

## **Appointment of the External Auditor**

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

1. In accordance with Regulation 14.1 of the Financial Regulations,<sup>1</sup> the Health Assembly appoints an External Auditor, who shall be the “the Auditor-General (or an officer holding equivalent title or status) of a Member government”. The term of office shall be four years, covering two budgetary periods, and can be renewed once for an additional term of four years.
2. Member States may recall that, in May 2011, the Sixty-fourth World Health Assembly, in resolution WHA64.23 appointed the Chairperson of the Commission on Audit of the Republic of the Philippines as External Auditor of the World Health Organization for the four-year period from 2012 to 2015. A new appointment is therefore required with effect from 1 January 2016.
3. A practice has been established as from the Forty-eighth World Health Assembly whereby proposals for the post of External Auditor are made by Member States upon invitation by the Director-General. The Health Assembly makes its selection, like the governing bodies of other organizations of the United Nations Common system, by secret ballot, in the same way as any election under Rules 78 and 79 of the Rules of Procedure of the World Health Assembly. This was the practice followed by the Sixtieth and Sixty-fourth World Health Assemblies.
4. In accordance with the practice referred to in paragraph 3 and existing in some other organizations of the United Nations system, all Member States were invited, by Circular Letter C.L.6.2015 (Annex 1), dated 3 March 2015, to nominate a candidate for consideration by the Sixty-eighth World Health Assembly for the position of External Auditor of WHO for the four-year period from 2016 to 2019. A deadline of 27 March 2015 was established for the receipt of nominations.
5. Nominations were received within the deadline from the Governments of **Pakistan**, dated 20 March 2015 (Annex 2); **Sierra Leone**, dated 24 March 2015<sup>2</sup> (Annex 3); **Philippines**, dated 26 March 2015 (Annex 4); and **Canada**, dated 27 March 2015 (Annex 5). On 6 May 2015, Philippines informed the Secretariat that the President had appointed a new Chairman of the Commission of Audit. The Secretariat has replaced the curriculum vitae of the acting Chairperson with that of the appointed Chairman. Annexes 2, 3, 4 and 5 include the curriculum vitae, summary description of the audit approach, estimates of the number of auditor-work-months and the proposed fee. In accordance with the requirements outlined in the Circular Letter of 3 March 2015, copies of the complete

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<sup>1</sup> Basic documents, 48th ed. Geneva: World Health Organization; 2014, pp.103–113.

<sup>2</sup> The letter from Sierra Leone is dated 31 March 2015 but is shown as receipted in the WHO Sierra Leone Country Office on 24 March 2015.

applications from these Member States are available upon request in the language of submission. These nominations are summarized in Annex 6. A nomination was received from Zambia on 24 April 2015. As this nomination was received after the deadline, it is not considered further.

## **ACTION BY THE HEALTH ASSEMBLY**

6. Since four proposals for the appointment as External Auditor have been received from Member States, the Sixty-eighth World Health Assembly may wish to proceed in the same manner as it has done in recent years, namely, to invite representatives of the Member States concerned to make a summary presentation of their proposals to assist in the selection decision, then to select the External Auditor by holding a secret ballot. Once the selection has been completed, the Health Assembly may wish to consider the following draft resolution:

### **The Sixty-eighth World Health Assembly**

1. RESOLVES that [exact title to be inserted] of [title of Member State to be inserted] be appointed External Auditor of the accounts of the World Health Organization for a four-year period from 2016 to 2019 and that he/she audits in accordance with the principles incorporated in Regulation XIV of the Financial Regulations and the Appendix to the Financial Regulations, provided that, should the necessity arise, he/she may designate a representative to act in his/her absence;

[if applicable]

2. EXPRESSES its thanks to the Chairperson of the Commission on Audit of the Republic of the Philippines for the work performed for the Organization on the audit of the accounts for the four-year period from 2012 to 2015.

## ANNEXES

## CONTENTS

	Page
Annex 1 Note Verbale: Circular Letter C.L.6.2015 and enclosures .....	4
Annex I Extract from Financial Regulations .....	6
Appendix Additional terms of reference governing the external audit of the World Health Organization .....	7
Annex II External Auditors from 1948 to 2015 .....	10
Annex III Appointment of the External Auditor: background information .....	11
Annex 2 Pakistan .....	14
Annex 3 Sierra Leone .....	20
Annex 4 Philippines .....	24
Annex 5 Canada .....	28
Annex 6 Summary table of nominations with proposed audit fees .....	33

## ANNEX 1

### Note Verbale

Ref.: C.L.6.2015

#### **Appointment of External Auditor of the World Health Organization for financial years 2016 to 2019**

The World Health Organization presents its compliments to Member States and has the honour to invite Member States to nominate a candidate fulfilling the conditions of Regulation 14.1 of WHO's Financial Regulations, whom they may wish the World Health Assembly to consider for appointment as the External Auditor of WHO for the four year period from 2016 to 2019.

Member States may recall that, in May 2011 the Sixty-fourth World Health Assembly, by resolution WHA64.23, appointed the holder of the Commission on Audit of the Republic of the Philippines to be the External Auditor of the World Health Organization (WHO) for the four year period from 2012 to 2015. Pursuant to Regulation 14.1 of WHO's Financial Regulations, the term of office shall be four years, covering two budgetary periods, and can be renewed for an additional term of four years. It will be necessary for the Sixty-eighth World Health Assembly in May 2015 to appoint an External Auditor, who shall be the Auditor-General (or an officer holding equivalent title or otherwise qualified) of a Member State, for the four year period from 2016 to 2019.

The full text of Regulation XIV of the Financial Regulations and the Additional Terms of Reference governing the External Audit of WHO are enclosed herewith as Annex I.

... Annex II lists the External Auditors of WHO appointed during the period 1948 to 2015,  
... and Annex III provides background information on WHO's financial operations. The 2013  
Financial Report, (document A67/43) is available on WHO website: <http://apps.who.int/gb/>.

Should a Member State wish to propose a candidate, the name of the candidate should reach the Organization no later than 27 March 2015, to allow time for the preparation of the submission to the Sixty-eighth World Health Assembly.

The nomination should include, in respect of the proposed External Auditor:

- (a) a curriculum vitae, without photographs, with details of the national and international activities of the nominee noting the range of audit specialties that can be of benefit to the Organization (not to exceed 600 words)

ENCL.:(3)

(b) a summary description of the audit approach, procedures and standards that the nominee would apply, having regard to the Organization's accounting principles and practices, its Financial Regulations and Financial Rules and following International Public Sector Accounting Standards (IPSAS) (not to exceed 600 words);

(c) estimates of the overall number of auditor-work-months which would be devoted to carrying out the audit for each financial year from 2016 to 2019; and

(d) for each financial year (2016 to 2019), a proposed audit fee expressed in US dollars (and summarized on a single page). This fee should cover the worldwide audit of WHO activities as well as activities of non-consolidated entities administered by WHO. In estimating the cost of the audit, all secretarial and other ancillary costs, and all travel costs and living expenses of the External Audit staff should be included in the audit fee proposed. Travel costs should include travel from the country of residence to Geneva and to other offices of the Organization, as required by the External Auditor for the purposes of the audit.

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

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

GENEVA, 3 March 2015

C.L.6.2015

ANNEX I

**EXTRACT FROM FINANCIAL REGULATIONS****Regulation XIV – External Audit**

14.1 External Auditor(s), each of whom shall be the Auditor-General (or officer holding equivalent title or status) of a Member government, shall be appointed by the Health Assembly. The term of office shall be four years, covering two budgetary periods, and can be renewed once for an additional term of four years. External Auditor(s) appointed may be removed only by the Assembly.

14.2 Subject to any special direction of the Health Assembly, each audit which the External Auditor(s) performs/performs shall be conducted in conformity with generally accepted common auditing standards and in accordance with the Additional Terms of Reference set out in the Appendix to these Regulations.

14.3 The External Auditor(s) may make observations with respect to the efficiency of the financial procedures, the accounting system, the internal financial controls and, in general, the administration and management of the Organization.

14.4 The External Auditor(s) shall be completely independent and solely responsible for the conduct of the audit and, except as permitted under Regulation 14.7 below, any local or special examination.

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

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

14.7 For the purpose of making a local or special examination or for effecting economies of audit cost, the External Auditor(s) may engage the services of any national Auditor-General (or equivalent title) or commercial public auditors of known repute or any other person or firm that, in the opinion of the External Auditor(s), is technically qualified.

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

14.9 The report(s) of the External Auditor(s) shall be transmitted through the Executive Board, together with the audited financial statements, to the Health Assembly not later than 1 May following the end of the financial year to which the final accounts relate. The Executive Board shall examine the annual financial statements and the audit report(s) and shall forward them to the Health Assembly with such comments as it deems necessary.

C.L.6.2015

APPENDIX

## APPENDIX

**ADDITIONAL TERMS OF REFERENCE  
GOVERNING THE EXTERNAL AUDIT  
OF THE WORLD HEALTH ORGANIZATION**

1. The External Auditor(s) shall perform such audit of the accounts of the World Health Organization, including all Trust Funds and special accounts, as deemed necessary in order to satisfy himself/herself/themselves:

- (a) that the financial statements are in accord with the books and records of the Organization;
- (b) that the financial transactions reflected in the statements have been in accordance with the rules and regulations, the budgetary provisions, and other applicable directives;
- (c) that the securities and moneys on deposit and on hand have been verified by the certificates received direct from the Organization's depositories or by actual count;
- (d) that the internal controls, including the internal audit, are adequate in the light of the extent of reliance placed thereon;
- (e) that procedures satisfactory to the External Auditor(s) have been applied to the recording of all assets, liabilities, surpluses and deficits.

2. The External Auditor(s) shall be the sole judge as to the acceptance in whole or in part of certifications and representations by the Secretariat and may proceed to such detailed examination and verification as he/she/they choose(s) of all financial records including those relating to supplies and equipment.

3. The External Auditor(s) and staff shall have free access at all convenient times to all books, records and other documentation which are, in the opinion of the External Auditor(s), necessary for the performance of the audit. Information classified as privileged and which the Secretariat agrees is required by the External Auditor(s) for the purposes of the audit, and information classified as confidential, shall be made available on application. The External Auditor(s) and staff shall respect the privileged and confidential nature of any information so classified which has been made available and shall not make use of it except in direct connection with the performance of the audit. The External Auditor(s) may draw the attention of the Health Assembly to any denial of information classified as privileged which, in his/her/their opinion, was required for the purpose of the audit.

4. The External Auditor(s) shall have no power to disallow items in the accounts but shall draw to the attention of the Director-General for appropriate action any transaction that creates doubt as to legality or propriety. Audit objections, to these or any other transactions, arising during the examination of the accounts shall be immediately communicated to the Director-General.

5. The External Auditor(s) shall express and sign an opinion on the financial statements of the Organization. The opinion shall include the following basic elements:

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

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

- (a) the type and scope of examination;
- (b) matters affecting the completeness or accuracy of the accounts, including where appropriate:
  - (i) information necessary to the correct interpretation of the accounts;
  - (ii) any amounts that ought to have been received but which have not been brought to account;
  - (iii) any amounts for which a legal or contingent obligation exists and which have not been recorded or reflected in the financial statements;
  - (iv) expenditures not properly substantiated;



- (v) whether proper books of accounts have been kept; where in the presentation of statements there are deviations of a material nature from a consistent application of generally accepted accounting principles, these should be disclosed;
- (c) other matters that should be brought to the notice of the Health Assembly such as:
  - (i) cases of fraud or presumptive fraud;
  - (ii) wasteful or improper expenditure of the Organization's money or other assets (notwithstanding that the accounting for the transaction may be correct);
  - (iii) expenditure likely to commit the Organization to further outlay on a large scale;
  - (iv) any defect in the general system or detailed regulations governing the control of receipts and disbursements, or of supplies and equipment;
  - (v) expenditure not in accordance with the intention of the Health Assembly, after making allowance for duly authorized transfers within the budget;
  - (vi) expenditure in excess of appropriations as amended by duly authorized transfers within the budget;
  - (vii) expenditure not in conformity with the authority that governs it;
- (d) the accuracy or otherwise of the supplies and equipment records as determined by stocktaking and examination of the records.

In addition, the report may contain reference to:

- (e) transactions accounted for in a previous financial period, concerning which further information has been obtained, or transactions in a later financial period concerning which it seems desirable that the Health Assembly should have early knowledge.

7. The External Auditor(s) may make such observations with respect to his/her/their findings resulting from the audit and such comments on the financial report as he/she/they deem(s) appropriate to the Health Assembly or to the Director-General.

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

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

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

C.L.6.2015

ANNEX II

**EXTERNAL AUDITORS 1948 TO 2015**

<b>Period</b>	<b>No. of years</b>	<b>Name</b>	<b>Nationality</b>
1.9.1948 to 31.12.1966	18	Mr Uno Bruns kog	Swedish
1.1.1967 to 31.12.1973	7	Mr Lars Breie	Norwegian
1.1.1974 to 31.12.1977	4	Mr Lars Lindmark	Swedish
1.1.1978 to 31.12.1981	4	Sir Douglas Henley	British
1.1.1982 to 31.12.1995	14	Holder of the Office of Comptroller and Auditor-General of the United Kingdom of Great Britain and Northern Ireland	British
1.1.1996 to 31.12.2003	8	Holder of the Office of Auditor-General of the Republic of South Africa	South African
1.1.2004 to 31.12.2011	8	Holder of the Office of Comptroller and Auditor-General of India	Indian
1.1.2012 to 31.12.2015	4	Holder of the Commission on Audit of the Republic of the Philippines	Philippine

C.L.6.2015

ANNEX III

## APPOINTMENT OF EXTERNAL AUDITOR

### Background information

#### 1. General audit approach expected

The World Health Organization seeks to obtain an effective audit carried out to a high technical standard. The audit should be directed at important questions of financial policy and practice, with appropriate importance being given to efficiency (value-for-money) audits.

#### 2. Nature of audit assignment

2.1 An appreciation of the magnitude of the financial operations of the World Health Organization, and thus of the nature of the audit, may be obtained from the detailed financial report headed “Financial Report and Audited Financial Statements for the year ended 31 December 2013”, available on request or via the World Health Organization website on:

[http://www.who.int/about/resources\\_planning/previous\\_biennium/en/](http://www.who.int/about/resources_planning/previous_biennium/en/)

In addition, documents A64/35 dated 28 April 2011, A64/35 Corr.1 dated 12 May, A60/32 dated 5 April 2007 and A60/32 Corr.1 dated 26 April entitled “Appointment of the External Auditor”, provides the bids submitted for the past periods 2012–2015 and 2008–2011. This is available on request or via the World Health Organization, website on:

[http://apps.who.int/gb/e/e\\_wha64.html](http://apps.who.int/gb/e/e_wha64.html)

[http://apps.who.int/gb/e/e\\_wha60.html](http://apps.who.int/gb/e/e_wha60.html)

2.2 Main centres of financial activity are the World Health Organization headquarters of Geneva, Switzerland, the six regional offices located at Cairo, Brazzaville, Copenhagen, Manila, New Delhi and Washington, DC (see also paragraph 8 below). The World Health Organization also has a presence in over one hundred and fifty countries through a representative or liaison office, as well as resident staff and projects in other locations, where expenditure is incurred locally.

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

#### 3. The International Agency for Research on Cancer (IARC)

In accordance with Article VI, paragraph 6.2, of the IARC Financial Regulations, the External Auditor of the World Health Organization is required to act also as the External Auditor of IARC in Lyons, France. Therefore, the candidate nominated for appointment as External Auditor of WHO should be prepared to undertake also the audit of IARC. A copy of the latest audited financial statements for IARC is available on request.

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

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

#### **5. Staff Health Insurance (SHI)**

The Staff Health Insurance is a self-funded and self-administered Fund to provide for the reimbursement of a major portion of the expenses for medically recognized health care incurred by the staff member and other persons admitted as participants to the Insurance. SHI covers insurance for WHO, IARC, ICC, PAHO, UNAIDS and UNITAID staff. In accordance with this principle, the External Auditor of the World Health Organization is required to act as the External Auditor of SHI. A copy of the latest audited financial statements for SHI is available on request.

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

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

#### **7. UNITAID**

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

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

The Pan American Health Organization (PAHO), whose headquarters are located in Washington, DC, also serves as the Regional Office for the World Health Organization in the Americas. PAHO appoints its own External Auditor who may be the same as that appointed by WHO, or who may be another, in which case close collaboration is required between the two auditors.

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

The World Health Organization maintains an office of internal oversight services. The internal auditors are staff members of the World Health Organization and the director reports directly to the Director-General. The main responsibility of the unit, as stated in Regulation XII of the WHO Financial Regulations, is to provide an effective review, evaluation and monitoring of the adequacy and effectiveness of the Organization's overall systems for internal control. Various other types of reviews are carried out. The internal and external auditors are expected to coordinate their work to avoid duplication and promote efficiency in audit.

**10. External audit fee**

The all-inclusive World Health Organization external annual audit fee for the period from 2012 to 2013 was US\$ 449 000 and for 2014 to 2015 was US\$ 454 000 per year.

**11. Project Audits**

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

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

## ANNEX 2

**PAKISTAN****I. CURRICULUM VITAE**

**Mr. Muhammad Akhtar Buland Rana** took oath as the 17th Auditor-General of Pakistan (AGP) on 27th August, 2011. Being the head of the Supreme Audit Institution of Pakistan (SAI), he is entrusted by the Constitution with the responsibility of reporting on the financial operations of the Federal, Provincial and District Governments to the legislatures. The Constitution of Pakistan has an elaborate mechanism that ensures the independence of the AGP.

Mr. Rana joined the Audits & Accounts Stream of Civil Service of Pakistan in February 1976. He holds a Masters degree and graduation in Law from Punjab University, Lahore. During his professional career, he took courses in Public Financial Management from the University of Connecticut, Hartford, USA, Commercial Practices in Telecommunication Accounting from UK and Australia. Besides extensive trainings in Investment Analysis, Economic Management, Problem Resolution & Decision Making, he has professional exposure in Advanced Performance Auditing and Public Sector Management. He is a fellow of the Pakistan's National School of Public Policy.

Besides heading various audit formations, Mr. Rana served as an advisor on Investment and Finance in key public sector entities. Mr. Rana envisions the SAI Pakistan as an increasingly professional and responsive public body addressing the concerns of the domestic and international stakeholders in good governance.

**International Activities**

Auditor-General of Pakistan is an active member of multilateral professional organizations. He is the Secretary General of Economic Co-operation Organization Supreme Audit Institutions (ECOSAI), member of the Governing Board of Asian Organization of Supreme Audit Institutions (ASOSAI), and also has the privilege of representing ASOSAI on the governing Board of International Organization of Supreme Audit Institutions (INTOSAI). The SAI Pakistan is represented on six Working Groups and Committee of INTOSAI, and plays an active role in their activities. Over the years, the Auditor-General of Pakistan has the experience of auditing following International organizations under UN umbrella:

Organization	From	To
UN Board of Auditors	1961	1974
Preparatory Commission of Organization for Prohibition of Chemical Weapons (PCOPCW)	1993	1997
Organization for Prohibition of Chemical Weapons (OPCW)	2003	2008
United Nations Industrial Development Organization (UNIDO)	2008	2013

On different occasions, the AGP has also undertaken External Audit of following international/regional multi lateral bodies:

- Organization of Islamic Conference, Jeddah.
- South Asian Association for Regional Cooperation.
- Economic Coordination Organization.
- The Developing Eight (D-8),

#### **Audit Specializations.**

The office of Auditor-General of Pakistan specializes in Financial, Regularity and Performance Audit as defined by the INTOSAI Auditing Standards. In response to emerging trends and needs, as an ongoing activity, AGP's organization has also acquired specialization in areas such as Environmental Auditing and Electronic Data Processing (EDP) Auditing. As Government accounts of Federal and Provincial Governments in Pakistan are maintained using SAP-R3 (an ERP) system, these are Audited using system based IT Auditing tools. The organization also conducts IS/IT Audits of State-Owned Enterprises which are employing IT MIS Systems.

For carrying out an assignment of the spread and complexity of the external audit of the WHO, the AGP has a substantial resource of over 800 qualified professional officers! auditors of the Pakistan Audit & Accounts Service available to him in addition to the departmental cadres auditors having various specializations. This pool of officers has all ranges of experience and expertise relevant to the audit assignment. As External Auditor of OPCW (2003-08) and UNIDO (2008-14), the AGP has developed profound knowledge base about the functions, systems, regulations and operations of UN organizations.

Our audit professionals are familiar with various accounting frameworks including IFRS and IPSAS, and have the necessary training and experience to audit agencies which are compliant with IPSAS in their business procedures and financial management structures and processes. As External Auditor of UNIDO (2008-20 13), we facilitated the organization in making the transition from the legacy UNSAS accounting system to IPSAS based accounting. Since the AGP is also responsible for audit

of countrywide SAP based financial management systems in Pakistan, our auditors have acquired state of the art IT skills for audit of an Integrated Financial Management System.

## **II. SUMMARY OF THE AUDIT APPROACH**

### **Auditing standards**

Adherence to Auditing Standards and proven audit methodology will form the basis of our assurance for providing high quality professional audit services to WHO.

The audit of WHO will be conducted in accordance with International Standards on Auditing (ISA) issued by the IFAC and Auditing Standards of the International Organization of Supreme Audit Institutions (INTOSAI).

### **Audit Approach**

The Audit approach for the audit of WHO's financial statements, financial operations and other matters relevant to the efficient and effective administration of the WHO will be based on appreciation of the scope, level, spread and complexities of the WHO activities, functions, projects, programmes and operations and determined by following broad parameters:

- Statutory Objectives arising from requirements of Financial Regulations and Additional Term of Reference of WITO pertaining to External Audit
- Organizational Environment emerging from the full range of operations of the WHO and the procedures, policies and practices adopted by it.

Portfolio of Audit Interventions will be selected for achieving an optimal balance between financial attest and compliance audits, considered most appropriate to meet the statutory objectives in given organizational environment. For meeting the audit objectives, the AGP shall plan and perform such audits as are necessary to satisfy himself that:

- Financial statements are in accord with books and records of WHO.
- Financial transactions reflected in the statements are in accordance with rules and regulations, budgetary provisions, and other applicable directives
- Internal controls, including the internal audit, are adequate in the light of the extent of reliance placed thereon



- Satisfactory procedures have been applied to recording of all assets, liabilities, surpluses and deficits

The audit(s) will be planned to enable the AGP to make significant and meaningful observations on efficiency of financial procedures, accounting system, internal financial controls, functioning of the internal audit, and, in general, the administration and management of the organization.

On the basis of legacy information the AGP may draw a tentative conclusion about extent of reliance that can be placed on Internal Controls of the Organization. The first order of business for undertaking the audit of the WHO accounts would be to re-validate this tentative conclusion by testing the effectiveness of WHO systems, with the help of walk through tests and standing files from previous audits. This would be reinforced by selective Compliance Testing. Based on Compliance Testing results, statistical techniques will be used for determining the level of Substantive Testing. A Risk Model would be designed to provide a high level of assurance from the audit results

The audit of financial systems and transactions will be supplemented with an evaluation of compliance with applicable statutes and regulations, and Value for Money (Performance) Audits, if desired by the WHO management. The main objective of such audits would be to suggest improvements for future. Generally the approach would include:

- Testing the validity of key controls, systems and operations
- Review of necessary data and documents.
- Formulation of audit scope, methodology and tentative audit objectives
- Review of HRM, MIS, Procurement, Contract, Inventory/Asset management systems, policies and practices
- Validation of information and discussion with target groups
- Application of suitable, statistical, financial and other quantitative techniques to available data
- Formulation of tentative findings and discussion with management and incorporation of management viewpoint.

### Quality Management and Communication.

All audit programmes will be carried out according to Assignment specific Tool Kit to be developed for the purpose. Quality Assurance team would review the work of the field teams conducting audit, and provide quality assurance for all audit outputs against the developed benchmarks and KPIs.

The AGP firmly believes in a continuing dialogue with the audited organization during all stages of the audit, and transparent sharing of all plans, activities and findings. Obtaining management response on all issues before forming any opinion would be considered an essential requirement.

## III. PROPOSED AUDIT FEES

### ESTIMATES OF AUDITOR WORK MONTHS AND PROPOSED AUDIT FEES

The Proposed Audit Fees for 2016-2019 has been calculated in accordance with the requirements of the WHO and SAI Pakistan's experience of External Audit of other United Nations' bodies. These estimates cover Financial Audit, supplemented with Compliance Audit where required, of WHO, its selected Regional and Country Offices and the audit of non-consolidated entities. We can carry out Value for Money/Performance Audit on any identified theme / area, or any Expanded Scope Audit, if so desired by the WHO, on terms to be mutually agreed.

The tables shown below reflect the Auditor-Work-Months/Days and the cost thereon:

	No. of Auditor Work-Months Per-Year for 2016, 2017, 2018 & 2019	Auditor Work-Day
World Health Organization (Headquarters, Selected Regional/Country Offices)	38	1,140
Non-consolidated entities	10	300
<b>Total</b>	<b>48</b>	<b>1,440</b>

### PROPOSED AUDIT FEES

	Year 2016 (Amount in US\$)	Year 2017 (Amount in US\$)	Year 2018 (Amount in US\$)	Year 2019 (Amount in US\$)
World Health Organization & Non-consolidated entities	460,000	460,000	483,000*	483,000*

*\*The 5% increase in the years 2018 & 2019 has been made keeping in view slight escalation in the overall costs.*

The amount of US\$:460,000 per annum for the years 2016 & 2017 and USS: 483,000 per annum for the years 2018 & 2019, will be the Audit Fee charged by the Office of the Auditor-General of Pakistan. This will cover all the charges such as travel costs, secretarial costs, per diem allowances for the Auditors and other related expenses. The proposed amount of Fees does not include tile salaries of the staff of the office of the Auditor General of Pakistan, since they are pan oF the permanent establishment of the SAl.

It is understood that WI-TO will allow the Auditors free use of offices, communications, photocopiers and stationary. Accordingly, these expenses are not included.

## ANNEX 3

### SIERRA LEONE

#### I. CURRICULUM VITAE

**Mrs. Lara Taylor-Pearce** is a Fellow of the Chartered Certified Accountants of the United Kingdom, and Fellow of the Institute of Chartered accountants of Sierra Leone.

Mrs. Taylor-Pearce started her career in auditing and accounting in 1991, where she spent nine years at KPMG, a leading International auditing firm. During her tenure with KPMG, she grew through the ranks to the position of senior auditor responsible for audits of various corporate institutions in Sierra Leone.

In order to get an understanding of public sector operations, she joined the Accountant General's department in Sierra Leone in 2000 as a Technical specialist staff to that department. There she was in charge of the processing and monitoring all non salary transactions for the Government of Sierra Leone.

Between 2002 and 2007, she was appointed to senior financial management positions in two World Bank funded projects in Sierra Leone. Her role as Principal Finance officer included, ensuring that all World Bank funds to the Government of Sierra Leone towards these projects were judiciously managed.

in 2007, Mrs. Taylor-Pearce joined the Audit Service Sierra Leone as a Deputy Auditor General. During her tenure in that position, she ensured that staff under her mentorship benefited from not only the required training to get the organization at par with other sister organizations in the African English speaking region, she also ensured that quality assurance issues were fully embedded in audit processes.

Mrs. Lara Taylor-Pearce was appointed Auditor General of the Republic of Sierra Leone in November 2011. Under her leadership the organisation has been transformed to one performing its role with the highest professionalism for the benefit of the citizens of Sierra Leone.

The organization has been able to increase its portfolio of audits, thereby bringing to the attention of the general public how judiciously, government funds have been utilised. In addition to auditing all Government Ministries, Departments and agencies under the organization's purview, the organisation has now taken over the audit of many big public enterprises including the country's National social security scheme and the National Revenue Authority.

Mrs. Taylor-Pearce is also very much interested in ensuring that Government's intervention in health related matters in Sierra Leone benefits the citizenry. A performance audit on the effect of malaria interventions in Sierra Leone was carried out in 2012. An audit on the management and use of Ebola funds by the Government of Sierra Leone during the period May to October 2014 has just been

concluded by the Audit Service Sierra Leone. Audits on use of funds for Ebola in Sierra Leone for latter periods will soon commence.

Internationally, Mrs. Taylor-Pearce is currently the chairperson of the Governing Board of African Region of Supreme Audit Institutions—English speaking (AFROSAI- E). She was elected to that position in May 2014. She also serves on the board of the umbrella body of supreme Auditing Institutions in Africa (AFROSAI).

Mrs. Taylor-Pearce also participated in several international meetings and conferences including INTOSAI assemblies. She has been a trainer for AFROSAI-E. She has also supported the Intosai Development Initiative (IDI) during their work with AFROSAI- FL

in 2009, Mrs. Taylor-Pearce participated in a five month internship programme at the United States of America, Government Accountability office.

Mrs. Taylor-Pearce as Auditor General, has ensured her organisation's involvement in the audit of various world bank funded projects in Sierra Leone, audit of project funded by the international fund for Agricultural development (IFAD) and audit of the UNFPA in Sierra Leone.

## **II. SUMMARY OF THE AUDIT APPROACH**

### **Audit Approach**

- A risk based approach will be adopted in the auditing of the financial statements. This approach requires that the conduct of the risk assessments at the financial statements and assertions levels are based on an appropriate understanding of the entity and its environment including internal controls. In evaluating compliance with financial policy and practices, specific importance will be given to performance (value for money) audits.
- The Auditor General will use such procedures, controls and test as deemed necessary under the circumstances
- The audit will cover the World Health Organisation Head quarters in Geneva, regional offices in Cairo, Brazzaville, Copenhagen, Manila, New Delhi and Washington DC. In addition to this, we plan to audit the IARC, ICC, SHI, UNAIDS and UNITAID. We will also collaborate closely with the auditors of PAHO.
- Quality Assurance will be embodied in even' stage of the audit process in accordance with international Standards of Supreme Audit Institutions.

## **Audit Procedures**

The audit will be conducted in three stages namely Planning, Fieldwork and Reporting.

### **Planning**

The Planning of the audit will take into account the following

- Understanding WHO environment and the internal control environment upon which a risk based audit approach will be initiated taking into consideration any risks identified.
- Evaluating the work of the Internal Oversight Services, or any internal control systems and WHO Information Technology systems and the extent to which these systems may be relied on.
- Prioritising audit areas on the risk level or any area advised by the Health Assembly.
- Coordinating with the work of the Internal Auditors in order to avoid duplication of efforts and promote efficiency in the audit.

### **Field Work**

- The audit will be executed primarily to enable the Auditor General to form an opinion as to whether the financial statements present fairly the financial position of WHO.
- The execution will assess whether the expenditures disclosed in the financial statements were used for intended purposes and have been approved appropriately and also whether income and expenditure were appropriately classified and reported in the Financial statements in accordance with relevant WHO financial regulations.
- The audit will include an overview of WHO financial systems, adequacy of internal controls and the economy, efficiency and effective management of WHO resources.
- The Team conducting the audit will be given the necessary specialist supports.

### **Reporting**

The findings that arise during the course of the audit will be communicated to the Director General of WHO in accordance with financial regulations of WHO and the Additional Terms of Reference on the External Audit of WHO.

The following are the planned actions in the reporting process

- The Director General of WHO will be given adequate opportunities to respond to audit queries that arise during the course of the audit such as agreed timely submission of audit queries, exit meetings, issuance of draft Management letter and verification of management responses. These reports will contain detailed observations and recommendations
- The Auditor General will communicate to the World Health Assembly through the Executive Board after taking consideration of the Director General's Response to audit findings.

#### **Audit standards**

- The Auditor General of Sierra Leone will conduct the audit **in** accordance with the Financial Regulations of WHO and additional terms of reference governing the External audit of WHO.

The following standards will also be taken into consideration

- International Standards of Supreme Audit institutions
- International Public Sector Accounting Standards
- international Standards of Auditing
- International Financial Reporting Standards

### **III. PROPOSED AUDIT FEES**

#### **Estimate of Auditor work per months**

The following are the planned Auditor-work-months for the respective periods, the reason for the reduction in the auditor-work-months is that it is expected that advantage of learning curve would reduced the audit work months over the years.

Audit Work Months	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
	65	61	56	49

#### **Audit fees**

The following are the proposed audit fees for the financial years 2016 to 2019 inclusive. This fee covers the worldwide audit of WHO activities as well as activities of non-consolidated entities administered by WHO. It is expected that WHO will provide office accommodation, telecommunication, stationery and photocopying to the auditors free of charge.

The reason for the reduction in the audit fees as earlier stated in the auditor-work-months is a reduction in the learning curve.

Audit Fees	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
	\$546,434	\$540,993	\$536,321	\$527,394

## ANNEX 4

### **PHILIPPINES**

#### **I. CURRICULUM VITAE**

Chairman Michael G. Aguinaldo is a lawyer, investigator, law professor and an advocate of good governance. He is a graduate of Juris Doctor with Honors at the Ateneo de Manila University School of Law in 1992 and placed seventh in the 1992 BAR examination administered by the Supreme Court of the Philippines. He has a Master of Laws degree from the University of Michigan, Ann Harbor with a special degree in International Economic Law in 1997. He has over 21 years of extensive legal experience as law practitioner in the private and public sector.

Prior to his appointment as Chairman of the Commission on Audit on 24 March 2015, Atty. Aguinaldo served as Deputy Executive Secretary for Legal Affairs at the Office of the President, Republic of the Philippines. He handled legal affairs including the formulation of operational policies, standards and processes for efficient and effective provision of legal and legislative assistance and services to the organizational units of the Office of the President and the different departments and government agencies.

For nearly four years as the head of the investigation division of the Office of the President, he was involved in handling complaints against public officials and in the implementation of the integrity initiatives consistent with the United Nations Convention against Corruption (UNCAC).

From 1994 to 2011, he was a partner and member of the executive committee of the Romulo Mabanta Buenaventura Sayoc & de los Angeles Law Offices, Makati City, Philippines. He has extensive experience in the conduct of legal audit and due diligence of acquisitions and mergers, as well as in infrastructure and telecommunications projects.

As professional lecturer, he is a faculty member in law schools and at the Mandatory Continuing Legal Education programs of the Supreme Court as well training programs for multinational corporations.



## National Activities

- *Regular Audits*

Financial and compliance audits as well as VFM audits are conducted year-round by COA auditors nationwide. The auditors assigned in the audit sectors devote 60 to 70 percent of their time and resources in the financial and compliance audits and the balance for value-for-money audits.

- *Special Audits*

Its Special Audits Office conducts value-for-money audits which are either government-wide or sector-wide. In Addition, it conducts other special audits such as rate, franchise, levy and subsidy audits. The Fraud Audit Office conducts fraud audits based on complaints or requests from stakeholders.

The COA has joined with the Office of the Ombudsman to form a Joint Investigation Team to ensure the efficient and successful filing, investigation and prosecution of cases involving graft, corruption and violations of the ethical code of conduct for public officials and employees.

## International Activities

As External Auditor, the COA currently holds a six-year term (2014-2019) for FAO and a four- year term (2012-2015) for WHO. It is an active member of the Panel of External Auditors of the UN, the Specialized Agencies and the IAEA.

For 18 years covering the periods 1984 to 1993 and 1999 to 2008, COA was member of the UN Board of Auditors. Its clients included the UN Headquarters, UNEP, UNHCR, UNICEF, UNJSPF, UNU and UN-Habitat.

It serves as auditor of the UNDP, UNICEF and UNFPA-assisted projects contracted by their respective Country Offices in the Philippines. It also audits the programmes and projects implemented in the country by the WB, ADB, European Commission, AusAID and USAID.

The COA is a long standing member of the INTOSAI and a founding member of the Asian Organization of Supreme Audit Institutions. To further enhance cooperation and knowledge sharing within the region, COA joined the ASEAN Supreme Audit Institutions in November 2011.

## II. SUMMARY OF THE AUDIT APPROACH

### Integrated Results and Risk-Based Audit Approach

To ensure the adequate audit coverage of all WHO resources, an Audit Work Plan will be prepared annually. The Plan includes the following:

- (a) *Scope of audit* – refers to the scope of work of the External Auditor which is governed by WHO Financial Regulation XIV and the Annex to the Financial Regulations on Additional Terms of Reference Governing External Audit of the World Health Organization. Audit resources will be committed to financial and compliance audits as well as performance audits or VFM audits.

- (b) *Collaboration with WHO's Internal Audit* – refers to the need to coordinate and collaborate with the WHO's Office of the Internal Oversight Services (IOS).
- (c) *Audit Approach and Methodology* – pertains to COA's use of the Integrated Results and Risk-based Audit approach which involves the following principal activities:
- Understand the operations to identify and prioritize risks,
  - Assess risk management strategies and controls;
  - Communicate value delivered and measure satisfaction; and
  - Monitor quality control in audit services.

In all stages or activities, the audit work will be closely supervised by the Chairperson and two Commissioners through the Director of External Audit.

- (d) *Audit Schedule* - refers to the Offices to be audited based on risk assessments and the timing/date of audit. There shall be two audit visits per year, the interim and the final audits at the WHO Headquarters and selected field offices. The non-consolidated entities shall be audited only at year end.
- (e) *Types of audit to be conducted* – refers to financial and value-for-money audits to be conducted for each audit visit.

Financial audit aims to provide WHO with the assurance that the accounts and underlying financial transactions are free from material errors and comply with IPSAS and WHO Financial Regulations.

VFM audit will be conducted to assess managerial efficiency with the end in view of eliminating waste and promoting economic and efficient use of resources, and ascertain whether desired results have been achieved and programmes have accomplished their purposes and objectives. The purpose is to add value to the WHO's management and accountability process.

- (f) *Mechanisms for Communicating of Audit Results* – describes the manner i.e., through Audit Observation Memorandum/ Management Letter/Audit Report and timeframe for the issuance thereof.

Upon completion of each audit visit, the findings and recommendations shall be raised in a Management Letter (ML) issued to WHO officials concerned. The ML issued shall be based on audit issues and recommendations raised in various Audit Observation Memoranda (AOMs) issued to concerned auditee officials in the course of the audit for their immediate response and/or corrective action. The auditee response to these AOMs shall provide significant basis for the audit conclusions and recommendations finally raised in the ML.

A long-form audit report with the auditor's opinion in the consolidated financial statements shall be issued at the end of each annual financial reporting period consolidating the results of the audit in all WHO offices visited during the period and shall, likewise, contain a consolidation in a separate section of the value for money audit results of at least one critical area of operations which shall cut across headquarters and field offices.

### Standards governing our auditing work

We conduct our audits in conformity with: (a) the International Standards on Auditing; (b) auditing standards of the International Organization of Supreme Audit Institutions; (c) standards prescribed by the UN Panel of External Auditors; and (d) such other auditing standards that may be relevant to the audit of WHO, and other benchmarks and best practices for value for money audits.

### III. PROPOSED AUDIT FEES

Based on our assessment of the WHO requirements, we propose an audit fee of US\$428,180 and US\$433,680 per year for the periods 2016-2017 and 2018-2019, respectively. Details are shown in the table below:

Particulars	2016	2017	2018	2019
Daily Subsistence Allowance (DSA)	332,680	332,680	332,680	332,680
Travel and related Costs	75,500	75,500	80,000	80,000
Other Costs	20,000	20,000	21,000	21,000
<b>Total</b>	<b>428,180</b>	<b>428,180</b>	<b>433,680</b>	<b>433,680</b>

The proposed audit fees include mainly costs of daily subsistence allowance, airfare and travel related costs, audit briefings/update, attendance to meetings, other ancillary costs and contingencies. The fees do not include the salaries of the audit staff and officials as they are permanent personnel of COA. The auditor-months committed by the Technical Committee/Audit Committee for the quality control of audit work and outputs as well as those of the Audit Director and auditors for audit planning and other back-stopping services while in Manila are not included in the computation of audit fees. Any ancillary and related costs on the work to be done at COA can be covered by the Other Costs in our proposed fee.

The modest increase in the audit fees for the periods 2018 and 2019 is due to a five (5) per cent mark-up on the 2016-2017 estimates for travel and other costs.

## ANNEX 5

### CANADA

#### I. CURRICULUM VITAE

##### **The Auditor General of Canada, Michael Ferguson, CPA, CA, FCA (New Brunswick)**

Michael Ferguson was appointed Auditor General of Canada on 28 November 2011.

- Prior to his appointment, he served as Deputy Minister of Finance and Secretary to the Board of Management, Province of New Brunswick from 2010–2011; held the position of Comptroller, Province of New Brunswick from 2000–2005 and was Auditor General—New Brunswick from 2005–2010.
- Active member, of New Brunswick Institute of Chartered Accountants since 2005; Council Member (2005–2007), Secretary-Treasurer (2007–2008), Vice-President (2008–2009), and President (2009–2010); fourth term as a member of the Public Sector Accounting Board of The Canadian Institute of Chartered Accountants (CICA)<sup>1</sup> until March 2017.
- In December 2013, Mr. Ferguson was named Chair of the United Nations Panel of External Auditors. He is also a member of the Board of the INTOSAI Development Initiative IDI.
- A Chartered Accountant in 1984, elected to the Fellowship of the New Brunswick Institute of Chartered Accountants in 2011.
- Mr. Ferguson holds a Bachelor of Business Administration from the University of New Brunswick.

##### **Assistant Auditor General, Marian McMahon, CPA, CA, CFA**

Marian McMahon was appointed as an Assistant Auditor General in 2009.

- She oversees the group responsible for conducting audits of the Canada Revenue Agency: both financial audits and audits of control procedures. She is also responsible for the audits of the International Labour Organization and its related entities as well as other entities within the Canadian government such as the national postal service.
- For 2014 and 2015, Ms. McMahon is the Convenor of the Technical Group of the United Nations Panel of External Auditors.

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<sup>1</sup> The Canadian Institute of Chartered Accountants is now known as the Chartered Professional Accountants of Canada.

- Led the audit of the Government of Canada's summary financial statements; various Crown corporations and other federal entities and of the government's principal pension plans.
- Previous experience in the Office includes three years on the Office's Annual Attest Practice team, responsible for reviewing all separate opinions issued by the Office, providing technical advice to the audit teams and reviewing and updating the Office's quality management framework.
- She has represented the Office on an INTOSAI Task Force, and a task force of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants (CICA). In 2011, she was appointed to the CICA Auditing and Assurance Standards Board for a term recently extended to 2017.
- Ms. McMahon has a Bachelor of Arts degree from Queen's University. She is a Chartered Professional Accountant and a Chartered Financial Analyst.

**Principal, Carla Nash, CPA, CA**

Carla Nash has over 20 years of external audit experience in both public and private sectors.

- Joined the OAG in 2006; has been responsible for leading audits of tax revenues, leading audits on revenue for public accounts, provincial and territorial revenues, and Aboriginal Governments; currently responsible for leading the Canadian Standards on Assurance Engagement (CSAE) 3416 (internationally 3402) controls work.
- Leads the audits (financial and contribution) of the International Labour Organization (ILO) and its related entities—a UN Agency headquartered in Geneva, Switzerland (IPSAS).
- Experienced in financial institutions, (both financial audits and special examinations at Farm Credit Canada, a large Crown corporation that offers financing and insurance to the Canadian agricultural sector (IFRS).
- Prior to joining the Office, she was a Senior Manager with Deloitte Ottawa office, has experience with large, complex national organizations, government-owned enterprises, not-for-profit organizations, and high-tech corporations.
- Holds a Bachelor of Commerce degree from the University of Ottawa and is a Chartered Professional Accountant, Chartered Accountant.

Fluent in English, French, and Italian

## **II. SUMMARY OF THE AUDIT APPROACH**

### **Audit standards**

We conduct our financial audits in accordance with the highest professional standards. All of our international audits comply with ISA issued by IAASB of the IFAC.

We will also meet the Common Auditing Standards of the Panel of External Auditors of the United Nations (which reflect the IFAC's ISAs).

### **Ethics and professional conduct**

Effective audit standards must be underpinned by the highest standards of ethics and professional conduct. We comply with the IFAC's ethical standards and with the fundamental principles of independent auditing—integrity; objectivity; professional competence and due care; and confidentiality. We have also established our own Code of Values, Ethics and Professional Conduct that binds all of the Office's employees.

### **Our audit approach**

#### **Requirements of the Financial Regulations**

Our audit approach will conform to the requirements of the Financial Regulations, including Regulation XIV—External Audit, and its appended supplementary terms of reference governing external audit of the WHO.

### **Risk, controls and materiality**

Our audit approach focusses on obtaining a thorough understanding of WHO's objectives, operations and control systems, in order to identify the main risks its activities entail. We carry out a thorough risk analysis.

Material risks threaten the ability of an organization to achieve its objectives. They may affect the integrity, reliability and accuracy of the financial statements. Materiality is a matter of professional judgment.

### **Audit procedures**

We will conduct the audits in well-defined stages, covering planning, field work and examination, management review and clearance, and reporting.

### **Planning**

Sound audit planning is important and involves:

- taking into account developments at WHO;

- assessing the internal control environment and evaluating the main financial systems;
- determining audit test programs, i.e., in relation to statutory contributions, fund accounts, etc.; and
- identifying information technology audit requirements.

### **Field work examination**

We will obtain direct audit evidence to provide clear assurance that the financial statements and underlying transactions comply with the Financial Regulations and are free of material error.

Audit examination involves:

- obtaining the necessary audit evidence from direct examination of electronic and manual records, interviews with staff, and review of procedures and controls;
- ensuring that the financial statements comply with all relevant accounting standards and Financial Regulations and accounting policies;
- testing the regularity of expenditure, ensuring compliance with approved budgets;
- analyzing the figures in the accounts; comparing them with previous results, trends, and expected levels of activity; and investigating any significant variations; and
- performing any additional audit work that may be necessary in light of initial test results.

### **Management review and clearance**

Our management review procedures ensure that we undertake appropriate audit work efficiently and in accordance with international auditing standards. Senior OAG managers review all planning decisions and field work. They also make sure the team deals with all significant matters promptly and raise issues with WHO as necessary.

### **Reporting**

We believe the reputation and credibility of our Office depends on the quality of our reports and we define success as producing high-quality audits and communicating results clearly. Accomplishing these mutually reinforcing goals supports our ability to improve management and ensure accountability.

To ensure that our reports meet the highest standards for content and presentation, we have established the following reporting principles:

- Reports are easily reviewed and include highlights that clearly communicate what we examined, why it is important, and what we found.

- Language is easy to read and understand, written in plain language, avoids jargon and defines essential technical terms.
- Messages are clear. Our reports are unequivocal. The tone and the language accurately convey the significance of an issue.
- Reports serve as a guide to action and provide assurance relative to the audit objective and make recommendations as necessary.

### III. PROPOSED AUDIT FEES

We will devote about 500 staff days, or 25 auditor-work-months (we estimate a team of 5 auditors) of effort to the audit.

#### Execution strategy

The Office of the Auditor General proposes to complete the financial audits of the WHO's financial statements for annual fees of US\$**450,000** per year for 2016 and 2017 and US\$**455,000** per year for 2018 and 2019. The fixed-price audit fee covers the financial audits only and includes the production of both the English and French language reports.

We would be available to carry out additional work upon request of the Director-General, at an agreed-upon additional cost.

We will devote about 500 staff days, as follows:

Costs (per year)	2016 and 2017	2018 and 2019
Professional fees	\$ 302,250	\$ 305,600
Travel	\$ 147,750	\$ 149,400
Total	\$ 450,000	\$ 455,000

Note: all costs provided in **US dollars**.

Our execution strategy ensures that we will complete the audit in compliance with the Financial Regulations and the supplementary terms of reference annexed thereto, governing the external audit. OAG staff members will be accessible and available to WHO management to discuss financial accounting and reporting issues throughout the audit. We will carry out the audit at the WHO secretariat in Geneva, Switzerland and in other offices as appropriate. Our fee takes this into consideration. Once we have completed our audit planning exercise in the summer of 2016, we will be better able to determine the number of other offices that we will need to visit.



## ANNEX 6

**SUMMARY TABLE OF NOMINATIONS WITH PROPOSED AUDIT FEES**

Nominating country	Name and title of nominated candidate	Financial period	Duration of auditing work	Proposed audit fees (US\$)
Pakistan	Mr Muhammad Akhtar Buland Rana, Auditor General of Pakistan	2016-2017 2018-2019	48 months/year	920 000 966 000 <b>1 886 000</b>
Sierra Leone	Mrs Lara Taylor-Pearce, Auditor General of Republic Sierra Leone	2016 2017 2018 2019	65 months/year 61 months/year 56 months/year 40 months/year	546 434 540 993 536 321 527 394 <b>2 151 142</b>
Philippines	Mr Michael G. Aguinaldo, Chairman, Commission on Audit, Republic of the Philippines	2016-2017 2018-2019	46 months/year	856 360 867 360 <b>1 723 720</b>
Canada	Mr Michael Ferguson, Auditor General of Canada	2016-2017 2018-2019	25 months/year	900 000 910 000 <b>1 810 000</b>

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