

Report of the Internal Auditor

1. The Office of Internal Oversight Services transmits herewith its annual report for the calendar year 2019 for the information of the World Health Assembly.
2. Financial Rule XII on 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 internal audit recommendations. It also states that this report shall be submitted to the Health Assembly, together with any comments deemed necessary.
3. The Office provides independent and objective assurance and advisory services, designed to add value to and improve the Organization's operations. Using a systematic and disciplined approach, it helps the Organization 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 2019.

OBJECTIVE AND SCOPE OF WORK

5. According to its mandate, the Office provides audit and investigation services to WHO, to some entities hosted by WHO (e.g. the Joint United Nations Programme on HIV/AIDS,¹ the United Nations International Computing Centre and Unitaids) and to the International Agency for Research on Cancer. In the Region of the Americas, the Office relies on the work performed by the Office of Internal Oversight and Evaluation Services of the Pan American Health Organization for the coverage of risk management, control and governance (see paragraph 75 for conclusions).

MANAGEMENT OF THE OFFICE

6. 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 and the Uniform Principles and Guidelines for Investigations, endorsed by the 10th Conference of International Investigators.
7. The Office comprises a Director, a Coordinator Audit and a Coordinator Investigation, 10 auditors, four investigators and two support staff. Two fixed-term positions remained vacant in 2019,

¹ A P5 Senior Auditor post is financed by UNAIDS and dedicated to the audits of that Programme.

namely a post of Senior Auditor and the post of Coordinator Investigation. The latter position has been covered on an acting basis by a senior auditor with investigation experience. In early 2019, the Office requested five additional investigator posts to address identified gaps and help to clear the investigation case backlog. As an interim measure, during 2019 the Office established long-term consultant contracts with three external investigators. In order to validate the request for additional staff positions, senior management, in consultation with the Independent Expert Oversight Advisory Committee, agreed the terms of reference and the Office commissioned an external review to assess the current practices, procedures and structure of the investigation function against “best in class” benchmarks, as well as to consider the resource implications of implementing the proposed “best in class” structure. Following a competitive bidding process, a leading consultancy firm was awarded the contract in July and the final report on the external review was received in December 2019.

8. Based on the assessment of the Office’s existing resources, practices and procedures and the findings from its relevant benchmarks, the consultancy firm identified that a significant increase in resources was required to achieve “best in class” benchmarks. The additional resources required to implement the proposed revised structure of the Office’s investigation function are summarized in Table 1 below.

Table 1. Proposed new “best in class” structure

Description	Number of investigators
Current structure	
Fixed-term investigators (one of whom is a technical forensics resource)	4
Consultants – longer-term external consultants	3
Consultancy firm – to provide contract investigation services	1
Total under the current structure	8
New structure	
Fixed term investigators at headquarters in Geneva	12 to 14
• Investigators – staff and unit leads	10 to 11
• Technical/specialist staff – such as digital forensics, research analysis	2 to 3
Fixed-term investigators with a focus on regional support	3 to 4
Consultants/consultancy firms (to provide flexible support at the global level)	3 to 4
Total new structure	18 to 22

9. Following a preliminary briefing with the Director-General, the Office is currently working on establishing an action plan and transition strategy, with options for implementation of the proposed best-in-class structure.

10. The resources made available to the Office are assigned in accordance with identified priorities; however, high-risk situations can develop unpredictably, which may divert human resources away from initial priorities. Accordingly, the Office prioritizes planned work and then adjusts the schedule in order to compensate for any unexpected assignments.

11. The budget of the Office is distributed between human resources, travel, consultancies and operating supplies with a view to fulfilling the mandate of the Office. During 2019, the Office was able to cover its expenses. The Office monitors expenditure on a constant basis and makes efforts to reduce travel costs through efficiency measures.

12. With a view to maximizing internal oversight coverage, the Office (a) continuously refines its audit risk assessment model so as to allocate its resources to the highest risk areas; (b) periodically reviews and adapts its approaches to integrated, operational and desk audits; (c) uses short-form reports for operational compliance audits; (d) uses an audit management software system to manage work papers electronically and facilitate the follow-up of the implementation of recommendations; and (e) uses agreed criteria for the prioritization of reports of concern received for investigation (the highest priority is given to the investigation of allegations of sexual exploitation and abuse, sexual harassment and assault).

13. The Office has also adapted its approach to report to stakeholders in line with the five components of the model issued by the Committee of Sponsoring Organizations of the Treadway Commission,¹ which has been adopted by WHO as the basis for its accountability framework. The audit plan of work for 2019 was based on the Office's independent risk assessment and the WHO Principal Risks.² The Office continues to work to achieve greater alignment in the reporting of assurance across the "three lines of defence" from management's assertions on internal control to internal audit findings.

14. The Office maintains regular contact with the Organization's External Auditor to coordinate audit work and avoid overlaps in coverage. The Office provides copies of internal audit reports to the External Auditor and the Independent Expert Oversight Advisory Committee and participates in meetings of that Committee in order to maintain an open dialogue with its members and implement their guidance and recommendations on matters under their oversight responsibilities. The Office also maintains regular contact with other departments of the Organization, such as the Evaluation Office, and continues to work with the WHO accountability functions to further contribute to the strengthening of the Organization's corporate values.

15. The Office has a functional case management system based on SharePoint technology, which serves as a repository for investigation case files. The Office also uses a secure web-based platform to provide remote access to internal audit reports upon request from Member States and other parties, as authorized by the Director-General. To further enhance transparency, in 2020 the Office will include a list of issued audit reports on the WHO website so that Member States have updated information on the audit reports issued.

16. The Office updated its Charter in 2019, which was reviewed by the Independent Expert Oversight Advisory Committee and senior management and approved by the Director-General. The Charter is available on the Office's intranet page.

AUDITS

17. In accordance with its mandate, the Office provides independent and objective audit, investigation and advisory services, designed to add value to and improve the Organization's operations and to enhance the integrity and reputation of the Organization. The Office helps the Organization to accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of governance, risk management and control processes in order to provide reasonable assurance that (a) risks are appropriately identified and managed; (b) interaction with the various governance groups within the Secretariat occurs in accordance with all relevant rules; (c) significant

¹ Defines the main areas as the control environment; risk management; control activities; information and communication; and monitoring.

² See WHO Principal Risks at: https://www.who.int/about/finances-accountability/accountability/WHO_Principal_Risks.pdf?ua=1 (accessed 12 February 2020).

financial, managerial, programmatic and operating information is accurate, reliable and timely; (d) staff and other personnel act in compliance with WHO regulations, rules, policies, standards and procedures; (e) resources are acquired economically, used efficiently and adequately protected; (f) programmes, plans and objectives are achieved and contribute to sustainable results; and (g) continuous improvement in the Organization's internal control processes.

18. 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. The crucial issues identified during each assignment have been summarized in this report. Annex 1 lists the reports issued by the Office under its 2019 plan of work, along with information on the status of implementation of open audits as at 12 February 2020. The Office uses a four-tier rating system for its overall conclusions on audits: (1) Satisfactory; (2) Partially satisfactory, with some improvement required; (3) Partially satisfactory, with major improvement required; and (4) Unsatisfactory. Given the challenges associated with emergency operations, the Office's plan of work for 2019 focused on country offices with graded emergencies.

Integrated audits

19. The objective of integrated audits is to assess the performance of WHO at the country level or of a department/division at a regional office or headquarters in the achievement of results as stated in the relevant workplans, as well as the operational capacity of the respective departments/country offices to support the achievement of results. Integrated audits focus on risks to areas and functions under three components: (1) the organizational setting (strategy, core functions of WHO, control environment, risk management, organizational profile, collaboration, and readiness and support for public health emergencies); (2) the programmatic and operational process (programme budget development and operational planning, resource mobilization, workplan management, operational support and effectiveness of key internal controls in transaction processing); and (3) the achievement of results (information and communication, monitoring and performance assessment, sustainability, and evaluation and organizational learning). These three components are further composed of up to 28 areas covering up to 185 control activities, including specific tests designed to assess the effectiveness of the Organization's readiness and response to health emergencies in accordance with the updated performance standards of the Emergency Response Framework. In 2019, the Office continued to update the audit tests and proposed changes to some audit steps.

20. **Country Office in South Sudan.** The audit concluded that the performance of the Country Office was partially satisfactory, with major improvements required to address high and moderate levels of residual risk. The audit noted several good practices, including effective coordination of the emergency response operations across the three levels of the Organization; operational planning at the federal and state levels; and programme budget monitoring and performance assessment. At the same time, the audit found significant weaknesses in internal control which compromised the level of assurance, potentially impacting on the achievement of expected results. The audit identified the following issues with a high level of residual risk: (a) a country cooperation strategy that was not aligned with the national health policy and strategic plan, the Sustainable Development Goals and key global and regional health frameworks; (b) inadequate coordination among health sector development partners; (c) a suboptimal human resources plan for priority programmes and delays in the implementation of that plan attributed to limited and unsuccessful resource mobilization efforts; (d) poorly managed grants and delays in donor reporting; (e) delays in reporting on direct implementation activities, inadequate reviews of supporting documents, and inadequate monitoring of direct implementation cash advances for field disbursements; (f) extensive use of cash payments and insufficient monitoring of cash levels in the field offices, as well

as cash advances granted; and (g) a lack of consistent practice and controls in purchasing domestic tickets for non-staff meeting participants.

21. **Country Office in Mozambique.** The audit concluded that the performance of the Country Office was partially satisfactory, with major improvements required to address the areas with high and moderate levels of residual risk. The audit noted some good practices, including the support provided for the development of a national strategy for mainstreaming gender and equity in health sector development; the establishment of a ministerial commission for multisectoral collaboration on noncommunicable diseases, and the establishment of “nuclei” for the prevention of alcohol, tobacco and substance abuse in secondary schools. The support provided by WHO in tackling the recent cholera outbreaks was acknowledged both by national authorities and by partners. The audit also found the following issues with a high level of residual risk that need to be addressed: (a) limited capacity to provide the requisite level of technical support to the Ministry of Health in some programme areas such as hepatitis, noncommunicable diseases and neglected tropical diseases; (b) delays in providing support for the national response to the recent vaccine-derived poliovirus outbreaks; (c) inadequacies in the structure and staffing of the Country Office; (d) inadequate resource mobilization, with funding gaps noted for several priority programmes; (e) communication and engagement with donors; (f) performance of assurance activities for direct financial cooperation; (g) timeliness of donor reporting; and (h) monitoring and oversight of the utilization of awards.

22. **Country Office in Iraq.** The audit concluded that the performance of the Country Office was partially satisfactory, with major improvements required to address high and moderate levels of residual risk. The audit noted several good practices, including effective engagement with national counterparts, organizations of the United Nations system and partners at the national and subnational levels, strong capacities for public health emergency response, and fulfilling the function of a “provider of last resort”. At the same time, the audit identified the following issues with a high level of residual risk: (a) the lack of an effective system to prequalify vendors; (b) inadequate criteria and scoring for the effective evaluation of procurement to ensure best value for money; (c) insufficient assurance activities on grant letters of agreement; (d) an excessive use of cash for programme implementation, presenting financial and security risks; and (e) insufficient accuracy and consistency of WHO programmatic reporting.

23. **Country Office in Indonesia.** The audit concluded that the performance of the Country Office was partially satisfactory, with some improvements required. Some good practices were observed in the areas of organizational learning, such as supporting the Ministry of Health for advocacy on immunization and the inclusion of a smart objective relating to supervisory and managerial functions in the performance management and development system of Professional staff leading technical teams. However, the audit also identified high residual risks, including: (a) limited capacity to provide the requisite level of technical support to the Ministry of Health in some programme areas (health systems, emergencies, hepatitis and emerging priorities such as climate change and social determinants of health); (b) inadequacies in the staffing and implementation of the human resources plan for the Country Office; (c) an insufficient level of emergency readiness at the Country Office; (d) inadequate resource mobilization, with imbalances in funding across programmes; (e) an insufficient segregation of duties and transparency in the procurement process; (f) non-performance of assurance activities in relation to grant letters of agreement; (g) payments made to vendors when goods had not yet been delivered; (h) a lack of documentation of budget reallocations and changes in implementation plans under direct financial cooperation; and (i) an insufficient performance of assurance activities in relation to direct financial cooperation.

24. **Country Office in Sudan.** The audit concluded that the effectiveness of controls at the Country Office was partially satisfactory, with major improvements required in several areas. Some good practices were observed, such as the effective contribution of the Country Office in articulating policy

options, adapting global norms and standards to the country context and promoting research in key programme areas. While recognizing the challenges of the Country Office in this complex environment, the audit highlighted the following high residual risk issues that need to be addressed: (a) the absence of a current country cooperation strategy; (b) limited capacity to provide the requisite level of technical support to the Federal Ministry of Health owing to the staffing levels in some programme areas; (c) a lack of clarity on roles, responsibilities and oversight of staff, leading to insufficient overall accountability for implementation; (d) ineffective implementation of the human resources plan; (e) weaknesses in internal coordination mechanisms, including oversight of the field offices; (f) inadequate emergency readiness at the Country Office in relation to business continuity planning; and (g) inadequate resource mobilization, with imbalances in funding across programmes. In relation to the operational processes, although the Country Office has improved its control processes since the previous audit in 2015, weaknesses have reoccurred, resulting in high residual risks in several areas and increasing the risk of fraud related to: (a) insufficient transparency in the procurement process and use of emergency purchase orders for non-emergency procurements; (b) insufficient review of technical and financial reports for direct financial cooperation; (c) inadequate assurance activities in relation to direct financial cooperation and direct implementation; (d) overdue financial reports and/or technical reports for direct financial cooperation and direct implementation; (e) significant amounts of cash stored in the safes and staff transporting cash in plastic bags to the implementation sites; and (f) insufficient transparency in the recruitment and administration of special services agreements, and performance evaluations not consistently conducted. The Country Office indicated that the functional review of the Country Office conducted at the end of 2019 will help to address the weaknesses identified in the audit.

25. Country Office in the Syrian Arab Republic. The audit concluded that the performance of the Country Office was partially satisfactory, with some improvements required to address high and moderate levels of residual risk and improve effectiveness. The Country Office demonstrated strong capacities for public health emergency response, including its contribution to the work of the United Nations country network on the prevention of sexual exploitation and abuse, and was effective in mobilizing substantial financial resources for the “Whole of Syria” emergency response operations. However, the audit identified issues with a high level of residual risk, including: (a) the country cooperation strategy which had not been renewed, resulting in the absence of a formal strategic basis for the operational planning process within the context of the need to move from response to recovery; (b) an organizational structure which was not optimal for programme delivery and the achievement of expected results, as the country situation evolves; and (c) insufficient accuracy and consistency in programmatic reporting.

26. WHO Health Emergencies Programme at the Regional Office for the Eastern Mediterranean. The audit concluded that the performance of the Programme was partially satisfactory, with some improvements required to address high and moderate levels of residual risk and improve effectiveness. The audit noted that the Programme set out a clear strategic agenda which is aligned with the Thirteenth General Programme of Work, 2019–2023 and responds to regional health priorities and the needs of Member States. The Programme effectively engaged in the work of the programme area networks in the process of developing and operational planning for the Programme budget 2018–2019. At the same time, the audit found a number of issues that need to be addressed as a priority. Issues with a high level of residual risk included: (a) the absence of a systematic review of research projects involving human participants by the WHO Ethics Review Committee, representing a significant reputational risk to the Organization; (b) the use of specified funds not in line with donor agreements – management explained that this was due in some instances to funds not yet being available for activities and therefore other awards were temporarily charged; (c) the time taken to conduct competitive recruitment; and (d) weaknesses in the performance assessment controls, negatively impacting on the reliability and integrity of programmatic reporting. The audit also noted that there is a need for an overall review of the systemic challenges related to numerous complex operations in the countries of the Region,

which may also require a clarification of roles and responsibilities across the three levels of the Organization.

Operational audits

27. 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 (including value for money); compliance with WHO regulations, policies and procedures; and the safeguarding of assets.

Cross-cutting areas

28. **WHO Cybersecurity Roadmap.** The audit concluded that the overall implementation of the WHO Cybersecurity Roadmap (established in 2016 as a result of the WHO cybersecurity maturity assessment conducted in 2015 by an external consultancy firm) was partially satisfactory, with major improvement required to strengthen the capability of WHO to effectively address information security risks at the global level. The key factors for the audit conclusion included: (a) the inadequate funding for implementation of the roadmap (only US\$ 1.3 million out of the initially estimated US\$ 4.8 million approved for information security projects in this area since 2017); (b) an undefined information security governance and policy framework; (c) the absence of a holistic approach to risk management of WHO's Principal Risk of information technology security; and (d) changes in key personnel (Chief Information Officer and Chief Information Security Officer) who were expected to lead the roadmap's initiatives. The audit report includes 14 recommendations, most of which refer to the governance of information security which, in the Office's view, is essential for the effective management of the cybersecurity risk – one of WHO's Principal Risks. These recommendations are major enablers and should be considered in conjunction with the recommendations made in the roadmap in 2016. They include some fundamental issues such as the need to: (i) update the Charter of the Information Technology Steering Committee to ensure that the "holistic" responsibility for information security is addressed; and (ii) approve the updated Information Security Policy and Information Security Strategy to ensure that they properly reflect the risk areas identified in the roadmap and that the strategy is aligned with the Thirteenth General Programme of Work and other WHO strategic priorities and initiatives. The audit also noted good practices, such as the implementation of the mandatory cybersecurity awareness training; the standardization of firewall management for protecting the network perimeter for headquarters and regional offices; the deployment of a global anti-virus solution (not yet completed in all WHO regions); and the implementation of the network traffic filtering service to block access to Internet sites based on predetermined categories.

29. **Direct implementation activities.** The audit concluded that internal control activities and procedures in place in relation to the direct implementation mechanism were partially satisfactory, with major improvements required. Good practices were noted in several country offices relating to implementation of alternatives to cash advances to staff for field disbursements, such as the extended use of the direct disbursement mechanism for large-scale operations or payments by mobile phone. On the other hand, the audit confirmed the need for: (a) increased clarity governing the conditions for the use of direct implementation; and (b) strengthened controls to be performed by the first line of defence with regard to approving, recording and tracking cash advances to staff for field disbursements, as well as reviewing and validating expenditure and disbursements. The main recommendations made by the audit included the need to: (a) revise the eManual and the standard operating procedure for direct implementation, including strengthening the criteria and conditions for the use of the direct implementation mechanism versus other modalities; redefining requirements for budget preparation, use of cash payments, technical and financial reporting and documentation of control performance; and

providing further guidance for the first and second lines of defence for sign-off approval and performance of assurance activities; (b) develop or expand policy sections of the direct disbursement mechanism (or other mechanisms to perform direct payments to beneficiaries) and direct implementation activities in graded emergencies; (c) implement stronger controls and compliance guidance at the country office level, especially in the areas of cash advances for direct implementation field disbursements, and expenditure certification and clearance by the first line of defence; (d) develop or enhance information system support and management tools for recording and tracking direct implementation cash advances for field disbursements; and (e) strengthen controls and assurance activities for justification of expenditure by the first and second lines of defence.

30. **Ebola virus disease – operational support in the Democratic Republic of the Congo.** The audit concluded that the effectiveness of controls in the administration and finance areas of the Ebola virus disease incident management system was partially satisfactory, with major improvement required. The report highlighted significant internal control weaknesses in most key processes, including: (a) there were no common tools or systems for administration and finance management across the field coordination offices. Some sections of the WHO eManual on health emergencies were still incomplete and several emergency standard operating procedures (e.g. operational support and logistics) had not been finalized; (b) non-staff deployed in the field were not required to complete the WHO mandatory trainings on “Prevention of harassment, sexual harassment and abuse of authority” and on “To serve with pride – Zero tolerance for sexual exploitation and abuse”; (c) there was a high number of retroactive transactions, mainly due to the lack of long-term funding and/or the lack of availability of appropriate awards at the time of recording payments; (d) Strategic Response Plans 3 and 4 did not adequately consider the operational, financial and socioeconomic risks of supporting medium- to longer-term deployment of WHO activities; (e) there was no formal agreement or other form of plan between WHO and the national authorities to determine the number of staff expected to be deployed by the Ministry of Health and other national authorities to whom WHO would agree to provide subsistence payments. Similarly, there was no consolidated overall reporting of the number of staff actually deployed by the Ministry of Health and other national authorities, or of the allowances paid by WHO; (f) the majority of WHO staff, including administrative staff, are deployed for short periods, reportedly owing to a lack of long-term funding; (g) the procurement of some goods and fixed assets was processed inappropriately through the direct implementation mechanism. Supporting documentation for such purchases did not specify why a competitive process was not followed and if the reasonableness of prices was assessed; (h) direct implementation Imprest purchase orders were created retroactively to account for unrecorded transactions, regardless of the compliance requirements contained in the standard operating procedure; (i) budgets supporting direct implementation were not sufficiently clear or detailed, or did not match with the financial reporting, and there was insufficient quality control of supporting documentation; (j) there was a lack of certification by the programme manager or equivalent to indicate an independent financial review of technical reports, the quality of which was not always adequate; (k) field coordination offices made significant use of cash as a means of payment and there were large amounts of cash held in their safes; (l) a number of vehicles (ambulances and motorcycles) purchased for the Ebola response had not been added to the Country Office fixed assets register, and the assignment of attractive assets to staff and consultants had not been tracked. Other issues with fleet management were identified, such as unused rented vehicles and the absence of fuel tracking devices; (m) more than half of donor reports relating to the Ebola response were not submitted in a timely manner according to the Global Management System; and (n) there were no regular supervisory visits to the three field coordination offices to review Imprest transactions and ensure that they were adequately authorized and supported (second line of defence), as well as to provide support and guidance to local administrative officers, as required.

31. **Travel.** The audit concluded that the control processes and procedures in place in relation to travel were partially satisfactory, with some improvement required to mitigate key risks associated with

travel-related processes for governance, risk management, control activities and monitoring, and perhaps more significantly to enhance capacity to monitor and report on value-for-money targets. The changes to the WHO Travel Policy implemented in March 2018 appear to have delivered positive impacts, such as a reduction in the number of duty travel requests eligible for business-class duty travel, as well as a reduction in the average ticket price, representing a reduction of approximately US\$ 1.6 million (2.5%). In addition, the WHO Preferred Hotel Programme implemented in 2017, which currently includes 14 cities and 24 European countries, realized savings of US\$ 650 000 (i.e. US\$ 60 per night) during the period November 2018–April 2019, according to the data provided by the Travel unit. However, these positive effects were not sufficient to offset the higher costs caused partially by the increased number of duty trips (notably for emergency duty travel) and the higher payments for the per diem component for the period April 2018–March 2019 when compared with the same period in 2017/2018. The result was an increase in WHO travel expenditure by US\$ 4.5 million (1.9%). The WHO Travel Policy states that duty travel should be avoided if other modes of communication, such as videoconferencing, teleconferencing or web conferences, are appropriate. Assessment of these factors is fully within the discretion of the workplan budget approvers. Thus far, no concrete, sustainable actions have been taken to follow up, for example, on whether videoconferencing and web conference facilities provided have replaced duty travel and what additional steps should be taken to replace the need for travel. In addition, the focus of the WHO Travel Policy and its recent changes are mainly centred on staff travel, while controls over non-staff meeting participant travel (representing approximately 56% of the total travel expenditure during the period January–June 2019) continue to be weak in terms of assuring that travel expenditure for this group is effective.

32. Payment services at the Global Service Centre. The conclusion of the audit was that the overall risk and control processes implemented over payment services were satisfactory to mitigate key risks. However, improvements are needed to reduce the number of payments made through the local bank accounts of country offices and to further strengthen the supplier management process (e.g. banking information changes to mitigate the risk of fraudulent payments as a result of control breaches). The audit noted that payment services management has identified the risk areas (such as supplier management) and is planning risk mitigation actions. The risk related to the continuity of payment services in case of a prolonged disruptive event remains significant. The audit also made recommendations for further efficiency improvements in the second line of defence areas of compliance and verification of the payment processes.

On-site operational audits

33. Regional Office for the Western Pacific. The audit concluded that the effectiveness of controls in the administration and finance areas at the Regional Office was satisfactory. The audit identified good practices, such as ensuring compliance with the deadlines for the completion of performance management development assessment and the WHO mandatory online training courses within the required time period. Areas recommended for potential improvement were to: (a) review and update the Regional Office business continuity plan on a regular basis and test it periodically (i.e. at least every two years); (b) periodically retender high-value service contracts; (c) plan and carry out contract tendering and retendering processes in a timely manner; and (d) set up a selection committee to review implementing partners prior to issuing them with grant letters of agreement.

34. Regional Office for South-East Asia. The audit found that the effectiveness of controls in the administration and finance areas at the Regional Office was satisfactory. The audit also identified good practices in ensuring compliance with performance management development assessment and the WHO mandatory online training courses. However, the audit identified the following high residual risk areas that need to be addressed: (a) direct financial cooperation assurance activities carried out by the country

offices were limited in scope, and the Regional Office did not carry out direct financial cooperation verification visits in 2019; and (b) notes for receipt of goods and handover certificates for donations to health ministries were not consistently available. Other areas for potential improvement were to: (a) improve the timeliness of procurement; (b) complete performance evaluations of vendors; (c) conduct assurance activities on expenditure related direct implementation and grant letters of agreement at the country offices of the Region; and (d) perform reviews of country office Imprest returns on a timely basis.

35. Country Office in the Democratic Republic of the Congo. The audit concluded that the effectiveness of controls in the administration and finance areas at the Country Office was partially satisfactory, with major improvement required. The following high residual risk areas need to be addressed as a priority: (a) the implementation of the new Country Support Unit structure, as defined by the functional review, has not yet started and the Country Office has not been able to obtain additional resources for key positions. Additionally, the key position of WHO Representative has been vacant since December 2018; (b) the application of the delegation of authority for health emergencies (in accordance with the eManual) was not effectively applied. In the context of the Ebola response, the actual roles and responsibilities of the WHO Representative and the Incident Manager were not aligned with the responsibilities contained within the delegation of authority for acute emergencies; (c) the Country Office risk register did not capture entirely the complex environment in which WHO operates; (d) final delivery reports for delivery of goods and handover certificates for donations to the government were not consistently available; (e) based on the work done by the Regional Office, some expenditures reported under direct financial cooperation were not appropriately justified; (f) cases were noted where the direct implementation mechanism was used to hand over funds to government officials at decentralized levels for distribution to final beneficiaries; as such, the activities were not directly implemented by WHO staff. There was no comprehensive system to record and track direct implementation cash advances made to staff members for field disbursements. In addition, based on the review of the Regional Office, some expenditures reported by recipients of direct implementation funds were not adequately justified; (g) a number of vehicles purchased for the Ebola response had not been added to the fixed assets register of the Country Office, and the assignment of attractive assets to staff and consultants was not systematically tracked; (h) the level of compliance with the requirements of security risk management measures of the United Nations Department for Safety and Security was found to be inadequate; and (i) the Country Office does not perform regular supervision visits to review field offices' Imprest accounts and other administrative issues.

36. Country Office in the Central African Republic. The audit concluded that the effectiveness of controls in the administration and finance areas at the Country Office was partially satisfactory, with some improvements required. The audit noted the improvement made in internal controls during the audit period. Specifically, the review of transactions noted that significant progress has been made, in particular since May 2019. The following areas of high residual risk are required to be addressed as a priority: (a) half of the Country Office staff had not completed the mandatory training on "To serve with pride – Zero tolerance for sexual exploitation and abuse" and one third had not completed the mandatory training on "Prevention of harassment, sexual harassment and abuse of authority". There was no available evidence that non-staff had completed WHO mandatory trainings; (b) some results of the review of direct financial cooperation expenditures (e.g. relating to unavailable or invalid supporting documentation, or ineligible expenditure) by the Regional Office for Africa had not been followed up to request a refund or reprogramming, as appropriate; (c) the system in place at the Country Office to record and track direct implementation cash advances was not effective (e.g. it did not include the name of the staff receiving the advance), which impacts overall accountability; (d) more than half of the donor reports were not submitted in a timely manner and the audit noted some cases where the funds were not used in line with the donor agreements; and (e) not all the personnel at the Country Office (staff and non-staff) had taken the training on "Safe and secure approaches in field environments", as required by

the risk management measures put in place by the United Nations Department for Safety and Security for all United Nations staff deployed to field missions in the Central African Republic.

37. Country Office in Libya. The audit concluded that the effectiveness of controls in the administration and finance areas at the Country Office was unsatisfactory. The Office recognizes the challenging context in which the Country Office operates and the complex working environment between the Tunis and Tripoli offices. However, poor coordination between the two offices, inadequate supervision of key support processes in Tripoli, and a lack of clarity regarding roles and responsibilities were considered to have contributed to the overall weak control environment and constituted a barrier for effective programme delivery. The following high residual risk areas need to be addressed as a priority. *Human resources management:* (a) the physical allocation of staff based in Libya was not clearly defined and is inconsistent with the critical functions identified in the business continuity plan. A formal plan for international staff rotation has not been established; consequently, adequate programme coverage and operational support could not be guaranteed. In addition, Tripoli was the administrative duty station for all international positions, although they were based in Tunis (only two international staff were allowed to work in Tripoli), leading to high per diem costs for international staff based in Tunis. Also, staff roles and responsibilities were not clearly established, leading to gaps in programme operations and control effectiveness; (b) the drill exercises for the business continuity plan were not conducted. There was no formal mechanism to monitor the security conditions and to assess the effectiveness of the existing action plan/practice. Roles and responsibilities of units/staff and procedures for key functions on co-working from the two offices were not clearly defined. *Procurement:* (a) no local contract review committee has been established and the segregation of duties in the procurement process was inadequate; (b) Transportation and customs clearance services were procured from vendors without formal contracts/agreements and paid through Imprest purchase orders. The evaluation process was inadequate for the customs clearance/transportation and warehouse management services, as vendors with higher prices were contracted without appropriate justification. *Financial management:* (a) financial processes such as payments to vendors and advances to technical unit staff for activities were not clearly established, leading to unreconciled items remaining outstanding for long periods and/or delays in payments; (b) the process for certifying invoices was ineffective, leading to overcharges from some vendors through the invoicing of higher prices and services not listed in the agreements, and there was a lack of segregation of duties in the eImprest area. *Travel:* (a) there was no formal consolidated duty travel plan at the Country Office level. Emergency travel was extensively used, which increased travel costs; (b) separate travel requests were used for consecutive travel by staff, without applying the reduced per diem rate in some cases. *Asset and inventory management:* (a) no complete physical verification of fixed assets has been performed in recent years; (b) the global inventory management system was not implemented for the management of inventory. The roles and responsibilities, and handling procedures between the Country Office and the warehouse management service provider were not clearly defined; (c) there were significant delays in customs clearance, leading to high demurrage costs and delays in programme implementation; (d) essential equipment for security, such as activated satellite phones, was not available; (e) there were no guidelines regarding record-keeping and archiving, and some key information was missing or difficult to find; and (f) no operational supervisory visits were conducted to review the local administrative procedures in the Tripoli office. The report included recommendations for improvement in most of the areas reviewed. The audit also noted that a new WHO Representative had been assigned to the Country Office in mid-2019 and that the Country Office is taking action to improve the processes, compliance and accountability in order to mitigate areas of high residual risk requiring immediate action.

38. Country Office in the Democratic People's Republic of Korea. The audit found that the controls implemented to mitigate key risks at the Country Office were partially satisfactory, with some improvements needed. The following high residual risk issues were identified, which need to be addressed as a priority: (a) the Country Office did not have an independent and standardized process to

prequalify vendors. The information in the vendor list was not complete and was not consistently referred to in the procurement process. According to their business registration details, some major vendors of medical devices had not obtained permission to sell medical products; (b) the average time from the technical review of a proposal until clearance by the United Nations Sanctions Committee was around five months; such long cycle times negatively impact programme implementation; (c) the competitiveness of local procurement was inadequate and red flags were noted in the processes for the evaluation of bids and selection of vendors; (d) programme implementation was significantly impacted by the difficulty of transferring funds to the Country Office. In early 2018, the bank allowed to operate by the United Nations Sanctions Committee was banned for being related to individuals on the United Nations Security Council sanctions list and, since then, there has been no formal channel to transfer funds into the country; and (e) there was a lack of adequate telecommunication equipment at the Country Office for compliance with security requirements.

Desk reviews

39. Operational audits were also performed in the form of desk reviews carried out from headquarters. These audits do not involve travel on site and use data available from the Global Management System and supporting documentation uploaded in the Enterprise Content Management system.

40. **Country Office in Tajikistan.** The audit concluded that the effectiveness of controls in the administration and finance areas at the Country Office was satisfactory. Good practices were noted, such as all payments are made via bank transfer, all staff were compliant with the deadlines for performance management development assessment and have completed the WHO mandatory online training within the required time period. Recommendations for improvement were to: (a) establish and maintain the Country Office emergency readiness checklist; (b) prequalify vendors for the most frequently procured goods and services; (c) consider entering into long-term agreements for frequently procured services; and (d) ensure that procurement is conducted in accordance with WHO policies and that single-source procurement is adequately documented and justified.

Other audit matters

41. In 2019, the Office conducted an audit of the Information Security Management System at the United Nations International Computing Centre. This audit was part of the Office's annual plan of work, prepared on the basis of risk assessment criteria.

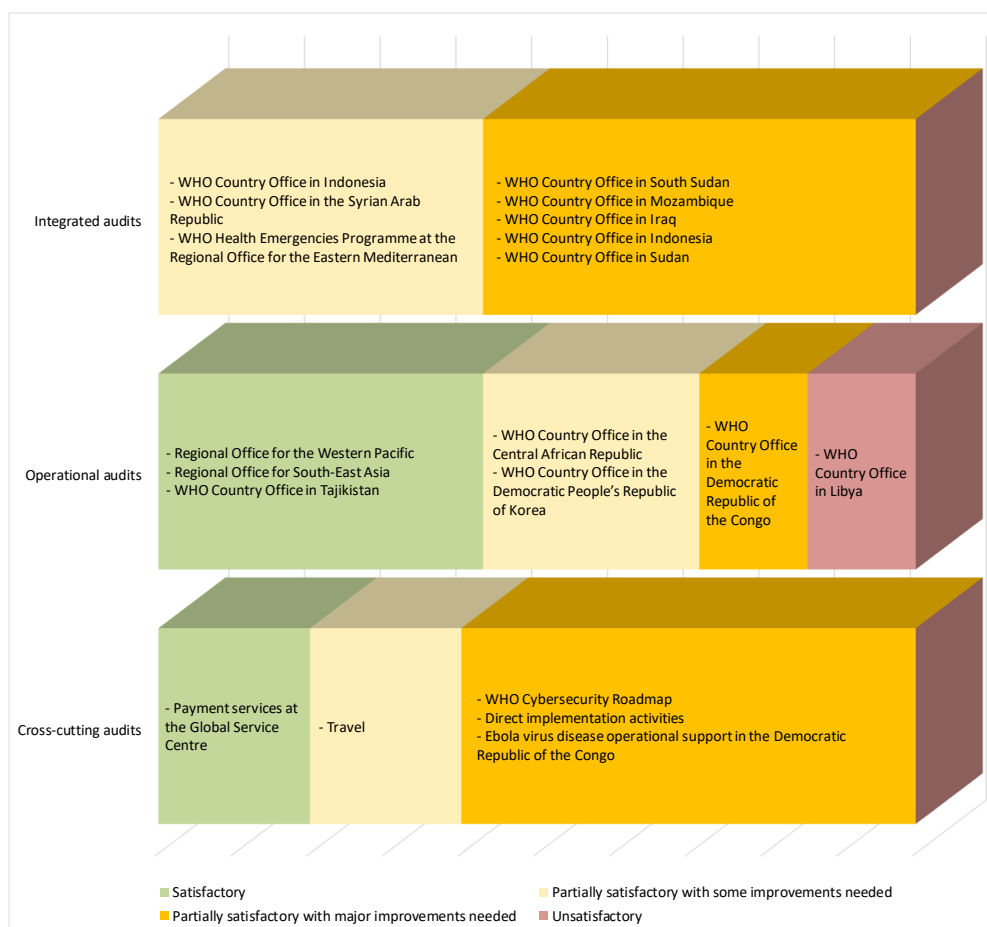
ANALYSIS OF AUDIT FINDINGS

Operating effectiveness of internal controls and residual risk

42. The overall ratings on the operating effectiveness of internal controls from the audits conducted in 2019 were found to be lower than in 2018. In 2019, 53% of the overall conclusions were within the tier 1 and 2 ratings (ratings of either "satisfactory" or "partially satisfactory, with some improvement required"), compared with 81% in 2018. The overall ratings on the operating effectiveness of internal controls in regional offices and global cross-cutting areas were 63% in 2019 (compared with 100% in 2018). This is due to three audits having a rating of "partially satisfactory, with major improvement required" (namely those concerning cybersecurity, direct implementation, and Ebola virus disease operational support in the Democratic Republic of the Congo). There was also a decline in overall ratings for country offices, which fell to 53% in 2019 (compared with 60% in 2018). This is due to one of the 2019 audits having an "unsatisfactory" rating (Country Office in Libya) and five audits having a "partially satisfactory, with major improvement required" rating (Country Offices in the Democratic

Republic of the Congo, Iraq, Mozambique, South Sudan and Sudan). These findings suggest that more focused efforts are required to enhance internal controls in systemic recurring issues, particularly in country offices based in challenging operating environments. They also suggest that there is a need to further strengthen operational support provided by headquarters and regional offices to country operations, with a particular focus on the emergency context if sustainable progress is to be achieved. Fig. below contains a summary of the audit ratings of the conclusions for 2019.

Fig. 1. Audit ratings for 2019, by audit type



43. In particular, the Office has identified recurring issues in these challenging environments in emergency contexts (graded emergencies), specifically:

- (a) The 2019 Ebola virus disease audit identified insufficient common tools and systems for administration and finance management across the field coordination offices, as well as several emergency standard operating procedures that had not yet been finalized. Clear procedures for operational and administrative support need to be put in place from the beginning of the emergency, together with the establishment of adequate (i.e. minimum capacity) operational response from the beginning of the outbreak and the assignment of responsibilities based on appropriate and clear reporting lines.

(b) Insufficient assurance activities for direct implementation, direct financial cooperation and grant letters of agreement, including initiation of follow-up action plans for all identified irregularities (i.e. invalid or unjustified expenditures).

(c) Mandatory training, including on sexual exploitation and abuse, not consistently provided to non-staff deployed in the field. Although the Organization has implemented the requirement on mandatory training (“Prevention of harassment, sexual harassment and abuse of authority” and “To serve with pride – Zero tolerance for sexual exploitation and abuse”), the training is not consistently completed by non-staff. The Office encourages management to make this training mandatory for all non-staff and to implement adequate systems to monitor compliance. This is particularly important in emergency situations where a high number of non-staff (consultants and others) are deployed. Audits in these contexts also noted insufficient awareness in relation to the reporting mechanism for allegations of suspected misconduct, including the existence of and procedures related to the WHO Integrity Hotline.

(d) Insufficient records to control fixed assets and information to facilitate monitoring of fleet management processes.

(e) Excessive reliance on the use of cash over extended periods, further increasing security risks.

(f) Insufficient operational support provided by regional offices and headquarters, including monitoring and improved guidelines for compliance activities. In this context, management should strengthen the first line of defence “quality control” supervisory mechanisms, and the various second-line compliance units should continue their efforts to exercise a more active role in a more harmonized manner.

44. In terms of ensuring lessons learned from the above issues, the Office collaborated with the three-level working group to address the major findings regarding the Country Office in Yemen and the Office was actively involved in supporting the follow-up of the audit recommendations on Ebola virus disease operational support in the Democratic Republic of the Congo.

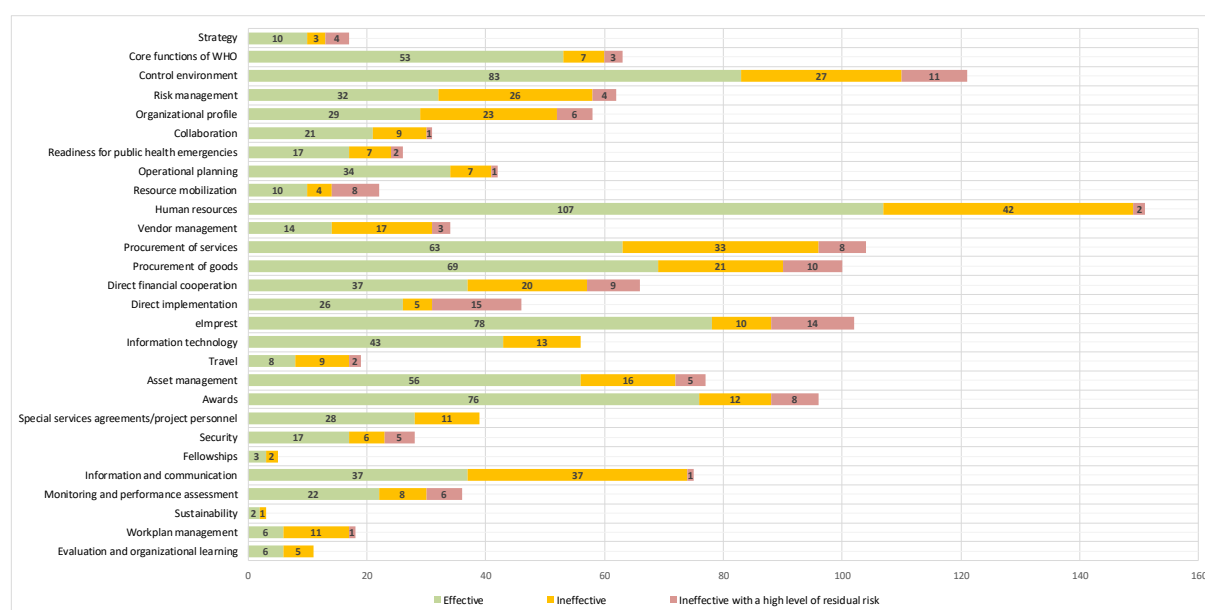
45. Based on the audit work conducted in 2019, the Office identified the “top four process areas” with the lowest effectiveness of controls and, more significantly, the highest levels of residual risk (see Annex 2A) with the potential to negatively impact the Organization’s operations and achievement of results. These four areas,¹ some of them recurring from 2017, require prompt attention by management: (1) further strengthen assurance activities over direct financial cooperation. The intended plans to conduct such activities have not been fully implemented in a consistent manner and more focus is required to implement corrective actions, including timely follow-up of identified irregularities; (2) strengthen systems support and monitoring controls over direct implementation activities; (3) improve vendor management (preselection and evaluation of vendors), which has a potential negative impact on fraud risk; and (4) improve resource mobilization for some key programmes that remain underfunded (such as those addressing noncommunicable diseases, neglected tropical diseases, social determinants of health and the effects of climate change on health), given their high dependence on specified voluntary contributions. Overall, as noted in the previous year’s report, the Office observed

¹ “Travel” is excluded from the analysis as the audit tests were related mainly to the timelines of the issuance of travel requests.

that the progress on the implementation of individual internal audit recommendations made during previous years has not yet led to sustained, systematic improvement across the Organization.

46. Fig. 2 below provides an indicator suggesting the relatively high level of “control ineffectiveness” in relation to the number of audit tests performed in 2019 in the major process areas (similar information is presented in Annex 2A).

Fig. 2. Operating effectiveness of internal controls, by process, for 2019, (n = number of tests performed)



Analysis of audit findings at country offices

47. The Office has updated its meta-analysis of the results obtained from country audits conducted in the period 2017–2019, in order to (a) demonstrate the trend in compliance with WHO’s rules and regulations (see Annexes 3A and 3B); and (b) highlight the process areas¹ that represent the greatest challenges in terms of control effectiveness.

48. The chart contained in Annex 3A provides a detailed analysis of the audit findings at country offices, by process area, in the period 2017–2019. The results of the work conducted at country offices demonstrate that during 2019 there was a general decrease in the range of compliance effectiveness with WHO rules and regulations, particularly in process areas such as the level of maturity of risk management and vendor management, which need significant improvement. In response to requests from Member States, the Office has included an analysis of the regional differences in relation to

¹ For the main testing exercise, internal controls have been grouped under the elements of the COSO framework of the Committee of Sponsoring Organizations of the Treadway Commission (see paragraph 13) and individual process areas: (i) control environment; (ii) risk management; (iii) control activities (human resources; vendor management; contracts for service; procurement of goods; direct financial cooperation; direct implementation; eImprest, Global Management System/information technology; travel; fixed assets/inventory; awards; special services agreements; security); (iv) information and communication; and (v) monitoring.

compliance. Annex 3B describes the operating effectiveness of internal controls in country offices, consolidated by region.

IMPLEMENTATION OF AUDIT RECOMMENDATIONS

49. On a periodic basis, the Office follows up with management on the implementation status of internal audit recommendations and reports on the status of open audit recommendations, including the progress made since the prior reporting period. When reporting to Member States, the Office prepares cumulative implementation statistics for all its open recommendations since the date of its previous report to the Health Assembly (see Annex 1). The Office maintains a web-based portal to facilitate the management and follow-up of audit recommendations – for both management and auditors – which provides automated email notifications of upcoming milestones for action on the progress of implementation. It should be noted that the Office reports on the status of outstanding recommendations using the agreed expected date of implementation for each recommendation. Based on this information, the Office notes that progress on implementing audit recommendations has decreased, with 14.4% of outstanding open recommendations being considered as “past due”, compared with 4.3% for the previous year. The overdue recommendations classified as being of high significance and with high residual risks represent 15.9% and 8.6%, respectively, of the total overdue recommendations.

50. The Office has categorized the audit recommendations made in 2019 by audit area and significance (see Annex 2B). Attention has been focused on monitoring the progress of implementation of high-priority recommendations for most open audits (i.e. those considered as being highly significant and that require a relatively low level of effort to implement (see Annex 1)).

51. Since the Seventy-second World Health Assembly in May 2019, the Office has received updates on the progress of implementation of its audit recommendations. After review of the effectiveness of the progress reported, the Office was able to close 15 audits (see Annex 4).

52. Table 2 highlights the cumulative annual and overall implementation rates as at 12 February 2020 for all reports issued since 1 January 2018.

Table 2. Overall audit recommendation implementation rates, as at 12 February 2020 (2018 and 2019 audit reports)

Recommendation status	Number of recommendations		Percentage of recommendations		Average days in advance/late	
	2018	2019	2018	2019	2018	2019
Implementation not yet expected	361	127	62%	41%	–	–
Closed as agreed	70	22	12%	7%	30	28
Closed with delay	22	23	4%	7%	(21)	(43)
In progress overdue	103	51	18%	16%	(79)	(54)
Open overdue	25	89	4%	29%	(22)	(67)
Total ^a	581	312	100%	100%		

^a The total number of recommendations includes draft reports; therefore, there may be minor differences with the final reports.

External assessment of the audit function – status of implementation of recommendations

53. In accordance with standards of the Institute of Internal Auditors, an external assessment of the audit function must be conducted at least once every five years by a qualified external independent reviewer or review team. As reported last year, the Office carried out a self-assessment of its audit function which was independently validated by qualified external assessors from one of the “Big Four” audit firms. The external validation concluded that the Office “generally conforms” – the highest attainable level of conformance – with the mandatory elements of the International Professional Practices Framework (including the Mission and the Definition of Internal Auditing, the Code of Ethics and the Standards), released by the Institute of Internal Auditors. The implementation of the recommendations for improvements of the audit function, following the external validation in 2019, is in progress. Progress with the implementation of these recommendations (see Annex 5) is also reported to the Independent Expert Oversight Advisory Committee at each of its meetings.

INVESTIGATIONS

54. The investigation function supports the Organization in managing the risk of fraud and other wrongdoing by providing risk-based, value-added and result-oriented investigations, and by contributing to the prevention, detection and deterrence of wrongdoing, including fraud, waste and all forms of abuse. The Office assesses and investigates allegations of suspected misconduct reported to the Office, such as fraud, corruption, collusion, theft, sexual exploitation and abuse, workplace and sexual harassment, retaliation, and other acts or omissions, which are contrary to the general obligations of WHO staff and other personnel.¹

55. The receipt of “reports of concern” is the first step in a comprehensive investigation process conducted by the Office to consider the allegations reported. All reports of concern are reviewed by the Office’s Intake Committee to determine whether the matter falls within the mandate of the Office and is investigable. Where needed, a preliminary review assesses whether there are sufficient grounds to initiate a full investigation.

56. In cases where a full administrative fact-finding investigation is conducted, the Office reports the results of its work and makes recommendations to the Director-General, Regional Directors and relevant responsible managers for consideration of any relevant action, including initiating disciplinary proceedings as appropriate. The investigation report concludes whether each individual allegation raised is one of the following:

- Substantiated: there is sufficient evidence to conclude that the alleged facts occurred, that these facts could constitute wrongdoing, and that the identified subject committed them.
- Unsubstantiated: there is insufficient evidence to conclude whether the alleged facts occurred and/or the facts could constitute wrongdoing, and/or whether the identified subject committed them.
- Unsolved: there is sufficient evidence to conclude that the alleged facts occurred, that the facts could constitute wrongdoing, but the subject did not commit them (i.e. she/he was cleared) or was never identified.

¹ With the exception of matters under the scope of the WHO Policy on Misconduct in Research, December 2017.

- **Unfounded:** there is sufficient evidence to conclude that the alleged facts did not occur, or the established facts did not constitute wrongdoing.

57. The Office uses agreed criteria for the prioritization of reports of concern received for investigation. The prioritization criteria weight the seriousness, grounds and effort required for the investigation of the allegations raised in the reports of concern. The criteria accord the highest priority to the investigation of allegations of sexual exploitation and abuse, sexual harassment, violent behaviours and retaliation.

58. The investigation function maintains regular contact with other departments of the Organization, such as the Compliance, Risk Management and Ethics department, the regional compliance units, the Office of the Legal Counsel and the Human Resources Management department. The Office will continue to work with these departments to overcome some of the challenges faced in its investigative work; in particular:

- **Access to the WHO Integrity Hotline:** the Office currently has no direct access to the WHO Integrity Hotline managed by an external service provider. Currently, alleged wrongdoings reported by whistle-blowers are reviewed first by the Compliance, Risk Management and Ethics department that decides whether the allegations should be forwarded to the Office. External reviews of the investigation function conducted in 2017 and 2019 both recommended that direct access should be granted to the Office in order to comply with best practices and the Charter of the Office.
- **WHO Sexual Exploitation and Abuse Prevention and Response Policy:** The Office is working with the Compliance, Risk Management and Ethics department, the regional compliance units, the Office of the Legal Counsel and the Human Resources Management department to clarify the Organization's operational interpretation of the application of the WHO policy in alignment with the principles set out by the United Nations Secretariat.

Overview of investigation activities

59. As detailed in Table 3 below, the Office handled 329 cases in 2019, including 167 cases that were brought forward from 2018 and 162 cases received in 2019. The Office closed 81 cases at various stages of the investigation process and had 248 open cases as at 31 December 2019.¹ The 81 closed cases included full investigation and issuance of 21 investigation reports. The 21 investigation reports issued in 2019 included 16 substantiated, one partially substantiated, two unsubstantiated and two unfounded allegations (Annex 6). The substantiated allegations included two allegations involving one entity hosted by WHO. In addition, the Office has pursued several major cases which have required significant resources in 2019 and for which the reports are expected to be issued in early 2020.

Table 3. Case load analysis

Case load	2017	2018	2019
Carried over cases	107	100 ^a	167
Number of cases received	82	148	162
Total number of allegations for investigation	189	248	329
Number of cases closed	(87)	(81)	(81)

¹ An additional 14 cases have been closed in 2020 as at the date of the preparation of this report (i.e. 19 February 2020).

Balance of cases as at 31 December 2019	102	167	248
Estimated completion time for open cases (in working days)	959	1646	3106
Number of investigators as at 31 December 2019	5	6	8 ^b
Number of investigation reports issued	11 ^c	28	21
Number of cases substantiated or partially substantiated	7	19	17
Number of cases unsubstantiated/unsolved/unfounded	4	9	4

^a Two cases were previously reported as relating to 2017.

^b This comprises four full-time fixed-term investigators (three P4 and one P3 staff member, one of whom was on maternity leave from September 2019); three regular consultants comprising one P3 staff member who worked 233 days and two P5 staff members who worked 230 and 223 days, respectively, at a total cost of US\$ 319 050 in 2019; and one consulting firm that provided services for a total of 82.5 days at a total cost of EUR 60 717 (equivalent to US\$ 66 940).

^c Until 2017, annual reporting for the Office was aligned with the calendar of the Health Assembly. Since 2018, reporting has been aligned with the standard calendar year (1 January to 31 December). Four substantiated reports issued in 2018 that had initially been reported in the 2017 report to the Health Assembly are included in the 2018 statistics to allow comparison between years.

60. Owing to the still very high number of cases received in 2019 compared with the Office's limited investigative capacity, the backlog has continued to grow and, as at the end of 2019, the Office had 248 open cases that were brought forward to 2020. The estimated time to complete these cases is approximately 3100 working days, compared to the Office's current annual capacity of approximately 1450 working days. Based on these figures, the Office would need more than two years to clear the current backlog in a situation where no new reports of concern were received during the same period.

Case trends

61. The Office conducted a comparison of reports of concern received within the last three years, grouped by major office and allegation type, as presented in Tables 4 and 5 below. During the period 2017–2019, reports of concern were received from locations in 79 countries. Cases reported in 2018–2019 reflect the continued increase in the volume of reported cases compared with previous years; however, the mix between regions appeared to remain consistent in 2019 compared with 2018 (see Table 4). Similarly, the number of reported cases by type of allegation remained consistent in 2019, with fraud¹ allegations being the highest.

Table 4. Summary of cases, by major office, for the period 2017–2019

Major office/region	2017	2018	2019
Headquarters	18	25	26
African	31	45	44
Americas	–	–	1
Eastern Mediterranean	20	31	36
European	3	9	16
South-East Asia	6	11	12
Western Pacific	1	5	4
Total WHO	79	126	139

¹ Details of the types of fraud, which were compressed in this category, are presented in Fig. 3.

IARC	–	1	–
UNAIDS	–	17	19
UNICC	–	1	2
Unitaid	1	3	1
Other	2	–	1
Grand total	82	148	162

Table 5. Summary of cases, by allegation type, for the period 2017–2019

Major office/region	2017	2018	2019	Total
Corruption	14	5	9	28
Failure to comply with professional standards	4	11	11	26
Fraud	30	55	61	146
Recruitment irregularity	10	8	14	32
Other	6	27	26	59
Total (cases against assets/property)	64	106	121	291
Harassment	13	25	28	66
Sexual harassment	3	10	6	19
Retaliation	1	4	2	7
Sexual exploitation and abuse	1	3	5	9
Total (cases against people)	18	42	41	101
Total	82	148	162	392

62. In comparison with the preceding year, in 2019 there was an increase in allegations of sexual exploitation and abuse, harassment, bribery and corruption, fraud and recruitment irregularities; and a decrease in allegations of sexual harassment and retaliation. There was also a decrease in reports of “miscellaneous” issues, which were recorded as “failure to comply with professional standards and other” in previous years.

63. The Office conducted a trend analysis of reports of concern received in 2019, particularly for allegations of sexual exploitation and abuse, harassment and fraud, with a view to understanding potential patterns and to help to devise preventive measures to curtail them.

Sexual exploitation and abuse

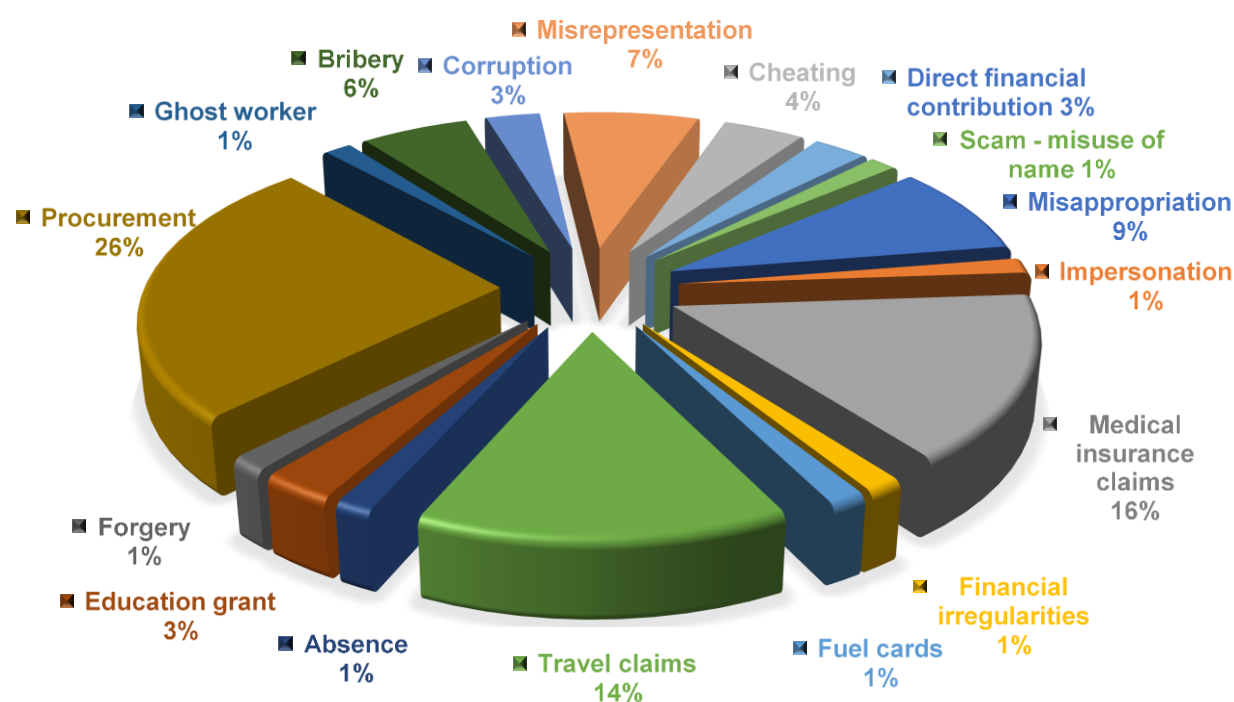
64. Reports of sexual exploitation and abuse increased from three in 2018 to five in 2019. The 2019 reports included two allegations of sexual activities with sex workers, one report of a sexual relationship between a consultant and a national of a host country resulting in a pregnancy, one report of a request for a sexual relationship from a national of a host country during discussion of employment prospects in the home of the concerned staff member and in the presence of other individuals and one did not provide sufficient information to identify the alleged victim(s). An analysis of the reported cases of sexual exploitation and abuse (see Table 6) notes that the majority of allegations involve non-staff.

Table 6. Profile of alleged perpetrators of sexual exploitation and abuse

Status of the alleged perpetrator	Number in 2018	%	Number in 2019	%	Total	Total %
Consultants	2	67	2	40	4	50
Staff	1	33	1	20	2	25
Unidentified	0	0	2	40	2	25
Total	3	100	5	100	8	100

Fraud

65. The overall number of allegations of fraud and corruption increased to 70 in 2019.¹ The various fraud schemes that were noted in reports of concern received in 2019 are presented in Fig. below.

Fig. 3. Typology of fraud schemes reported in 2019

66. Overall, there were 17 types of fraud schemes noted in reports of concern received in 2019. The three most prevalent fraud schemes in 2019 were procurement (26%), medical insurance claims (16%) and travel claims (14%).

67. In comparison with the trend of fraud schemes in 2018, there was a reduction in procurement and medical insurance schemes from 51% and 22%, respectively, in 2018 to 26% and 16%, respectively, in

¹ The 70 allegations include nine allegations of misrepresentation, cheating and impersonation in the recruitment process by candidates.

2019. The Office will continue to monitor fraud schemes in 2020 in order to focus awareness and prevention efforts.

Harassment

68. The Office recalls the increase in reports of sexual harassment by interns in 2018 and the development by the Office, in collaboration with the Department of Human Resources, of a specific awareness-training programme for this target population. The Office notes that there was no particular pattern or trend in the cases of alleged sexual harassment reported and no reports of sexual harassment by interns in 2019, and plans to continue with this preventive strategy in 2020.

69. In relation to reports of alleged harassment, while the gender of complainants remained similar in 2019 (i.e. the ratio of male/female complainants was 33%/67%) compared with 2018 (41%/59%, respectively), there was a marked change in the profile of alleged subjects in 2019, as the majority of subjects were female (54%), compared with 2018 (15%) (see Table 7).

Table 7. Profile of affected persons in harassment cases

Gender	2018		2019	
	Complainants	Alleged subjects	Complainants	Alleged subjects
Male	41%	85%	33%	46%
Female	59%	15%	67%	54%
Total	100%	100%	100%	100%

ASSESSMENT OF CORPORATE RISKS

70. An integral element of the planning process in all audits performed by the Office is to systematically review the risk register of the departments and units audited. The scope of the testing of these aspects of risk management (risk awareness, identification and mitigation) includes, where appropriate, the alignment of the risks identified in the risk register and in the related programme budget reporting.

71. In January 2017, the Secretariat published the WHO Principal Risks, which were reportedly identified based on a top-down assessment of risks by senior management to supplement a bottom-up “budget centre” risk management process. The Principal Risks were subsequently updated in mid-2017, May 2018 and March 2019. In response to requests from Member States, the Office has analysed the audit work conducted in 2019 and previous years against the Principal Risks, the results of which are available in Annex 7. The work of the Office will continue to be mapped to these Principal Risks and the follow-up of the related recommendations supporting significant risks and risk response actions identified by management. For example, in relation to three risk areas with a severe or significant level of risk in 2019.

72. **WHO Health Emergencies Programme:** In 2019, the Office conducted audits of country offices affected by emergencies, such as South Sudan (audit report 19/1161), Sudan (audit report 19/1171) and the Syrian Arab Republic (audit report 19/1181). The Office also conducted an audit of the Ebola virus disease operational support in the Democratic Republic of the Congo (audit report 19/1164-2) and of the WHO Health Emergencies Programme at the Regional Office for the Eastern Mediterranean (audit report 19/1177). In 2019, the Office also continued to monitor the implementation of the recommendations made in the performance audit of the containment of the 2014 Ebola virus disease

(audit report 15/996), which was closed in January 2020. A total of 13 recommendations were superseded and/or partially superseded by the audit of the Ebola virus disease operational support in the Democratic Republic of the Congo (audit report 19/1164-2) and will be followed up as part of this audit. In 2018, the Office conducted audits of country offices affected by emergencies, such as Ethiopia, Somalia and Yemen.

73. **Misconduct in the Organization:** Since 2018, the Office has been providing a fraud awareness presentation to staff as part of its audit missions, where appropriate. The Office also provides a similar presentation during the Operations Officers' meetings at the WHO Regional Office for Africa and at the WHO Regional Office for the Eastern Mediterranean. In addition, the Office provides information on fraud awareness in the induction sessions for new staff at headquarters and induction sessions for Heads of Country Offices. Standard testing in most of the audits includes potential fraud areas such as segregation of duties in the eImprest, payments and fixed assets. Previous audit reports have highlighted the need to conduct necessary due diligence in relation to implementing partners' activities (direct financial cooperation), including nongovernmental organizations.

74. **Cybersecurity:** In 2019, the Office conducted a review of the implementation of the WHO Cybersecurity Roadmap (audit report 19/1165). In 2018, the Office conducted an audit of information and communication technology at the Regional Offices for Africa and South-East Asia (audit report 18/1147).

REGION OF THE AMERICAS

75. With regard to the situation in the Region of the Americas, the Auditor General of the Office of Internal Oversight and Evaluation Services (IES) confirmed in his 2019 report to the Pan American Sanitary Bureau (PASB) that "IES observed steadily continuing improvements in PASB's internal control environment in 2019. This is reflected in the absence of 'unsatisfactory' ratings for any of the internal audit assignments. This is the second consecutive year of no 'unsatisfactory' ratings", and that "the improvements appear to derive in part from improved information technology systems, most notably those arising from the PASB Management Information Systems (PMIS) project, and in part from an increased awareness among personnel of the importance of internal controls".

76. The Auditor General also reported that "based on the internal audit activity undertaken in 2019, IES did not identify any significant weaknesses in internal controls that would seriously compromise the achievement of PAHO's strategic and operational objectives. The overall opinion of IES with respect to the PASB internal control environment in 2019 is that it continued to provide reasonable assurance over the accuracy and timely recording of transactions, assets, and liabilities, and of the safeguarding of assets". However, as in 2018, the Auditor General draws attention to scope for further development of the "second line of defence" which, in IES's view, "calls for more systematization, in particular, a more comprehensive assurance mapping between the Organization's objectives, risks and risk-mitigating internal controls would further strengthen the internal control environment of PASB. Similarly, the Enterprise Risk Management exercise should articulate more clearly the interconnections between the Organization's risks, objectives and internal controls".

ACTION BY THE HEALTH ASSEMBLY

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

ANNEX 1

STATUS OF OPEN AUDIT RECOMMENDATIONS AS AT 12 FEBRUARY 2020

Audit No.	Audit title	Responsible manager	Date of final report	Number of years since report issued	Number of recommendations	Status as at 18 February 2019				Current status as at 12 February 2020					Implementation rate (excluding not yet due)	Percentage of overdue implementation*	High significance overdue not closed*	High residual risk overdue not closed	High priority** overdue not closed*	Comments on changes since previous status report					
						Implementation not yet due	Overdue open	Overdue in progress	Closed	Number of recommendations	Implementation not yet due	Overdue open	Overdue in progress	Closed											
Audit reports of 2015 workplan																									
15/1011	Country office in South Sudan	RD/AFRO	2016/06	Closed 05/2019	40	0	0	4	36	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Audit closed during the period					
15/996	Containment of the 2014 Ebola virus disease in West Africa – operational support to affected countries	EXD/WHE	2015/10	Closed 01/2020	90	0	0	59	31	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Audit closed during the period					
Audit reports of 2016 workplan																									
16/1026	Global management system user provisioning	ADG/BOS	2017/02	3.0	20	0	0	12	8	20	0	0	7	13	65%	35%	4	3	0	5 recommendations closed during the period					
16/1027	Oracle workflow and project approval application controls	ADG/BOS	2017/03	Closed 02/2020	15	0	0	3	12	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Audit closed during the period					
16/1033	Health Systems Governance and Financing Department at headquarters	ADG/UHL	2016/11	3.3	36	0	0	8	28	36	0	0	8	28	78%	22%	6	1	3	No recommendations closed during the period					
16/1043	Communicable Diseases Cluster at the Regional Office for Africa	RD/AFRO	2017/03	Closed 01/2020	82	0	0	7	75	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Audit closed during the period					
16/1062	WHO staff health insurance	ADG/BOS	2017/04	2.8	33	0	9	11	13	33	0	2	10	21	64%	36%	10	6	0	8 recommendations closed during the period					
16/1071	Regional Office for the Eastern Mediterranean	RD/EMRO	2017/01	Closed 05/2019	31	0	0	1	30	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Audit closed during the period					
Audit reports of 2017 workplan																									
17/1077	Country office in Djibouti	RD/EMRO	2017/10	Closed 05/2019	18	0	0	3	15	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Audit closed during the period					
17/1079	WHO headquarters	HQ/DGO	2017/12	2.2	50	4	6	8	32	50	0	4	8	38	76%	24%	9	4	0	6 recommendations closed during the period					
17/1082	Country office in Niger	RD/AFRO	2017/11	2.2	36	0	2	15	19	37	0	2	13	22	59%	41%	8	0	0	3 recommendations closed during the period					

Audit No.	Audit title	Responsible manager	Date of final report	Number of years since report issued	Number of recommendations	Status as at 18 February 2019				Current status as at 12 February 2020				Implementation rate (excluding not yet due)	Percentage of overdue implementation*	High significance overdue not closed*	High residual risk overdue not closed	High priority** overdue not closed*	Comments on changes since previous status report	
						Implementation not yet due	Overdue open	Overdue in progress	Closed	Number of recommendations	Implementation not yet due	Overdue open	Overdue in progress							Closed
17/1086	Human resources management at the Global Service Centre	ADG/BOS	2018/04	Closed 02/2020	25	0	3	2	20	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Audit closed during the period	
17/1090	Country office in Pakistan	RD/EMRO	2018/04	Closed 12/2019	34	0	4	11	19	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Audit closed during the period	
17/1091	Communicable Diseases Department at the Regional Office for the Eastern Mediterranean	RD/EMRO	2017/08	Closed 04/2019	18	0	0	2	16	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Audit closed during the period	
17/1092	Regional Office for Europe	RD/EURO	2017/12	2.2	34	0	2	15	17	34	0	0	3	31	91%	9%	2	1	0	14 recommendations closed during the period
17/1094	Country office in the Republic of Congo	RD/AFRO	2018/04	1.8	27	0	1	13	13	27	0	0	2	25	93%	7%	1	1	0	12 recommendations closed during the period
17/1095	Country office in Equatorial Guinea	RD/AFRO	2018/02	2.0	40	0	7	9	24	40	0	3	6	31	78%	23%	6	2	0	7 recommendations closed during the period
17/1097	Procurement and supply services department at the Regional Office for Africa	RD/AFRO	2018/04	1.8	14	0	2	3	9	14	0	2	1	11	79%	21%	3	2	1	2 recommendations closed during the period
17/1103	Office 365 cloud email	ADG/BOS	2018/02	2.0	7	0	1	5	1	7	0	0	4	3	43%	57%	2	1	0	2 recommendations closed during the period
17/1105	Department of Public Health, Environmental and Social Determinants of Health at WHO headquarters	ADG/UHL	2017/12	2.1	42	13	12	3	14	42	0	20	6	16	38%	62%	20	12	0	2 recommendations closed during the period
17/1106	Country office in Cameroon	RD/AFRO	2018/02	2.0	34	0	0	16	18	34	0	0	14	20	59%	41%	10	2	0	2 recommendations closed during the period
Audit reports of 2018 workplan																				
18/1126	WHO in Ethiopia	RD/AFRO	2018/08	1.5	62	8	1	27	26	62	1	4	12	45	74%	26%	11	5	0	19 recommendations closed during the period
18/1127	Country office in Nigeria	RD/AFRO	2018/08	1.5	32	7	5	11	9	32	0	0	2	30	94%	6%	0	0	0	21 recommendations closed during the period
18/1128	Country office in Myanmar	RD/SEARO	2018/07	Closed 05/2019	17	0	0	1	16	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Audit closed during the period	
18/1129	WHO in Liberia	RD/AFRO	2018/05	1.7	39	2	0	15	22	39	0	0	5	34	87%	13%	3	2	0	12 recommendations closed during the period

Audit No.	Audit title	Responsible manager	Date of final report	Number of years since report issued	Number of recommendations	Status as at 18 February 2019				Current status as at 12 February 2020					Implementation rate (excluding not yet due)	Percentage of overdue implementation*	High significance overdue not closed*	High residual risk overdue not closed	High priority** overdue not closed*	Comments on changes since previous status report
						Implementation not yet due	Overdue open	Overdue in progress	Closed	Number of recommendations	Implementation not yet due	Overdue open	Overdue in progress	Closed						
18/1130	IT project management at headquarters	ADG/BOS	2019/01	1.1	19	19	0	0	0	19	5	0	1	13	93%	5%	0	0	0	13 recommendations closed during the period
18/1133	Country office in Yemen***	RD/EMRO	2019/06	0.7	N/A	N/A	N/A	N/A	N/A	73	0	0	5	68	93%	7%	5	4	1	68 recommendations closed during the period
18/1134	Country office in Chad	RD/AFRO	2018/09	1.4	45	0	0	45	0	45	0	0	18	27	60%	40%	12	6	0	27 recommendations closed during the period
18/1135	Country office in Mongolia	RD/WPRO	2019/01	Closed 06/2019	8	8	0	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Audit closed during the period
18/1136	Country office in Ukraine	RD/EURO	2018/11	1.3	18	18	0	0	0	18	0	0	4	14	78%	22%	2	0	0	14 recommendations closed during the period
18/1137	Integrated audit of the Family and Reproductive Health Cluster at the Regional Office for Africa	RD/AFRO	2018/09	Closed 01/2020	28	19	0	1	8	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Audit closed during the period
18/1138	Payroll at the Global Service Centre	ADG/BOS	2019/04	0.9	18	18	0	0	0	18	4	4	1	9	64%	28%	0	0	0	9 recommendations closed during the period
18/1147	Information and communications technology at the Regional Offices for Africa and South-East Asia	RD/AFRO	2019/03	0.9	7	7	0	0	0	7	0	0	5	2	29%	71%	4	2	0	2 recommendations closed during the period (AFRO)
		RD/SEARO		0.9	6	6	0	0	0	6	0	0	0	6	100%	0%	0	0	0	All recommendations closed during the period (SEARO)
18/1148	Integrated audit of the Communicable Diseases Department at the regional office for Europe	RD/EURO	2019/04	0.8	36	36	0	0	0	34	18	0	6	10	63%	18%	1	0	0	10 recommendations closed during the period
18/1149	Integrated audit of the Global Malaria Programme	ADG/UCN	2018/10	1.3	20	20	0	0	0	20	0	0	1	19	95%	5%	1	0	0	19 recommendations closed during the period
18/1150	Country office in Afghanistan	RD/EMRO	2018/10	Closed 07/2019	21	6	0	5	10	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Audit closed during the period
18/1152	Integrated audit of the Department of Service Delivery and Safety at WHO headquarters	ADG/HEP	2019/01	1.0	63	63	0	0	0	63	2	48	6	7	11%	86%	21	17	0	7 recommendations closed during the period
18/1154	WHO in Somalia	RD/EMRO	2018/12	1.1	63	63	0	0	0	63	0	13	18	32	51%	49%	15	9	0	31 recommendations closed during the period
18/1155	Regional Office for Africa	RD/AFRO	2019/03	0.9	33	33	0	0	0	28	0	19	9	0	0%	100%	12	2	2	Follow-up in progress for 9 overdue recommendations

Audit No.	Audit title	Responsible manager	Date of final report	Number of years since report issued	Number of recommendations	Status as at 18 February 2019				Current status as at 12 February 2020					Implementation rate (excluding not yet due)	Percentage of overdue implementation*	High significance overdue not closed*	High residual risk overdue not closed	High priority** overdue not closed*	Comments on changes since previous status report
						Implementation not yet due	Overdue open	Overdue in progress	Closed	Number of recommendations	Implementation not yet due	Overdue open	Overdue in progress	Closed						
18/1156	Reginal Office for the Eastern Mediterranean	RD/EMRO	2019/04	0.8	36	36	0	0	0	35	0	10	8	17	49%	51%	7	1	1	17 recommendations closed during the period
18/1157	Integrated audit of the Immunization and Vaccine Department at the Regional Office for South-East Asia	RD/SEARO	2019/02	Closed 01/2020	4	4	0	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Audit closed during the period
18/1160	Award management***	DDG	2019/05	0.7	8	8	0	0	0	9	6	0	3	0	0%	33%	3	0	0	Follow-up in progress for 3 overdue recommendations
Audit reports of 2019 workplan																				
19/1161	WHO in South Sudan	RD/AFRO	2019/06	0.6	N/A	N/A	N/A	N/A	N/A	54	0	33	2	19	35%	65%	25	17	0	19 recommendations closed during the period
19/1162	Regional Office for the Western Pacific	RD/WPRO	2019/07	0.6	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Audit closed during the period with all 20 recommendations implemented before the due date
19/1163	Direct implementation activities	ADG/BOS	2019/11	0.3	N/A	N/A	N/A	N/A	N/A	29	29	0	0	0	N/A	N/A	N/A	N/A	N/A	Not yet due
19/1164-1	Country office in the Democratic Republic of the Congo	RD/AFRO	2019/11	0.3	N/A	N/A	N/A	N/A	N/A	45	32	13	0	0	0%	29%	8	6	0	No new response received from the auditee
19/1164-2	Ebola virus disease audit – Democratic Republic of the Congo	RD/AFRO – WHE/EXD	2019/11	0.3	N/A	N/A	N/A	N/A	N/A	40	0	18	18	4	10%	90%	29	26	0	4 recommendations closed during the period
19/1165	WHO cybersecurity road map	ADG/BOS	2019/09	0.4	N/A	N/A	N/A	N/A	N/A	14	4	0	1	9	90%	7%	1	0	0	9 recommendations closed during the period
19/1167	WHO in Mozambique	RD/AFRO	2019/07	0.6	N/A	N/A	N/A	N/A	N/A	53	10	21	9	13	30%	57%	12	7	1	13 recommendations closed during the period
19/1171	WHO in Sudan	RD/EMRO	2020/02	0.0	N/A	N/A	N/A	N/A	N/A	93	93	0	0	0	0%	0%	0	0	0	Not yet due
19/1172	WHO in Iraq	RD/EMRO	2019/10	0.3	N/A	N/A	N/A	N/A	N/A	46	21	4	21	0	0%	54%	9	2	0	Follow-up in progress for 21 overdue recommendations
19/1175	WHO in Indonesia	RD/SEARO	2020/01	0.1	N/A	N/A	N/A	N/A	N/A	59	59	0	0	0	0%	0%	0	0	0	Not yet due
19/1176	Regional office for south-east Asia	RD/SEARO	2020/01	0.1	N/A	N/A	N/A	N/A	N/A	20	20	0	0	0	0%	0%	0	0	0	Not yet due
19/1177	WHO Health Emergencies Programme at the Regional Office for the Eastern Mediterranean	RD/EMRO	2019/12	0.1	N/A	N/A	N/A	N/A	N/A	31	31	0	0	0	0%	0%	0	0	0	Not yet due

Audit No.	Audit title	Responsible manager	Date of final report	Number of years since report issued	Number of recommendations	Status as at 18 February 2019				Current status as at 12 February 2020					Implementation rate (excluding not yet due)	Percentage of overdue implementation*	High significance overdue not closed*	High residual risk overdue not closed	High priority** overdue not closed*	Comments on changes since previous status report
						Implementation not yet due	Overdue open	Overdue in progress	Closed	Number of recommendations	Implementation not yet due	Overdue open	Overdue in progress	Closed						
19/1166	Global audit of travel	ADG/BOS	2020/02	0.0	N/A	N/A	N/A	N/A	N/A	11	11	0	0	0	0%	0%	0	0	0	Not yet due
19/1185	Country office in Tajikistan	RD/EURO	2020/02	0.0	N/A	N/A	N/A	N/A	N/A	12	12	0	0	0	0%	0%	0	0	0	Not yet due
19/1178	Payment services at the Global Service Centre	ADG/BOS	2020/02	0.0	N/A	N/A	N/A	N/A	N/A	16	16	0	0	0	0%	0%	0	0	0	Not yet due
19/1173	Country office in Libya****	RD/EMRO	N/A	N/A	N/A	N/A	N/A	N/A	N/A	78	78	0	0	0	N/A	N/A	N/A	N/A	N/A	Final report not yet issued
19/1180	Country office in the Democratic People's Republic of Korea****	RD/SEARO	N/A	N/A	N/A	N/A	N/A	N/A	N/A	33	33	0	0	0	N/A	N/A	N/A	N/A	N/A	Final report not yet issued
19/1181	WHO in Syria****	RD/EMRO	N/A	N/A	N/A	N/A	N/A	N/A	N/A	34	34	0	0	0	N/A	N/A	N/A	N/A	N/A	Final report not yet issued
19/1182	Country office in the Central African Republic	RD/AFRO	2020/02	0.0	N/A	N/A	N/A	N/A	N/A	33	33	0	0	0	0%	0%	0	0	0	Not yet due

Total recommendations

1309	398	55	315	541	1646	552	220	237	637
100.0%	30.4%	4.2%	24.1%	41.3%	100.0%	33.5%	13.4%	14.4%	38.7%

262	141
15.9%	8.6%

Total recommendations closed before the due date

227
35.6%

* Not closed = either open or in progress.

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

*** In February 2019, the report was still in draft, hence the discrepancy in the total number of recommendations between now and the previous update.

**** Report currently in draft, due to be finalized.

Legend for explanations of colour-coded conditional formatting:

Criteria	Number of years since report issue
Final report issued less than one year ago	0.8
Final report issued between 1 and 1.3 years ago (1.3 years corresponds to the target closing time for an IOS audit)	1.1
Final report issued more than 1.3 years ago (i.e. > than the target closing time for an IOS audit)	1.3

Criteria	Implementation rate
Implementation rate more than 85%	> 85%
Implementation rate between 50% and 85%	50% to 85%
Implementation rate less than 50%	< 50%

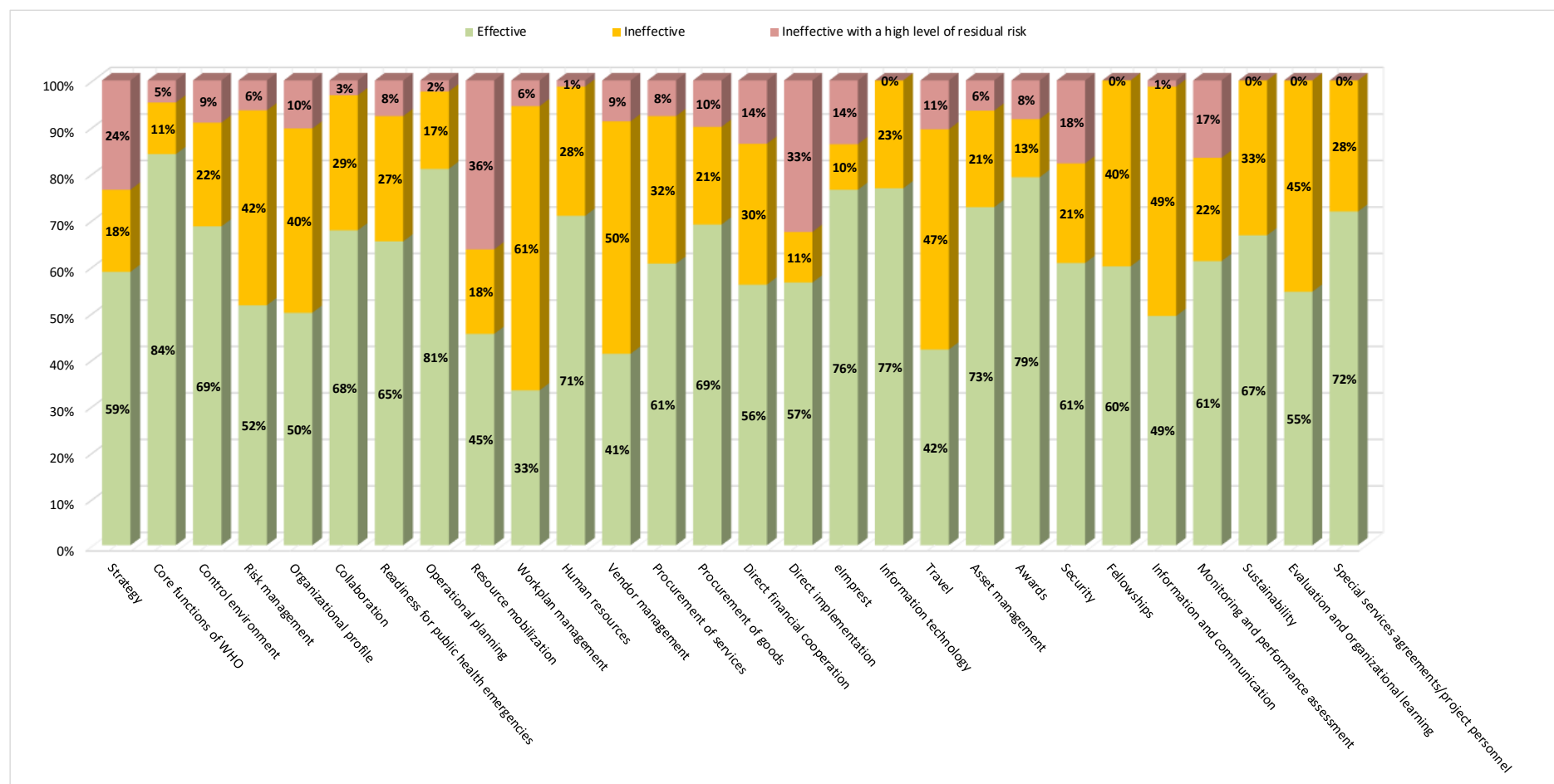
Criteria	Percentage of overdue implementation
More than 50% overdue	> 50%
Between 15% and 50% overdue	15% to 50%
Less than 15% overdue	< 15%

Criteria	High significance overdue not closed
Response from auditee not yet due	N/A
One or more recommendations of high significance overdue	> = 1
No recommendations of high significance overdue	0

Criteria	High priority overdue not closed
Response from auditee not yet due	N/A
One or more recommendations of high significance and low implementation effort overdue	> = 1
No recommendations of high significance and low implementation effort overdue	0

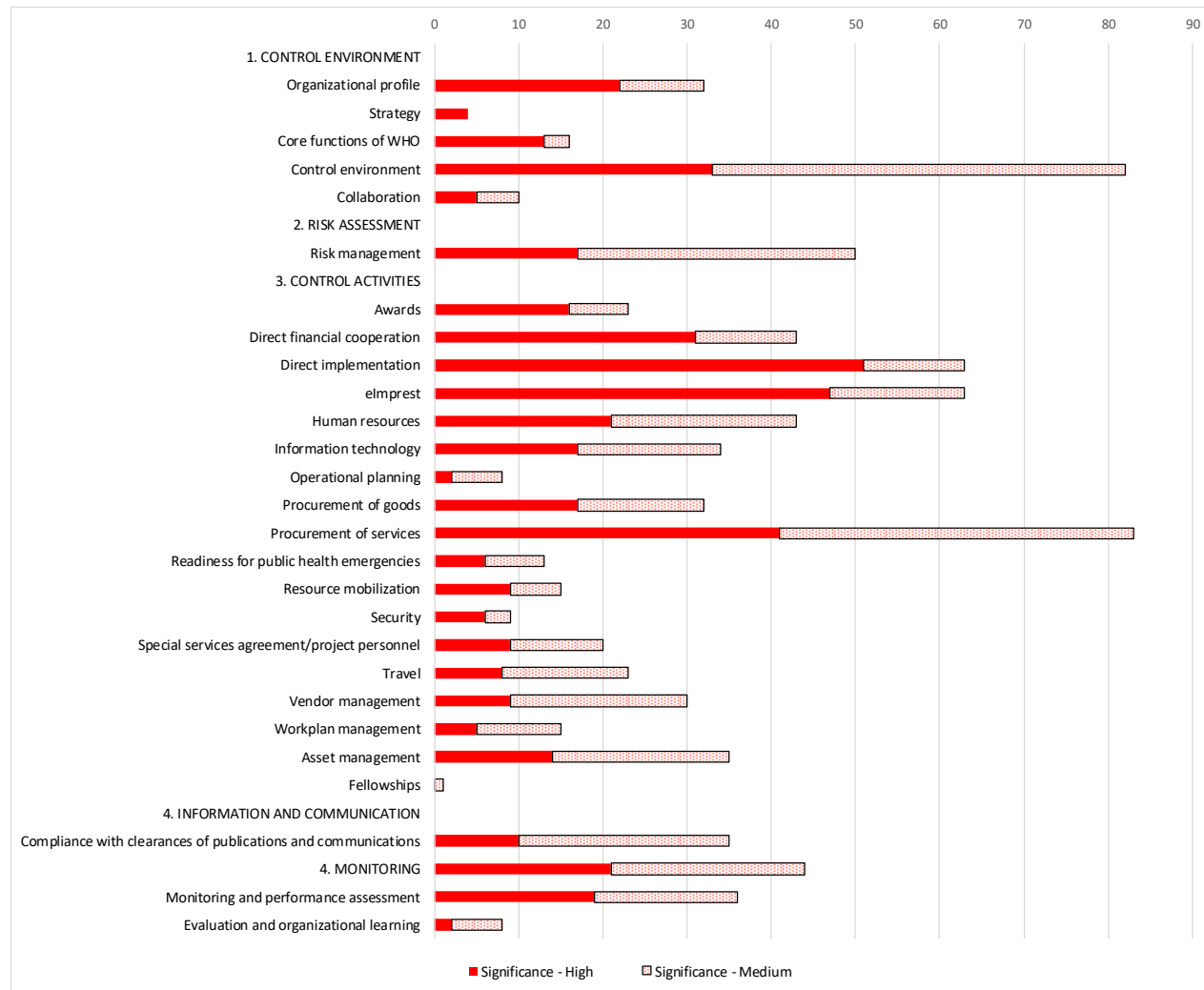
ANNEX 2A

BREAKDOWN OF THE AUDIT CONTROLS TESTED IN 2019 BY AUDIT RISK CATEGORIES, CONTROL EFFECTIVENESS AND RESIDUAL RISK



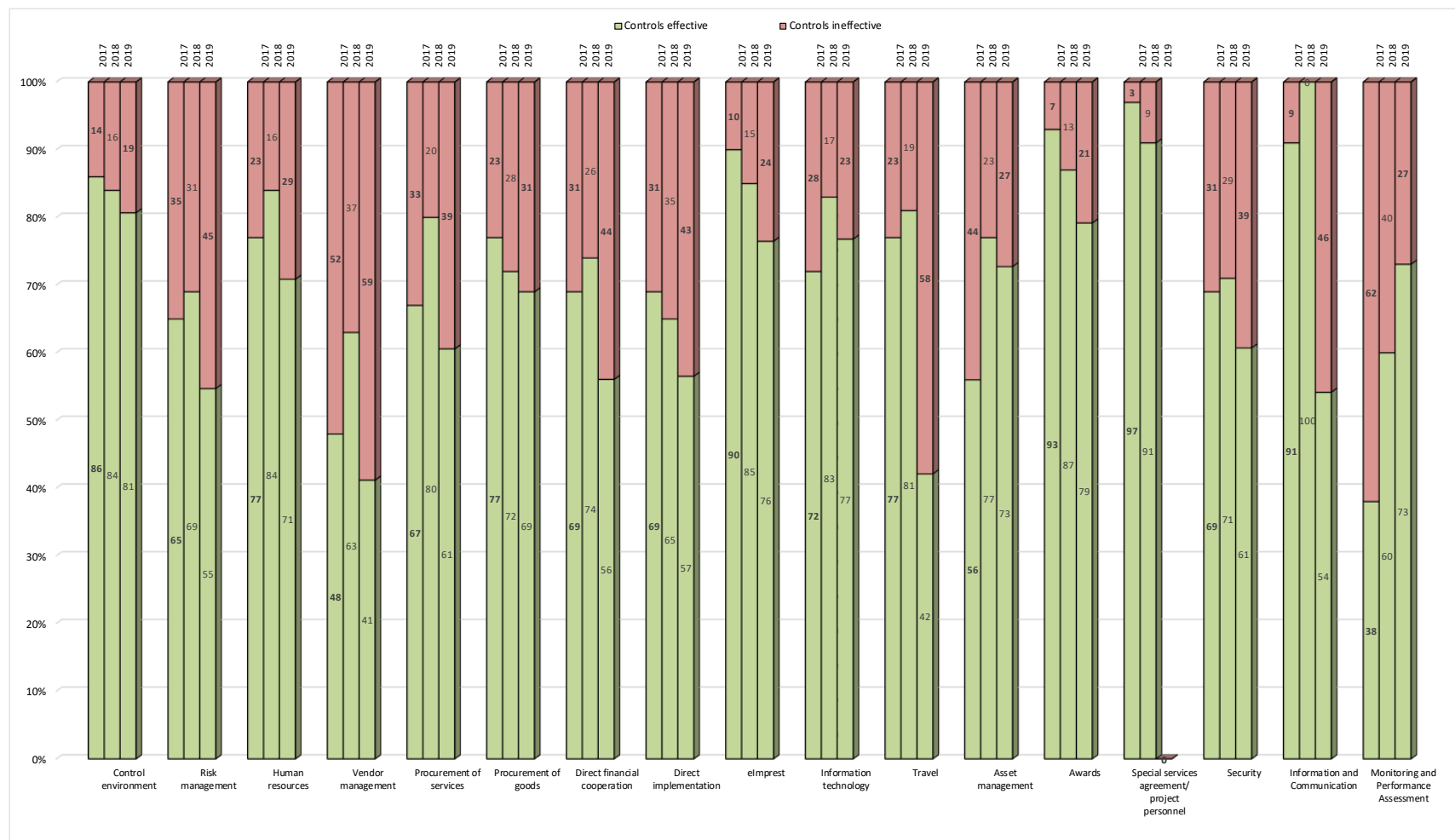
ANNEX 2B

BREAKDOWN OF THE AUDIT RECOMMENDATIONS BY AUDIT AREA AND SIGNIFICANCE



ANNEX 3A

TRENDS IN OPERATING EFFECTIVENESS OF INTERNAL CONTROLS IN WHO COUNTRY OFFICE AUDITS OVER TIME, CONDUCTED IN THE PERIOD 2017–2019



ANNEX 3B

**OPERATING EFFECTIVENESS OF INTERNAL CONTROLS IN AUDITS, OPERATIONAL SECTION, COUNTRY OFFICES,
CONDUCTED IN THE PERIOD 2017–2019**

Summary of effectiveness of internal controls, by region, for the period 2017–2019						
Overall control effectiveness 2017–2019	WHO	Africa	Eastern Mediterranean	Europe	South-East Asia	Western Pacific
	71%	69%	65%	82%	76%	86%
Control environment	80%	79%	65%	95%	100%	84%
Risk management	63%	53%	50%	75%	81%	100%
Human resources	75%	70%	70%	78%	84%	95%
Vendor management	39%	39%	41%	71%	30%	33%
Purchase orders – procurement of services	66%	68%	63%	63%	53%	78%
Purchase orders – procurement of goods	72%	76%	61%	84%	64%	75%
Direct financial cooperation	65%	59%	63%	Not tested	67%	90%
Direct implementation	63%	60%	69%	Not tested	73%	Not tested
eImprest	82%	79%	76%	100%	83%	90%
Global Management System/information technology	74%	73%	63%	90%	93%	60%
Travel	62%	61%	50%	80%	63%	83%
Fixed assets/inventory	59%	49%	62%	69%	81%	80%
Awards	86%	86%	79%	90%	91%	100%
Contracts – Special Services Agreements	83%	81%	82%	100%	82%	100%
Security	63%	63%	35%	88%	80%	89%
Information and communication	60%	67%	Not tested	Not tested	50%	Not tested
Monitoring	68%	75%	50%	50%	60%	100%

ANNEX 4

LIST OF AUDITS CLOSED SINCE FEBRUARY 2019 (AS AT 12 FEBRUARY 2020)

Audit no.	Audit title	Date of final report	Closing date	Months to close the audit
15/996	Containment of the 2014 Ebola virus disease in West Africa – operational support to affected countries	10/2015	02/2020	51
15/1011	Country Office in South Sudan	06/2016	05/2019	34
16/1027	Oracle workflow and project approval application controls	01/2017	02/2020	37
16/1071	Regional Office for the Eastern Mediterranean	01/2017	05/2019	27
16/1043	Communicable Diseases Cluster at the Regional Office for Africa	03/2017	02/2020	35
17/1091	Communicable Diseases Department at the Regional Office for the Eastern Mediterranean	08/2017	04/2019	19
17/1077	Country Office in Djibouti	10/2017	05/2019	18
17/1090	Country Office in Pakistan	04/2018	12/2019	19
18/1128	Country Office in Myanmar	07/2018	05/2019	10
18/1137	Integrated audit of the Family and Reproductive Health Cluster at the Regional Office for Africa	09/2018	01/2020	16
18/1150	Country Office in Afghanistan	10/2018	08/2019	10
18/1135	Country Office in Mongolia	01/2019	06/2019	4
18/1157	Integrated audit of the Immunization and Vaccine Department at the Regional Office for South-East Asia	02/2019	01/2020	11
17/1086	Human Resources Management at the Global Service Centre	04/2018	02/2020	21
19/1162	Regional Office for the Western Pacific	07/2019	12/2019	5

ANNEX 5

**EXTERNAL QUALITY ASSESSMENT OF THE WHO AUDIT FUNCTION –
LIST OF RECOMMENDATIONS AND IMPLEMENTATION STATUS**

Recommendation	Target implementation date	Implementation status (as at 6 February 2020)
Recommendations by the external assessors	–	–
Update the IOS Charter on a regular basis in shorter intervals (e.g. two–three years).	Next Charter revision before end of 2021	In progress (not yet due)
Implement a monitoring of continuing professional education hours for all internal auditors within IOS.	28 February 2019	Implemented. Closed
Implement a formal periodic internal assessment. Such an assessment should be performed at least once between two external assessments.	Next formal periodic internal assessment before 31 December 2021	In progress (not yet due)
Reduce the time span between the end of field work and the draft report.	31 December 2019	Implemented. Closed
Reduce the time span between the submission of the draft and the final report.	31 December 2019	Implemented. Closed
Consider to shorten audit reports by including graphs which summarize information (e.g. in the executive summary, a table with the following information may be added as a transparent “eye-catcher”: finding name, coloured priority of implementation and totals per “priority of implementation”).	31 December 2019	Analysis conducted (pilot with shorter report structure to be conducted in first quarter of 2020)
Define the link between the overall report rating and the overall effectiveness of the controls.	31 December 2019	In progress. Preliminary analysis conducted
Recommendations by IOS – self-assessment	–	–
Approval of the updated IOS Charter: IOS should follow up with WHO senior management to ensure that the updated IOS Charter is reviewed and approved by the Director-General.	28 February 2019	Implemented. Closed. (Updated Charter approved by the Director-General)
IOS should follow up with WHO senior management to ensure that the updated functional WHO organigram clearly establishes IOS’ reporting responsibilities, including the independence of Director IOS/Audit function, in accordance with the Institute of Internal Audit Standards.	28 February 2019	Open (overdue)
Expand training opportunities for IOS audit staff: (a) Director IOS and Coordinator Audit should continue to seek technical audit training for IOS audit staff; and (b) IOS audit staff should document in their end-of-year performance assessment that they have fulfilled their continuing professional education requirements, where applicable.	31 December 2019	Implemented. Closed

Recommendation	Target implementation date	Implementation status (as at 6 February 2020)
Enhance communications and outreach: IOS should prepare and implement a plan to enhance its communications and outreach, for example, by improving its presence on the WHO intranet (i.e. to further inform WHO staff members and stakeholders on the audit process and increase awareness and understanding of good practices).	31 December 2019	In progress. Initial analysis of the data and discussions undertaken
Enhance key performance indicators: Director IOS and Coordinator Audit should collaborate with the United Nations Representatives of Internal Audit Services (UNRIAS) working group on redefining the key performance indicators of the United Nations Internal Audit functions.	31 December 2019	In progress. IOS eManual key performance indicators updated (UNRIAS working group in progress)
Expand the use of TeamStore (TeamMate) for recurring audit observations and recommendations: IOS auditors should expand the use of TeamStore (TeamMate) as a repository for recurring audit observations and recommendations for operational audits.	31 December 2019	Implemented. Closed
Continue to expand the use of data analytics: IOS auditors should continue to expand opportunities for assurance through greater use of data analytics and enhance the use of technology (e.g. to pilot the use of continuous auditing).	31 December 2019	Implemented. Closed

ANNEX 6

SUMMARY OF SUBSTANTIATED INVESTIGATION REPORTS ISSUED IN 2019¹

Location	Summary	Conclusion	HR reference ²
Country office	<i>Physical assault</i> – A male General Service staff member physically assaulted a female General Service staff member in a private setting.	Substantiated	IR2020/01
Country offices	<i>Fraud</i> – In three separate cases, individuals holding contracts with the United Nations Office for Project Services but working operationally for WHO had submitted fraudulent documentation to support their respective medical claims of US\$ 64, US\$ 5128 and US\$ 1600, respectively, and unduly received a total of US\$ 4290.	Substantiated	IR2020/02, IR2020/03, IR2020/04
Country office	<i>Fraud</i> – A staff member submitted fraudulent documentation to the Staff Health Insurance to support his medical claims and unduly received US\$ 19 191.	Substantiated	IR2020/05
Country office (hosted entity)	<i>Fraud</i> – A staff member submitted fraudulent documentation to the Staff Health Insurance to support his medical claims and unduly received reimbursement of US\$ 1752.	Substantiated	IR2020/06
Country office	<i>Unauthorized outside activity</i> – A Professional staff member engaged in outside gainful business without authorization and in a situation of conflict of interest with his work at WHO. The staff member also accepted an appointment to a national commission by the Minister of Health, without seeking or obtaining proper authorization from WHO.	Substantiated	IR2020/07
Country office	<i>Ethical conduct</i> – During an international conference, a WHO Representative at a country office made inappropriate comments that brought the Organization into disrepute, and without seeking or obtaining proper authorization from WHO.	Substantiated	IR2020/08
Country office	<i>Unauthorized access to confidential information</i> – A national professional officer and information technology focal point at a WHO country office accessed, copied and retained private and confidential files belonging to several staff members of the country office, without their prior consent. This focal point also accepted to receive passwords from various staff members, as well as from the WHO Country Representative, and generally failed to promote a sound information technology security culture in the country office.	Substantiated	IR2020/09
Regional office	<i>Fraud misrepresentation</i> – A staff member overstated her educational qualifications in the Personal History Form that she submitted to apply for a national professional officer position in 2007. During the recruitment, the staff member provided a fake diploma that she had purchased from a “Diploma mill”.	Substantiated	IR2020/10

¹ Two reports related to one entity hosted by WHO and are not detailed in this table.

² See document A72/41.

Location	Summary	Conclusion	HR reference ²
Regional office	<i>Fraud misrepresentation</i> – A staff member made false statements on his professional credentials and inaccurate statements about his work experience in the Personal History Form that he submitted during recruitment procedures.	Substantiated	IR2020/11
Regional office	<i>Fraud travel claims</i> – A Professional staff member submitted one identical receipt in three different travel claims with the intention of receiving a reimbursement. This staff member also shared his username and password with his assistant to complete the claims and thus failed to comply with the WHO information technology policies.	Substantiated	IR2020/12
Headquarters	<i>Unauthorized access to confidential information</i> – A Professional staff member entered the office of a General Service staff member, in the absence of the latter, and accessed official confidential information without authorization or reasonable justification.	Substantiated	IR2020/13
Harassment/sexual harassment			
Headquarters	<i>Harassment/abuse of authority</i> – A supervisor was found to have acted inappropriately towards a supervisee in an environment which included staff members and external partners. The impacted parties confirmed that they had discussed the incident later and resolved the underlying matter.	Substantiated	IR2020/14
Country office	<i>Sexual harassment</i> – A consultant admitted that during a visit to his hotel room, he may have touched a female staff member's shoulder and/or maybe other parts of her body. However, the consultant claimed that if he touched her, it was unintentional and might have resulted from their respective positions at the time while he was standing behind her. The female staff member subsequently expressed uncertainty about the nature of the alleged touching and seemed to have pardoned the consultant after hearing his explanations and apologies.	Partially substantiated	IR2020/15

ANNEX 7

**ASSESSMENT OF COVERAGE OF WHO'S PRINCIPAL RISKS IN INTERNAL
AUDITS CONDUCTED IN 2018 AND 2019**

WHO Principal Risks (March 2019)*			
Risk reference	Risk area	Current level of risk criticality (changed from the previous update indicated in brackets)	Examples of the Office-specific audit work related to the risks
RR01	Financing of Programme budget 2018–2019	– Significant (stable)	<ul style="list-style-type: none"> • Routine audits cover internal measures to reduce expenditures as part of the review of the procurement and travel areas. • Integrated audits include a review of the resource mobilization area.
RR02	WHO Health Emergencies Programme (WHE)	– Severe (stable) – Severe (stable)	<ul style="list-style-type: none"> • In 2019, the Office conducted audits of country offices affected by emergencies, such as South Sudan (audit report 19/1161), Sudan (audit report 19/1171) and the Syrian Arab Republic (audit report 19/1181). The Office also conducted an audit of the Ebola virus disease operational support in the Democratic Republic of the Congo (audit report 19/1164-2) and of the WHO Health Emergencies Programme at the Regional Office for the Eastern Mediterranean (audit report 1/1177). The Ebola virus disease operational support audit provides input to help to design the administrative procedures and functions of the WHO Health Emergencies Programme. • In 2019, the Office also continued to monitor the implementation of the recommendations made in the performance audit of the containment of the 2014 Ebola virus disease (audit report 15/996). The audit was closed in January 2020. A total of 13 recommendations were superseded and/or partially superseded by the audit of the Ebola virus disease operational support in the Democratic Republic of the Congo (audit report 19/1164-2) and will be followed up as part of this audit. • In 2018, the Office updated the testing in the audit risk matrix to assess the effectiveness of the Organization's readiness and response to emergencies. • In 2018, the Office conducted audits of country offices affected by emergencies, such as Ethiopia, Somalia and Yemen. • In 2017, the Office conducted integrated audits of the WHO Health Emergencies Programme at the Regional Office for the Western Pacific (report 17/1114) and of WHO in Turkey (report 17/1088), the latter of which includes the contribution of WHO to the humanitarian response to the protracted emergency associated with the ongoing Syrian crisis. • The 2020 plan of work includes audits of country offices affected by emergencies, such as a follow-up of the audit of Yemen.

WHO Principal Risks (March 2019)*			
Risk reference	Risk area	Current level of risk criticality (changed from the previous update indicated in brackets)	Examples of the Office-specific audit work related to the risks
RR03	Polio transition	<ul style="list-style-type: none"> – Significant (new risk) – Significant (stable) – Significant (stable) – Significant (stable) 	<ul style="list-style-type: none"> • Polio transition plans were reviewed during country offices audits, where applicable. For example, polio transition was reviewed during the integrated audit of WHO in Ethiopia (report 18/1126) and WHO in India (report 17/1081). • The WHO Evaluation unit has in its workplan for 2020–2021 a “mid-term evaluation of the implementation of the strategic action plan on polio transition”. The Office therefore removed this audit from its plan of work to avoid a duplication of work.
RR04	Misconduct in the Organization	<ul style="list-style-type: none"> – Significant (stable) 	<ul style="list-style-type: none"> • Since 2018, the Office provides a fraud awareness presentation to staff as part of its audits and investigation missions, where appropriate. The Office also provides a similar presentation during the Operations Officers’ meeting at the WHO Regional Office for Africa and at the Regional Office for the Eastern Mediterranean. The Office also provides information on fraud awareness in the induction sessions for new staff at headquarters and induction sessions for Heads of Country Offices. • In 2019, enhancement of the investigation capacity of the Office was reviewed based on a “best in class” benchmarking methodology, which confirmed that the function was considerably under-resourced. • Active follow-up of outstanding audit recommendations, including follow-up of the implementation of the recommendations of the cybersecurity audit conducted in 2019 (report 19/1165) and other information technology audits, which provide input on the enhancement of integrated system controls and exception reporting. • Routine audits include the review of Global Management System user access rights. • Standard testing in most of the audits includes potential fraud areas such as segregation of duties in the eImprest, payments and fixed assets areas. • Previous audit reports have highlighted the need to conduct due diligence in relation to implementing partners’ activities (direct financial cooperation), including nongovernmental organizations.
RR05	Business continuity	<ul style="list-style-type: none"> – Significant (stable) 	<ul style="list-style-type: none"> • Audits include a review of the business continuity plans. • Standard testing in audits of country offices includes a review of information technology back-up procedures and other physical security information technology controls. • In 2017, the Office conducted an audit of the service continuity at the United Nations International Computing Centre.

WHO Principal Risks (March 2019)*			
Risk reference	Risk area	Current level of risk criticality (changed from the previous update indicated in brackets)	Examples of the Office-specific audit work related to the risks
RR06	Cybersecurity	– Significant (stable)	<u>Cybersecurity:</u> <ul style="list-style-type: none"> In 2019, the Office conducted a review of the WHO Cybersecurity Roadmap (report 19/1165). Implementation of the recommendations is still in progress. In 2018, the Office conducted a review of the information technology area in the Regional Offices for Africa and South-East Asia (report 18/1147). In 2017, the Office conducted an audit of Office 365 Cloud email (report 17/1103). In 2016, the Office conducted two information technology audits (see the section “fraud” in paragraphs 65–67 of the main report above). <u>Physical/operational security:</u> <ul style="list-style-type: none"> Routine audits include the review of the “security” area, including a review of adherence to the requirements of the United Nations Department of Safety and Security.
	Physical/operational security	– Severe (stable)	
RR07	Long-term obligations/liabilities	– Significant (stable)	<ul style="list-style-type: none"> In 2016, the Office conducted an audit of the WHO Staff Health Insurance (report 16/1062), which includes recommendations to improve the WHO Staff Health Insurance governance. Implementation of the recommendations is still in progress.

* WHO Principal Risks (March 2019), prepared by WHO: https://www.who.int/about/finances-accountability/accountability/WHO_Principal_Risks.pdf?ua=1 (accessed 12 February 2020).

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