, Republic of Moldova	RD/EURO	2013/12	N/A	N/A	N/A	18	18	0	0	N/A	N/A	N/A	N/A	100%	0	0	0	0		
Audit reports issued during 2014																					
13/935	Integrated audit of WHO in Nepal	RD/SEARO	2014/11	0.3	Not due yet	4	N/A	N/A	N/A	N/A	42	42	0	0	N/A	24	N/A	9	N/A	Not due yet	
13/937	Accounts Payable at the Global Service Centre	Director/GSC	2014/01	1.1	2014/12	2	14	14	0	0	14	3	7	4	29%	1	0	1	0	Action taken for 11 of previously 14 open recommendations	
13/938	WHO Country Office, Ulaanbaatar, Mongolia	RD/WPRO	2014/01	N/A	N/A	N/A	33	33	0	0	N/A	N/A	N/A	N/A	100%	0	0	0	0	Audit closed since previous status report	
13/939	WHO Country Office, Colombo, Sri Lanka	RD/SEARO	2014/06	0.7	2014/12	3	N/A	N/A	N/A	N/A	23	0	2	21	91%	1	1	1	1	New audit report	
13/940	Regional Office for South-East Asia	RD/SEARO	2014/04	0.9	2015/01	1	N/A	N/A	N/A	N/A	40	0	18	22	55%	12	12	9	9		
14/943	WHO Country Office, Kinshasa, Democratic Republic of the Congo	RD/AFRO	2014/09	0.5	Unresponded	6	N/A	N/A	N/A	N/A	54	54	0	0	0%	39	0	14	0	Extension granted for initial response	
14/944	Direct Financial Activities at WHO	Comptroller	2014/09	0.5	Not due yet	6	N/A	N/A	N/A	N/A	33	33	0	0	0%	20	0	11	0	Not due yet	
14/950	WHO Country Office, Cairo, Egypt	RD/EMRO	2014/10	0.4	2015/01*	1	N/A	N/A	N/A	N/A	28	7	3	18	N/A	7	N/A	3	N/A	Response under IOS review	
14/954	WHO Country Office, Sana'a, Yemen	RD/EMRO	2014/07	0.7	2014/12	3	N/A	N/A	N/A	N/A	40	4	7	29	73%	8	5	3	3	New audit report	
TOTAL							1395	467	394	534	1100	157	286	657							
								33.5%	28.2%	38.3%		14.3%	26.0%	59.7%							
Excluding "Not yet due"							1087	159	394	534	1025	82	286	657							
								14.6%	36.2%	49.1%		8.0%	27.9%	64.1%							

* Response currently under consideration by Office of Internal Oversight Services (IOS)

** Not closed = either open or in progress

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

See legend for explanations of colour- coded conditional formatting

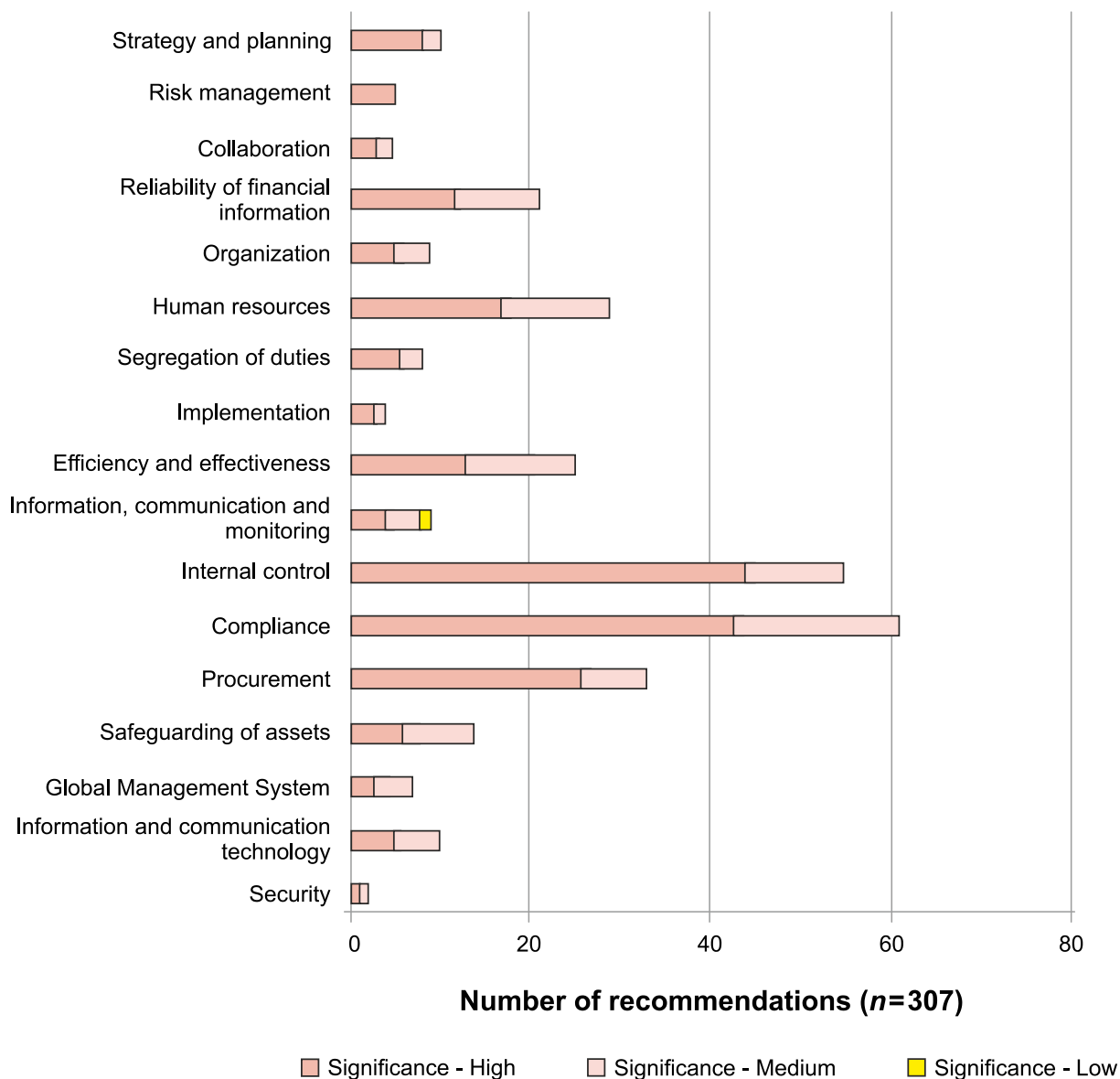
Legend: Explanations of conditional formatting

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 THE AUDIT RECOMMENDATIONS MADE IN 2014
BY AUDIT RISK CATEGORIES AND SIGNIFICANCE (n = 307)**

Significance per area of recommendation



ANNEX 3

**LIST OF (A) AUDITS CLOSED SINCE JANUARY 2014 AND
(B) AUDITS FOR WHICH THE INITIAL RESPONSE WAS DUE
AS AT 9 MARCH 2015**

(A) Audit reports closed since January 2014

Audit no.	Audit title	Date of final report	Closing date
09/808	Management and oversight of the Staff Health Insurance Fund	09/2009	05/2014
10/824	Secretariat of the Global Drug Facility	11/2010	03/2015
10/846	Travel	07/2011	03/2015
10/850	Performance audit of the Department of Nutrition and Health Development at headquarters	02/2011	09/2014
11/878	Review of leave and absence records	03/2012	01/2015
12/892	Health Metrics Network	09/2012	03/2015
12/898	WHO Country Office, Ankara, Turkey	11/2012	04/2014
12/903	WHO Country Office, Maputo, Mozambique	11/2012	07/2014
12/904	WHO Country Office, Conakry, Guinea	03/2013	03/2014
12/908	WHO Country Office, Monrovia, Liberia	01/2013	05/2014
12/914	WHO Country Office, Bangkok, Thailand	03/2013	12/2014
13/915	WHO Country Office, Bujumbura, Burundi	04/2013	07/2014
13/919	WHO Country Office, Tashkent, Uzbekistan	08/2013	03/2015
13/920	WHO Country Office, Ashgabat, Turkmenistan	07/2013	12/2014
13/921	WHO Country Office, Dakar, Senegal	06/2013	05/2014
13/923	WHO Country Office, Apia, Samoa	08/2013	09/2014
13/933	WHO Country Office, Freetown, Sierra Leone	12/2013	12/2014
13/934	WHO Country Office, Chisinau, Republic of Moldova	12/2013	02/2015
13/938	WHO Country Office, Ulaanbaatar, Mongolia	01/2014	09/2014

ANNEX 3

A08/42

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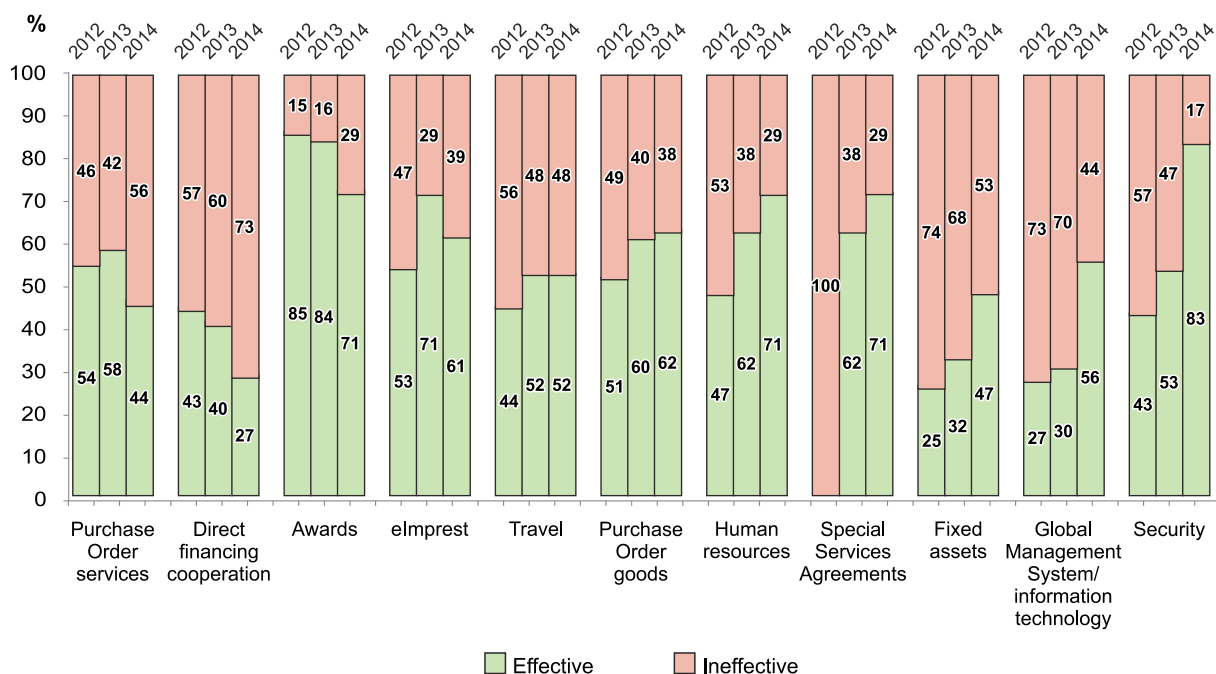
(B) Audits for which the initial response is due and has not yet been received by the Office of Internal Oversight Services

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
11/879	Roll Back Malaria Partnership Secretariat	ADG/HTM	2012/02	2012/10	29	26	6	0	20	No new response received from the auditee during the period
12/884	Review of Declarations of Interests	Director/CRE	2012/06	2013/10	17	21	0	15	6	No new response received from the auditee during the period

Annex 3

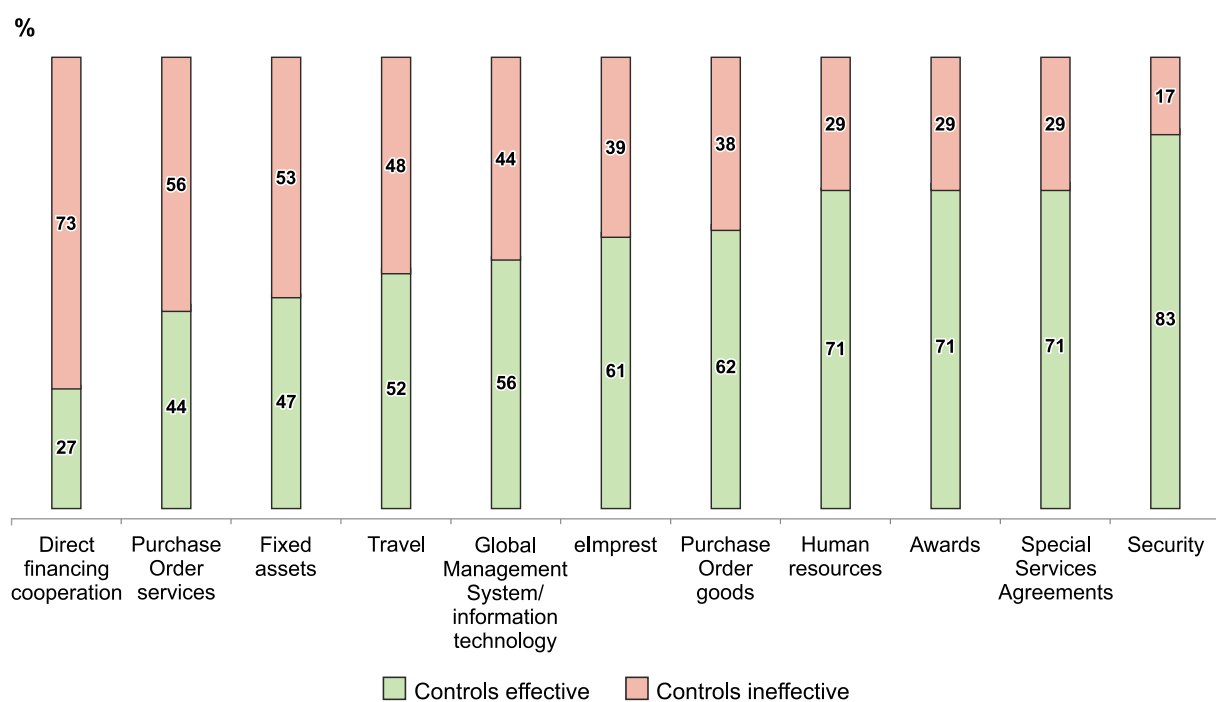
ANNEX 4A

TRENDS IN OPERATING EFFECTIVENESS OF INTERNAL CONTROLS IN COUNTRY AUDITS CONDUCTED BETWEEN 2012 AND 2014



ANNEX 4B

TRENDS IN OPERATING EFFECTIVENESS OF INTERNAL CONTROLS IN COUNTRY AUDITS CONDUCTED IN 2014



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