

## **Report of the External Auditor**

## **Report of the Internal Auditor**

### **External and internal audit recommendations: progress on implementation**

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

1. The Committee considered the reports of the External and Internal Auditors, as well as the document on the progress on the implementation of external and internal audit recommendations.<sup>1</sup> The Secretariat presented the reports and provided an update on the backlog of investigations of cases of sexual exploitation and abuse and sexual harassment, and on ongoing investigations into cases of that type.

2. The Committee welcomed the reports and expressed appreciation for the unqualified audit opinion on the WHO financial statements, which enhanced the transparency of the Organization. In addition, it noted that the efforts made to carry through WHO's transformation agenda had suffered from insufficient staffing levels and were further disrupted by the pandemic of coronavirus disease (COVID-19). It therefore encouraged the Secretariat to take stock of achievements recorded thus far, and to re-focus on the key priority areas, for more concentrated efforts.

3. The Committee stressed the critical importance of sound internal controls in the area of procurement. Fraud, corruption and other procurement malpractices generated a direct financial cost; they also risked causing reputational damage to WHO. The Committee suggested that regular briefing sessions with Member States for an exchange of information would be useful to help mitigate the risks, in addition to the consolidated digital platform, currently under development, for tracking the implementation status of the auditors' and other oversight and governing body recommendations. The Committee acknowledged the value of the output scorecard and supported the External Auditor's recommendation to continue strengthening that methodology. It was also suggested that the External Auditor could review the Secretariat's reporting on operational efficiencies as part of its performance audit. In that regard, the Secretariat highlighted that an internal audit was being conducted on the output scorecard and that this would inform its future enhancement.

4. The Committee appreciated the steps that had been taken by the Director-General to combat sexual exploitation and abuse and sexual harassment, and was pleased to learn that the clearance of the

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<sup>1</sup> Documents A75/35, A75/36 and A75/37.

backlog of 31 cases had been completed, although cases of abusive conduct were still pending. In that regard, the Secretariat explained that the backlog of cases in the area of sexual exploitation and abuse and sexual harassment was assigned to a dedicated team to ensure expeditious handling of those cases. Furthermore, it was clarified that the investigative function dealing with sexual exploitation and abuse and sexual harassment had been separated from the investigation of other forms of malpractice cases in order to provide additional focus on the priority areas and to reflect the different skill sets that the two fields required.

5. The Secretariat welcomed the recommendations of the External and Internal Auditors. It added that efforts were made to address systemic issues holistically.

6. Regarding the Regional Office for the Western Pacific, the Secretariat assured the Committee that an investigation was ongoing, with the full collaboration of senior management, and that measures, including the appointment of an ombudsperson, were being taken to improve the working environment in the Regional Office. The Secretariat also informed the Committee that implementation was under way in the Western Pacific Region of all the recommendations of the External Auditor, with a view to resolving procurement malpractices.

7. In reply to a question from the Committee, the Internal Auditor explained that an annual summary of substantiated investigation reports was provided in an annex to its report and that those cases were referenced in the report of progress on implementation of the recommendations,<sup>1</sup> which provided information on the disciplinary actions taken for such cases.

8. The Director-General agreed that regular Member State briefings could have a positive effect in addressing cases of malpractice. Regarding the proposal to prioritize certain areas of transformation, he clarified that the changes being undertaken within the Organization were interdependent and required a holistic approach.

## **RECOMMENDATION TO THE HEALTH ASSEMBLY**

9. The Committee, on behalf of the Executive Board, recommended that the Health Assembly should note the reports and adopt the following draft decision:

The Seventy-fifth World Health Assembly, having considered the report of the External Auditor to the Health Assembly;<sup>2</sup> and having noted the report of the Programme, Budget and Administration Committee of the Executive Board to the Seventy-fifth World Health Assembly,<sup>3</sup>

Decided to accept the report of the External Auditor to the Health Assembly.

10. The Committee, on behalf of the Executive Board, proposed, as guidance for the Secretariat's implementation of existing mandates, that the Secretariat should:

(a) continue to reinforce its efforts to implement all audit recommendations, and report back to Member States on the implementation status of the recommendations;

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<sup>1</sup> Document A75/37.

<sup>2</sup> Document A75/35.

<sup>3</sup> Document A75/56.

- (b) continue work in the area of anti-fraud and anti-corruption activities;
- (c) expedite the development and deployment of the tracking tool showing the implementation status of audit recommendations.

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