

Appointment of the External Auditor

Report by the Director-General

1. In accordance with Regulation 14.1 of the Financial Regulations,¹ the Health Assembly appoints an External Auditor, who shall be “the Auditor-General (or officer holding equivalent title or status) of a Member government”. The term of office shall be four years, covering two budgetary periods and can be renewed once for an additional term of four years.
2. Member States may recall that, in May 2019 the Seventy-second World Health Assembly, in resolution WHA72.11 appointed the holder of the office of the Comptroller and Auditor-General of India to be External Auditor of the World Health Organization for the four-year period from 2020 to 2023. A new appointment is therefore required with effect from 1 January 2024.
3. A practice has been established as from the Forty-eighth World Health Assembly whereby proposals for the position of External Auditor are made by Member States upon invitation by the Director-General. The Health Assembly makes its selection, like the governing bodies of other organizations of the United Nations system, by secret ballot, in the same way as any election under Rules 80 and 81 of the Rules of Procedure of the World Health Assembly. This was the practice followed by the Sixty-fourth, Sixty-eighth and Seventy-second World Health Assemblies.
4. In accordance with the practice referred to in paragraph 3 and existing in some other organizations of the United Nations system, Member States were invited, by Circular Letter C.L.41.2022 (Annex 1), dated 27 September 2022, to nominate a candidate for consideration by the Seventy-sixth World Health Assembly for the position of External Auditor of WHO for the four-year period from 2024 to 2027. A deadline of 24 November 2022 was established for the receipt of nominations.
5. Nominations were received within the deadline from the governments of **Egypt, India, Kenya, and the United Republic of Tanzania**. Annexes 2–5 include the nominations received in accordance with the requirements outlined in the Circular Letter of 27 September 2022. According to the Circular Letter instructions, the nominations were not to exceed 3500 words each. Any submissions exceeding these limits were truncated. Of the applications received, all were in English. Following application of the word limits mentioned above, the texts of the submissions received in English were then translated into each of the other official languages. Being the language of submission, the English text of the nominations is presented exactly as received, while the translations have been performed so as to reflect exactly the original text as received. Copies of the complete applications from those four Member States are available upon request in the language of submission. The summary table of nominations with proposed audit fees is set out in Annex 6.

¹ Basic documents, 49th ed. Geneva: World Health Organization; 2020, pp.137–147.

6. In line with its revised terms of reference, as adopted by the Executive Board at its 150th session,¹ the Independent Expert Oversight Advisory Committee was requested by the Director-General to review the nominations received and to provide its advice to the Seventy-sixth World Health Assembly on the appointment of the External Auditor. Such advice is attached in Annex 7.

ACTION BY THE HEALTH ASSEMBLY

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

The Seventy-Sixth World Health Assembly,

1. RESOLVES that [exact title to be inserted] of [title of Member State to be inserted] be appointed External Auditor of the accounts of the World Health Organization for the four-year period from 2024 to 2027 and that he/she audits in accordance with the principles incorporated in Regulation XIV of the Financial Regulations and the Appendix to the Financial Regulations, provided that, should the necessity arise, he/she may designate a representative to act in his/her absence;

[if applicable]

2. EXPRESSES its thanks to the holder of the office of the Comptroller and Auditor-General of India for the work it has performed for the Organization in auditing the accounts for the four-year period from 2020 to 2023.

¹ Decision EB150(16) (2022).

ANNEXES

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ANNEX 1
Note Verbale

Ref.: C.L.41.2022

**Appointment of the External Auditor of the World Health Organization
for the financial periods from 2024 to 2027**

The World Health Organization (WHO) presents its compliments to Member States and has the honour to recall that, in May 2019 the Seventy-second World Health Assembly, by resolution WHA72.11, appointed the holder of the office of the Comptroller and Auditor-General of India to be the External Auditor of WHO for the four-year period from 2020 to 2023. Pursuant to Regulation 14.1 of WHO's Financial Regulations, the term of office of the External Auditor of WHO shall be four years, covering two budgetary periods, and can be renewed for an additional term of four years.

Accordingly, and with reference to Regulation 14.1 of WHO's Financial Regulations, it will be necessary for the Seventy-sixth World Health Assembly in May 2023, to appoint an External Auditor, who shall be the Auditor-General (or an officer holding equivalent title or status) of a Member State, for the four-year period from 2024 to 2027. The purpose of this Note Verbale is to prepare for the appointment of the External Auditor by inviting nominations from all Member States.

The Organization has the honour, therefore, to invite Member States to nominate a candidate fulfilling the conditions of Regulation 14.1 of WHO's Financial Regulations, whom they may wish the World Health Assembly to consider for appointment as the External Auditor of WHO for the four-year period from 2024 to 2027. The full text of Regulation XIV of the Financial Regulations and the Additional Terms of Reference governing the External Audit of WHO are enclosed herewith as Annex I. Annex II lists the External Auditors of WHO appointed during the period 1948 to 2023, and Annex III provides background information on WHO's financial operations and links to the relevant 2021 Financial Reports.

In this context WHO prepares annual financial statements in accordance with International Public Sector Accounting Standards (IPSAS) and Financial Regulation 13.2. Compliance with the IPSAS requirements will mean, inter alia, the performance of annual audits of the financial statements of the Organization, as well as separate audits of the non-consolidated entities and partnerships administered but not controlled by WHO (see paragraph 2.3 of the attached Annex III).

Should a Member State wish to propose a candidate, the name of the candidate and the supporting documentation should reach the Organization no later than 24 November 2022, 23:59 Central European Time, to allow time for the preparation of the submission to the Seventy-sixth World Health Assembly in May 2023.

The nomination should not exceed 3500 words in total, and should include or reflect the following information in respect of the proposed External Auditor:

- (1) Independence – demonstrated autonomy from other institutions of the government, integrity, objectivity in the discharge of duties and responsibilities, ability to self-determine the scope of audit, and the extent to which the External Auditor is content to rely on the work of internal audit in support of their audit work to optimize the use of limited audit resources;
- (2) Qualifications and competencies of workforce – range of professional qualifications and skills, and size and experience of workforce; membership of internationally recognized accounting or auditing bodies; description of the language skills of the workforce demonstrating proficiency in one or more of the six official languages of the Organization, with a very good working knowledge of English; description of a programme for continuing professional education of staff; and a quality improvement programme;
- (3) Experience and capacity – experience in the audit of United Nations organizations and international non-governmental organizations; audit experience with large organizations using enterprise resource planning systems (e.g. Oracle and Workday); identification of the auditing standards and ethics governing their work, such as the International Auditing and Assurance Standards Board (IAASB) or the United Nations Panel of External Auditors; experience in auditing financial statements prepared in accordance with IPSAS; and institutional capacity to undertake annual audits of the WHO and the non-consolidated entities;
- (4) Staffing strategy – a summary curriculum vitae of the nominated Auditor-General (or officer holding equivalent title or status), and of the nominated lead Director for the WHO audits; staffing strategies for continuity of the audit team over the proposed four-year audit period; and the plan to achieve a balanced and diverse representation by gender in the audit team, to the extent possible;
- (5) Audit approach and strategy – comprehensive work plans to ensure adequate audit coverage of all WHO resources, together with a sample audit plan (including missions); performance of financial and compliance audits, as well as value-for-money audits;
- (6) Cost – competitive all-inclusive fees for carrying out the audit for each year from 2024 to 2027, **to be summarized on a single page**. This should include all secretarial and other ancillary costs, and all travel costs and living expenses of the External Audit staff. Travel costs should include planned travel from the country of residence to Geneva and to other offices of the Organization, as required by the External Auditor for the purposes of the audit, and translation costs if required for the audit team whilst on mission. Costs for the non-consolidated entities (paragraph 2.3 of the attached Annex III) should be provided separately; and
- (7) Transition – an indication of the nature, extent and timing of requests for information, access to audit working papers of the outgoing External Auditor, and an assurance of the nominee cooperation, on completion of appointment, in responding to similar requests for information by an incoming External Auditor.

The Secretariat will undertake to translate the nomination, along with its accompanying documents, subject to the above limit of 3500 words, in the six official languages (Arabic, Chinese, English, French, Russian and Spanish) for submission to the World Health Assembly.

The nomination, along with its accompanying documents, must be sent electronically to the mailbox Comptroller@who.int and submitted in both PDF and Word formats.

In line with its revised terms of reference, as adopted by the Executive Board at its 150th session,¹ the Independent Expert Oversight Advisory Committee has been requested by the Director-General to review the nominations received with the view to provide its advice to the Seventy-sixth World Health Assembly on the appointment of the External Auditor. Such advice will be included in the report by the Director-General to the Seventy-sixth World Health Assembly on the appointment of the External Auditor.

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

GENEVA, 27 September 2022

¹ Decision EB150(16)

C.L. 41.2022

ANNEX I

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

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

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

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

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

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

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

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

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

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

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APPENDIX

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

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

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

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

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

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

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

- (a) identification of the financial statements audited;

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

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

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

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

In addition, the report may contain reference to:

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

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

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

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

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

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ANNEX II

**WORLD HEALTH ORGANIZATION
EXTERNAL AUDITORS FROM 1948 TO 2023**

Period	No. of years	Name	Nationality
1.9.1948 to 31.12.1966	18	Mr Uno Brunskog	Swedish
1.1.1967 to 31.12.1973	7	Mr Lars Breie	Norwegian
1.1.1974 to 31.12.1977	4	Mr Lars Lindmark	Swedish
1.1.1978 to 31.12.1981	4	Sir Douglas Henley	British
1.1.1982 to 31.12.1995	14	Holder of the Office of Comptroller and Auditor-General of the United Kingdom of Great Britain and Northern Ireland	British
1.1.1996 to 31.12.2003	8	Holder of the Office of Auditor-General of the Republic of South Africa	South African
1.1.2004 to 31.12.2011	8	Holder of the Office of Comptroller and Auditor-General of India	Indian
1.1.2012 to 31.12.2019	8	Holder of the Commission on Audit of the Republic of the Philippines	Philippines
1.1.2020 to 31.12.2023	4	Holder of the Office of Comptroller and Auditor-General of India	Indian

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ANNEX III

THE WORLD HEALTH ORGANIZATION APPOINTMENT OF EXTERNAL AUDITOR

Background Information

1. General audit approach expected

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

2. Nature of audit assignment

2.1 An appreciation of the magnitude of the financial operations of the World Health Organization, and thus of the nature of the audit, may be obtained from the detailed financial report headed “Financial Report and Audited Financial Statements for the year ended 31 December 2021”, available on request or via the World Health Organization website on:

<http://www.who.int/about/finances-accountability/reports/en/>

In addition, document A72/42 dated 25 March 2019, entitled “Appointment of the External Auditor”, provides the bids submitted for the past periods 2020–2023. This is available on request or via the World Health Organization website on:

http://apps.who.int/gb/e/e_wha72.html

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

2.3 A separate audit of the non-consolidated entities and partnerships, namely IARC, ICC, SHI, UNAIDS and UNITAID is required, entities which are further described below.

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

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

https://www.iarc.fr/en/about/funding_financialframework_reporting.php

4. The International Computing Centre (ICC)

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

<https://www.unicc.org/what-we-do-services/>

<https://www.unicc.org/wp-content/uploads/2021-Directors-Report.pdf>

5. Staff Health Insurance (SHI)

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

<http://www.who.int/about/finances-accountability/reports/en/>

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

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

7. UNITAID

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

<https://unitaid.org/publications/?cat=all&type=financial-statement&search=#en>

8. The Regional Office for the Americas

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

9. Office of Internal Oversight Services (IOS)

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

10. Independent Expert Advisory and Oversight Committee (IEAOC)

Please refer to the WHO internet site for further background:

<http://www.who.int/about/finances-accountability/accountability/en/>

The IEAOC meets at least three times per year and the External Auditor is expected to participate in the regular meetings. Its scope of responsibilities includes reviewing and providing advice to the Executive Board, through the Programme, Budget and Administration Committee, on the External Auditor's workplan and reports, including any comments for consideration by the External Auditor in the independent determination of the workplan and reports, and their coordination with the audit plan of the Office of Internal Oversight Services.

11. External audit fee

The all-inclusive World Health Organization external annual audit fee for the 2020–2023 period was US\$ 450 000 per year and US\$ 433 680 per year for 2018 and 2019.

12. Project Audits

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

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

ANNEX 2

PROPOSAL FOR THE APPOINTMENT OF THE EXTERNAL AUDITOR OF THE WORLD HEALTH ORGANIZATION

EGYPT

TECHNICAL AND FINANCIAL PROPOSAL

ASA (Accountability State Authority)

1. ASA is the Supreme Audit Institution “SAI” of the Arab Republic of Egypt, founded in 1942.
2. ASA is an independent organization with a public legal entity, that mainly aims to achieve effective control over State and other public funds and entities stipulated in its law.

1. ASA INDEPENDENCE

- ASA President may not be relieved from his position during his term of office.
- ASA has a separate budget shown as a lump sum on State Budget. It is determined according to a study prepared before the beginning of the fiscal year and approved by the House of Representatives (Parliament).
- ASA President has the prerogatives authorized to the Minister and Minister of Finance as stipulated by laws and statutes concerning ASA’s budget endorsed appropriations application, organization and activities administration.
- ASA prepares its work program independently, in accordance with regulating law and in light of the priorities of the national development plan and the mandate assigned to it by the House of Representatives (Parliament), the President of the Republic and the Prime Minister.
- ASA guarantees objectivity, integrity and efficiency through rotation of audit teams designated to different entities.
- We recognize the importance of having an effective internal audit and will assess to what extent we shall rely on it.

2. QUALIFICATIONS AND COMPETENCIES OF WORK FORCE

The ASA comprises 5740 members who are qualified with the various academic and professional studies necessary to perform the audit process following the best professional practices in line with international auditing standards.

2.1 Professional Accounting and Auditing Qualifications

- Ph.D. Degree, Master's degree, and Postgraduate Diploma in Accounting, Auditing, Information Technology, Economic and Financial Sciences, and Public Law. The minimum qualification for auditors is a bachelor's degree.

2.2 Membership in Professional Organizations of Auditing and Accounting

- CPA, member of AICPA.
- CISA, member of ISACA.
- CIA, member of IIA.
- CMA, member of IMA.
- Membership of the Egyptian Society of Accountants and Auditors ESAA.
- CFE, member of ACFE.
- ASA auditors have comprehensive and ongoing training during their work according to INTOSAI requirements.
- The ASA also has a quality assurance and control department.
- The official language of the ASA is Arabic. Many ASA members are fluent in English and some of them in French.

3. ASA EXPERIENCE AND CAPACITY

3.1 International Auditing Experience

- African Union (AU): ASA contributed as a permanent member of the AU Board of External Auditors in annual audits since 2018, including AUC and AU Organs. AU financial statements are prepared according to IPSAS through the ERP systems.
- COMESA: ASA led the 2017 audit process of the COMESA Secretariat and participate in auditing its affiliated institutions. COMESA financial statements are prepared according to IFRS through the ERP systems.
- During ASA's presidency of the COMESA Board of External Auditors in 2018, we developed its financial audit manual and the quality assurance manual.

3.2 National Auditing Experience in Health Sector

- Members of the ASA have a variety of experiences in financial, compliance and performance audits in all government institutions, including the health sector which comprises the Ministry of Health, university hospitals, the Health Insurance Authority, therapeutic institutions, and companies working in the field of medicine and vaccines.

3.3 Experience in Auditing Through ERP Environment

- ASA auditors do their work in entities applying ERP systems such as ORACLE, SAP, and others, having the ability to assess the integrity of financial reporting through using Computer Assisted Audit Techniques (CAATs).

3.4 Auditing Standards Governing ASA's Work

- ASA adheres to the International Standards on Auditing (ISAs) while performing audit missions and follows its Code of Conduct which is consistent with the (ISSAI 130). ASA has the institutional capacity to conduct annual audits of WHO and non-consolidated entities.

4. STAFFING STRATEGY

4.1 ASA's President Profile

H.E. Counsellor **Hesham Abd-ElSalam Hassan Badawy** has assumed the Presidency of ASA of Egypt with the rank of Minister on August 7th 2016, for a four-year term under the presidential decree no. 353 for the year 2016. H.E.'s appointment has been renewed for another four-year term, starting from August 7th, 2020.

Career path:

- His Excellency assumed his work in the judiciary career in 1981 as an assistant prosecutor, then stepped up later in the Judiciary posts until he assumed the post of the Premier Prosecutor General of the Supreme State Security Prosecution since the year 2000 up to 2012.
- H.E has been appointed as a President in the Cairo Court of Appeal during the period from 2012 to 2015.
- His Excellency held the position of Assistant Minister of Justice for fighting against corruption affairs in 2015.
- H.E has been appointed as ASA's Vice President on December 7th, 2015.

Academic and Professional qualifications:

- H.E. graduated from the Faculty of Law, Cairo University in 1980.
- He worked as a lecturer at the Judiciary Studies National Center of the Ministry of Justice, the Criminal and Social Research National Centre, the Administrative Control Authority, the Police Commanders Preparing Institute, and the Police Academy.

4.2 Nominated Lead Director (Audit Director) for WHO

Dr. Samy Ali M. Zaghloul

1998 - till now member of ASA (General Manager from 2019)

2008 – 2011 - Audit Manager, Saleh El Naiem, KSA

1996–1998 - Financial Accountant, Egyptian Swiss Company for chemical industries, Cairo, Egypt

Education

2022 - Fellowship of the National Defense College (NDC)

2021 - PhD in Business Administration, financial management, Helwan University

2016 - Master of Business Administration (MBA)

1999 - Postgraduate Diploma in auditing, Ain Shams University

1996 - Bachelor of commerce, accounting section, Cairo University

Professional Membership

The Egyptian Society for Accountants and Auditors (ESAA), 2005

International Official Missions

Participation in Auditing the African Union for financial year 2020

Participation in amending the statute and organizational structure of the AFROSAI Organization in 2021

Member of the strategic plan team of the ARABOSAI Organization (2020–2021)

Scientific and Professional Courses

Course for IFRS Diploma, 2021

First part of the CIA 2013

Course for CMA 2000

4.3 Staff continuity policy

ASA takes staff continuity in consideration. Whenever a change is necessary, we have competent flexibility to manage our resources, which guarantees that the alternative member has the same level of experience and competence in providing audit services and

other contracted work commitments. We have a balanced representation of both genders in our audit teams.

5. AUDIT APPROACH AND STRATEGY

5.1 Audit Planning

According to auditing standards, audit planning is carried out in two stages:

5.1.1 The first stage: Strategic Planning, which is carried out in accordance with a risk-based approach, through the following steps:

- (a) Understand the WHO nature of the work.
- (b) Determining the reports required, their types, and timing.
- (c) Coordinating the mechanism and timing of communication with WHO governance officials.
- (d) Studying the critical issues that we will focus on through:
 - Performing analytical procedures.
 - Studying and evaluating the inherent risks of the WHO.
 - Studying internal control systems and preliminary assessment of control risk.
 - Estimating the confidence levels for financial statements items and determining the materiality in each financial statement and in each specific account.
 - Identification and selection of audit samples.

Based on our understanding of WHO, we concluded the following:

1. WHO Members and External Offices

The WHO has a membership of 194 countries across 6 regions. The Headquarter located in Geneva, Switzerland, and its 150 offices are located worldwide. WHO Academy is a center for training, education and aims to develop health education for the benefit of member countries, particularly developing countries, underdeveloped countries, and countries in transition.

2. *WHO Governance*

The governance in WHO affairs management is carried out through:

- (a) WHO General Assembly is the decision-making body of the Organization. It is attended by delegations from all Member States and focuses on a specific agenda prepared by the Executive Board. The main functions of the GA are to define WHO policies, appoint the Director-General, oversee financial policies, review and approve proposed budgets. The General Assembly is held annually in Geneva, Switzerland.
- (b) The Executive Board consists of 34 technically qualified members elected for a term of three years and the main functions of the Board are to implement the decisions and policies of the GA, and to advise and facilitate its work in general.
- (c) The Director-General is the Chief Technical and Administrative Officer of the WHO.
- (d) We are aware of WHO strategic goals, and we will assess to what extent they have been achieved.

3. *Summary of Main Sources of Revenues and Expenses*

First: Revenues

The revenues of the WHO can be divided into three types of revenues:

- (a) Voluntary contributions, represent about 83% of the organization's revenues as of 31/12/2021, recognition is based on the accrual basis. Revenue from voluntary contributions is recorded when a binding agreement is signed by WHO and the contributor.
- (b) An assessed member states contribution that represents about 14% of the Organization's revenues. Revenue from contributions is recorded annually at the beginning of the year as per the assessments approved by General Assembly.
- (c) Other income representing 3% of total income, which is voluntary in-kind and services and recorded in an amount equal to their fair market values as specified at the time of acquisition.

Second: Expenses

The expenses of the Organization represent about 91% of its revenues as of 31/12/2021. 36% of those expenses are Contractual services while Staff Costs represent about 32% of total costs. The cost of medical supplies and materials represents about 13% of total expenses. Transfer and grant expenses represent about 11% of total expenses, and the rest represents other general operating expenses; travel, equipment, vehicles and furniture, depreciation, and amortization expenses.

5.1.2 The second stage: Developing the audit plan, which is more detailed and includes the nature, extent, and timing of the audit procedures that the work team will perform to obtain sufficient and appropriate audit evidence to reduce the audit

risk to an acceptable level. We will document all audit procedures which can be checked whenever needed.

5.2 Fieldwork

We will begin our fieldwork for each audit with an Entrance Meeting, meet with key officials within the WHO, outline our work, and address any concerns it may have.

We will conduct our audit fieldwork in line with our audit approach, to achieve the audit objectives outlined above and identify significant areas of non-compliance.

We will obtain sufficient and appropriate audit evidence to support our findings and conclusions, which we will maintain in an audit file for each engagement.

We will end our fieldwork with an Exit Meeting with the Management of the Organization or/and its Governance officials to review the audit findings and the responses regarding them, and the required improvement procedures we reached in agreement with them.

We will draft our audit results in line with our audit approach so that the observations will be classified regarding the entity's responses.

5.2.1 Financial Audit

It aims to provide a degree of certainty in the financial statements issued by WHO for the adherence of the Organization to the financial reporting framework specified to it which represented by the Public Sector Accounting Standards (IPSAS). The financial audit will be carried out in accordance to the International Standards of Auditing (ISA) and INTOSAI Financial Audit Standards.

5.2.2 Compliance Audit

It aims to provide a degree of assurance that WHO and non-consolidated entities comply with the laws and regulations governing their work. Our audit is standards carried out in line with INTOSAI Compliance Audit Standards.

5.2.3 Performance Audit

It aims to provide the extent to which standards of economy, efficiency, effectiveness, impact and sustainability of the Organization's performance are achieved to improve them. Performance audit is carried out to evaluate to what extent the value for money on the Organization's activities and unconsolidated entities is achieved. Performance audit is carried out in accordance with the requirements of the INTOSAI Performance Audit Standards.

5.2.4 IT Audit:

The objective of our IT audit is to collect and evaluate evidence to determine whether information systems and related resources adequately protect assets, maintain data and system integrity, provide relevant and reliable information. It also determines whether the IT system is effectively achieving organizational goals, consuming

resources efficiently and providing reasonable assurance that control objectives are effective and applied to prevent undesirable events.

5.3 Reporting

After achieving the audit process, we will issue a Management Letter (ML) in accordance with ISAs including the audit findings and recommendations. An audit report with opinion will be submitted at the end in line with timetable. A report of comparison between budget and actual figures will be prepared and submitted.

Our report will briefly summarize key messages and recommendations that will be shared in time to include management responses before it is finalized and will provide insight into the most important issues of concern to the General Assembly. The findings of the audit will be ensured to be balanced, fair, and accurate and have constructive and actionable recommendations. The main audit outputs will be:

- ML.
- Audit Report.

5.4 Follow-up

The follow-up process may begin with a request to the Organization for an update on the status of action taken to implement recommendations from previous years' audits.

The audit team will professionally evaluate the actions taken by the Organization, their adequacy, and their impact on the new audit process.

6. SAMPLE AUDIT PLAN

6.1 The timetable for the audit plan

The following table shows the key deliverables and target dates that should be met by both parties, which will be the roadmap of the audit process:

	Activity	Responsibility	Target date
1	Entrance Meeting between ASA assigned members and WHO/non-consolidated entities Management to discuss the Overall Audit Strategy and audit planning.	Audit Director, Supervisors*, WHO/non-consolidated entities Management.	19/11/2024
2	Conduct Interim audit fieldwork & Inventory Physical Inspection.	Audit Director, Supervisors, Audit Team Leaders, IT Auditor and Auditors.	25/11/2024 – 20/12/2024
3	Request information from the auditee.	Audit Director, Supervisors, and Team Leaders.	In the course of audit
4	Submission of information requested for audit.	Management of the auditee	In the course of audit

	Activity	Responsibility	Target date
5	Submission of draft interim audit Management Letter	Audit Director	30/12/2024
7	Submission of Management responses.	Management of the auditee	10/1/2025
8	Submission of financial statements and supporting files (Trial balance, ledger, etc.) to auditors.	Management of the auditee	31/3/2025
9	Issue Management representations.	Management of the auditee	31/3/2025
10	Conduct of Final Audit fieldwork of Financial Statements.	Audit Director, Supervisors, Team Leaders, and Auditors.	31/3/2025–18/4/2025
11	Issue Management Letter Draft on final Audit.	Audit Director, Supervisors and Team Leaders.	18/4/2025
12	Submission of Management responses to Draft Management Letter.	Management of the audited entity	22/4/2025
13	Exit meeting between Audit Director, Supervisors, and Management of the audited entities to discuss the Management Letter findings and Draft Audit Report.	ASA's President, Audit Director, Supervisors and Management of the audited entity	25/4/2025
14	Quality review before the final Audit Report is issued.	Quality Reviewer, Audit Director, Supervisors, Team Leaders and Auditors.	28/4/2025
15	Approval and signing of the final Management Letter and the final Audit Report with opinion by ASA's President.	ASA's President and Audit Director	29/4/2025
16	Issue approved and signed Audit Report to the WHO Management.	ASA's President and Audit Director	30/4/2025
17	Attendance of General Assembly.	ASA's President, Audit Director and Management of the audited entities	During May 2025

* **Supervisor:** Team Leader in WHO Headquarter and responsible for coordinating with other teams.

6.2 Schedule of Staffing and Timing of External Audits of WHO Headquarter for Financial Year 2024:

The following is a sample detailed schedule of staffing and timing for the audit plan prepared for the WHO Headquarter. Similar plans will be prepared for the regional offices and non-consolidated entities

Activity	Location	Number of days	Auditor	Supervisor	IT Auditor	Audit Director	Quality Reviewer	ASA's President	Notes
Contracting	WHO HQ	(5) Working days (Expected July, 2023)				1		1	
Pre-Audit (Official Work)	ASA	(5) working days 10–14/11/2024	4	2	1	1	1		
Audit Planning by Audit Director and Supervisors: 1. Submission of Engagement Letter to the WHO Management. 2. Entrance Meeting with WHO Management; 3. Review background information, undertake risk assessment and the materiality level; 4. Design the overall audit strategy; 5. Preparation of permanent files.	WHO HQ	(5) working days 18–22/11/2024		2		1			
Interim Audit									
Conduct the Interim audit fieldwork By Audit Director, Supervisors, IT auditor and Auditors.	WHO HQ	(20) working days 25/11/ – 20/12/2024	4	2	1 (10 days)	1			
Quality review and finalization of Draft interim audit Management Letter by Audit Director, Supervisors, and submission of Draft Interim Audit Report.	ASA	(6) working days 22–30/12/2024		2		1	1	1	
Submission of Management responses.	ASA	(10) working days 30/12/2024 – 10/01/2025							
Pre-Final Audit	ASA	(5) working days 23–27/03/2025		2		1	1		

Activity	Location	Number of days	Auditor	Supervisor	IT Auditor	Audit Director	Quality Reviewer	ASA's President	Notes
Final Audit of Financial Statements									
Conduction of Final Audit fieldwork of Financial Statements and Submission of Draft Management Letter by Audit Director and Supervisors.	WHO	(15) Working days 31/03/ – 18/04/2025	4	2		1			
Submission of Management responses and Review and discuss Management responses and finalizing Audit Report.	WHO HQ	(4) Working days 21–24/04/2025		2		1			
Exit meeting between Audit Director, Supervisors and Management of the audited entity to discuss the Management Letter findings and draft Audit Report.	WHO HQ	At 25/04/2025		2		1			
Quality review before the final Audit Report is issued.	ASA	(2) Working days 27–28/04/2025	4	2		1			
Approval and signing of the final Management Letter and the final Audit Report with opinion by ASA's President.	ASA	At 29/04/2025		2		1		1	
Issue approved and signed Audit Report to the WHO Management.	WHO HQ	At 30/04/2025		2		1		1	
General Assembly	WHO HQ	(4) working days (Expected during May, 2025)				1		1	

7. AUDIT FEES

The total proposed audit fees for the Four Financial years 2024–2027 is US\$ 1,708,308, (annual audit fee of US\$ 427,077) which covers Financial, Performance, and Compliance Audit as follows:

Auditee	Auditor/ Month	Auditor Fees	DSA	Travel Expenses	Total
WHO including HQ and regional offices	36.3	24 368	234 367	33 642	292 377
<u>Non-Consolidated Entities</u>					
IARC	3.0	1 473	17 499	2 912	21 884
SHI	3.1	1 528	23 349	3 427	28 305
ICC	3.1	1 528	23 349	3 226	28 103
UNAIDS	3.1	1 528	23 349	3 427	28 305
UNITAID	3.1	1 528	23 349	3 226	28 103
Total Per Year	51.6	31 954	345 264	49 860	427 077
Total Contract fees (2024–2027)	206.3	127 815	1 381 055	199 438	1 708 308

Explanatory Notes:

- We have assessed the audit effort that would be required for the external auditing processes and accordingly the total resource requirement is equal to approximately 52 auditor-month for each financial year.
- Our audit fees are based on the full recovery of costs incurred on the audit and would cover the audit-related salaries, secretarial and other support costs, all travel costs, and living expenses of the External Auditor and his staff. However, we will not propose to charge any audit fees for the works that we will perform from the ASA's Headquarter (approximately 15 auditor-month for each financial year).
- The cost for any material changes in the scope of work to reflect new items that were not existing in the call for proposals or due to major force will be reviewed (either at our request or the request of WHO) and any increase in cost will be supported by sufficient documentation and subject to approval by the competent authority of WHO.
- We would expect free office accommodation and telephone/internet facilities to be provided at the Organization premises as required for the performance.

8. TRANSITION

Previous auditors will be contacted, if necessary, after coordination with the Organization's officials and we will consider their audit reports and any other findings that may have an ongoing impact. When our mission is complete, we will also be in touch with the following auditors to ensure an effective handover.

ANNEX 3

**PROPOSAL FOR THE APPOINTMENT OF THE EXTERNAL AUDITOR
OF THE WORLD HEALTH ORGANIZATION**

INDIA

INDEPENDENCE**A. Autonomy from other institutions of Government**

1. The independence of the Comptroller & Auditor General of India (CAG) is enshrined in the Constitution of India which enables independent and unbiased audit by the CAG. He is independent of both the Parliament and the executive, and is regarded as a key instrument for enforcing accountability in the Government. The independence is ensured by

- Appointment of the CAG by the President of India;
- Special procedure for removal of the CAG, as applicable to a judge of the Supreme Court;
- Making the CAG ineligible to hold any other Government office after completion of the term.

2. The CAG of India is neither a part of the Legislature nor the Executive, and does not report to any authority. CAG's Audit Reports are presented to the President of India or Governor of the State, who causes them to be laid in the Parliament/Legislature of the State.

3. Thus, CAG's autonomy and financial independence is in line with ISSAI (International Standards of Supreme Audit Institutions) 130 which states that the SAI shall be independent in its status, mandate and reporting.

4. CAG does not and is not obliged to share the Audit Reports of the International Organizations with the National Parliament or government and his international commitments are independent of his national obligations.

B. Integrity

5. In keeping with international best practices, CAG has a Code of Ethics which applies to all auditors, officers and all individuals working for and on behalf of the SAI India, and includes the head of SAI (CAG). The Code of Ethics incorporates the values and principles contained in the Central Civil Services Conduct Rules for Government Servants in India and adopts the broad principles contained in ISSAI 130.

C. Objectivity in discharge of duties and responsibilities

6. CAG has established policies and procedures including Auditing Standards designed to provide a high level of assurance that its audits are compliant with relevant standards, applicable legal and regulatory requirements, and that it has sufficient resources with the competence, capabilities and commitment to ethical principles as required to carry out its range of work.

D. Ability to self-determine the scope of audit

7. Section 23 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 empowers the CAG to decide the scope of his audit. CAG can determine his scope independently in all areas of audit i.e. Planning, Execution and Reporting of audit results.

E. Collaboration with the Office of Internal Oversight Services

8. SAI India collaborates with the Office of Internal Oversight Services to synergize audit effort and coordinate audit activity to ensure optimum use of limited audit resources. Reliance is placed on internal audit work to avoid duplication of audit effort.

QUALIFICATIONS AND COMPETENCIES OF WORKFORCE

A. Range of professional qualifications and skills, size and experience of workforce

9. With a total staff strength of around 42 000, SAI India has a pool of more than 17 000 audit professionals and around 600 audit managers. These officers possess a wide range of professional qualifications in multiple disciplines such as Cost Accountancy (CMA), Information Systems Auditing (CISA), Internal Auditing (CIA), Chartered Accountancy (CA), Masters in Business Administration (MBA), Masters in Economics & Sociology, Social Engineering, Law, Information Technology, etc.

10. The staff of SAI India has extensive experience of Financial, Compliance, Value-for-Money and IT systems audit in UN and similar organizations. The competence of the workforce of SAI India flows from the deep understanding and knowledge of international auditing and accounting standards, possessing professional qualifications and skills with very long experience of

auditing UN organizations and its active participation in international public sector accounting and auditing bodies.

Profile of Our Professional Staff

- Large and diverse pool of more than 17,000 professionals
- Over 1000 IPSAS trained professionals, 600 IT audit specialists and 700 audit professionals trained in Data Analytics
- Well versed with International Auditing Standards (ISSAIs, ISAs)
- Rich experience of audit of International Organizations including WHO, remote auditing during pandemic
- National experience of auditing operations similar to WHO

All our expertise is in-house

B. Membership of Internationally recognized Accounting and Auditing Bodies

Professional Associations

- Member, UN Panel of External Auditors
- Member, INTOSAI Governing Board
- Chair of INTOSAI Knowledge Sharing & Knowledge Services Committee
- Chair, INTOSAI Working Group on IT Audit
- Chair, INTOSAI Compliance Audit Sub-Committee
- Member of all INTOSAI Working Groups including WG on Fight against Corruption & Money Laundering
- Member, ASOSAI Governing Board

- Member, Governing Council, Institute of Chartered Accountants of India
- Member of the National Advisory Council on Accounting Standards (NACAS)
- Patron of Institute of Public Auditors of India
- Government Accounting Standards Advisory Board (GASAB) constituted by the CAG for formulating standards relating to accounting and financial reporting by the Union and the States

11. The CAG of India is member of the following international organizations:

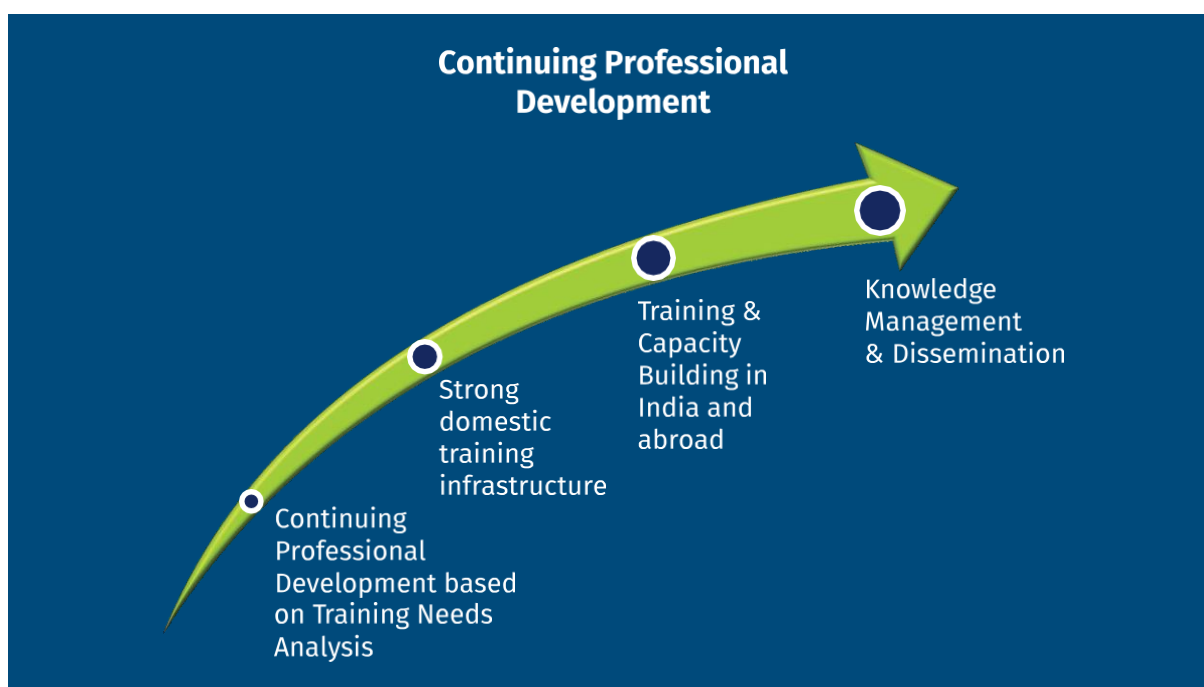
- (i.) Panel of External Auditors of the United Nations, the Specialized Agencies and the International Atomic Energy Agency
- (ii.) Governing Board Member of the International Organization of Supreme Audit Institutions (INTOSAI)
- (iii.) Governing Board Member of the Asian Organization of Supreme Audit Institutions (ASOSAI)

C. Language skills of workforce

12. All the officers and staff of CAG are proficient in the use of English as all our audit reports are prepared in English.

13. We have a significant pool of officers/staff with working knowledge of French/Spanish/Arabic/Russian.

D. Continuing professional education

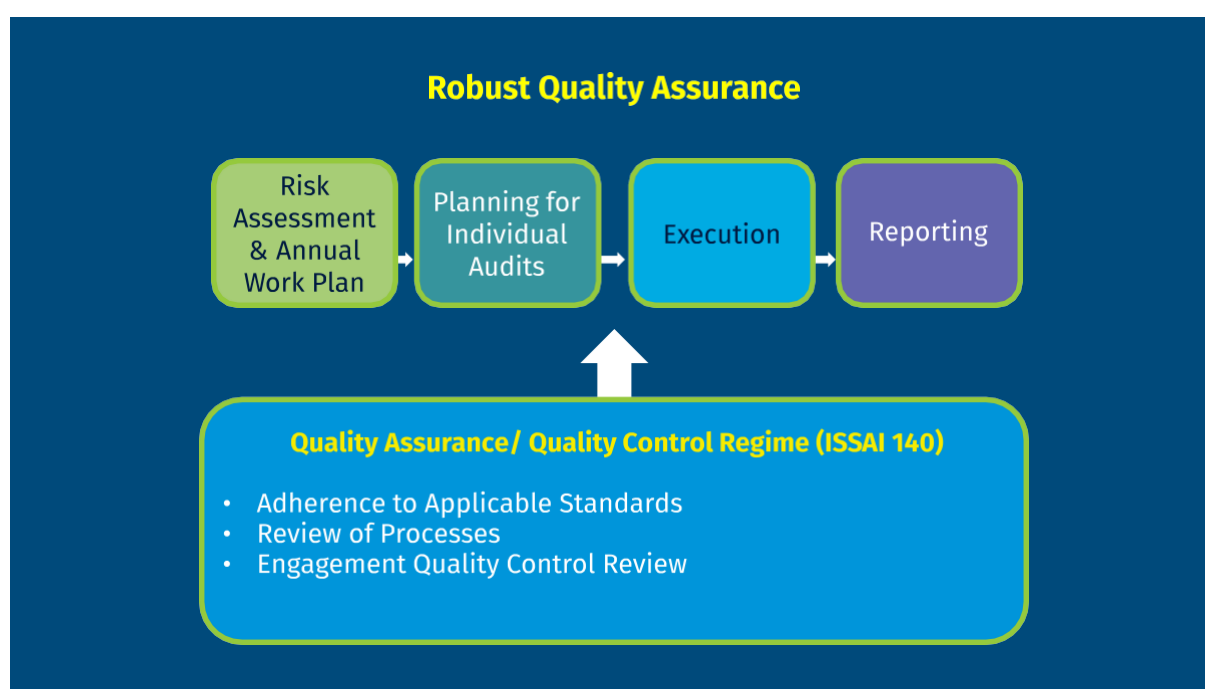


14. The institution of the CAG of India has an onerous responsibility to fulfil its mandate. To discharge this task in an ever-changing environment is very challenging, and it is with this commitment to promoting good governance and accountability through public audit, that the organization strives to constantly upgrade its professional skills by means of its robust training capacity.

15. SAI India has a training academy called the “National Academy of Audit and Accounts” for its Audit Managers and Senior Audit Director. Jawahar Lal Nehru University, a premier university of India, has decided to confer a “Master's degree in Public Audit, Accounts and Financial Management” to all the officers graduating from the National Academy of Audit and Accounts.

16. We have two Global Training facilities– International Centre for Information Systems and Audit (iCISA) which specializes in training in IT audit, and International Centre For Environment Audit and Sustainable Development (iCED) for capacity building support in the areas of IT audit, Health sector audit, environment pollution audit, etc.

E. Quality improvement programme



17. SAI India has formulated and implemented an Audit Quality Management Framework (AQMF). Continuous improvement is a cornerstone of this framework and is ensured through:

- Internal Audits
- Internal Quality Assurance Reviews
- Peer Reviews and Technical Inspections
- Evaluation of lessons learned.

18. Through implementation of AQMF, SAI India is able to achieve:

- Objective assessment of performance
- Effective management of its own operations, continuously improving the quality of its performance

- Quality and timeliness in service delivery
- Identification of areas of risk and its timely mitigation.

EXPERIENCE AND CAPACITY



A. Experience in the audit of United Nations organizations

19. The CAG of India has a long cumulative experience as External Auditor of United Nations, its Agencies and other international organizations including WHO as depicted above.

20. This long association has enabled CAG of India to create a wide specialized pool of professionals experienced in the audit of international organizations, with substantial knowledge of governance, procedures, financial systems, and operations of organizations of United Nations. Through a direct hands-on experience, Audit Directors/Managers understand the management and accounting systems, financial and staff regulations, operations, procurement, transport and IT systems in UN and similar organizations. We have also kept abreast of the latest changes and trends in these areas on account of our ongoing audits and our membership of the Panel of External Auditors of the UN. It also allowed an uninterrupted, continuous engagement with the transition to IPSAS and its integration with the ERP Systems. We have also developed sufficient IT audit capability to review the Information Systems and operations in the UN system.



B. Audit experience with large organizations using ERP systems



21. Our audit experience with large organizations using ERP systems includes audit of:

- UMOJA, the Enterprise Resource Planning (ERP) solution of the United Nations

- VISION–ERP solutions of UNICEF.
- ERP systems based on UNIT 4 software in UNOPS
- SAP and Oracle based ERP systems in FAO, IAEA, WFP, WHO and IMO.
- Human Resource Management Systems (PeopleSoft/Workday, etc.)
- Over 600 audits of IT systems of diverse platforms and databases. More than 300 IT audit reports have been brought out on critical and sophisticated IT systems.

22. In the current audit cycle, SAI India has taken up the audit of Business Management System (BMS) which is under development to be able to 'add value' and contribute to the creation of a system most suitable to the needs of the organization.

C. Identification of Auditing Standards and Ethics

Auditing Standards

23. For the audit of United Nations Organizations, we take into account following standards:

- (i) The Common Auditing Standards and Auditing Guidelines issued by the UN Panel of External Auditors;
- (ii) INTOSAI Auditing Standards;
- (iii) The International Standards on Auditing;

Ethics

24. All SAI India employees are government servants and are subject to the Central Civil Services (conduct) Rules, 1964, that prescribe standards of behaviour and ethical conduct.

25. CAG ensures that all its auditors are guided by the principles contained in the Code of Ethics for the Organization. The following are a few of the principles contained in this Code:

- The auditor and the SAI should be independent and should avoid conflicts of interest with the audited entity.
- The auditor to maintain absolute integrity and devotion to duty.
- The auditor should not disclose information obtained in the auditing process to third parties.

D. Experience in auditing financial statements prepared in accordance with IPSAS



26. SAI India has been actively involved in the transition and post transition phase to IPSAS in UN Organizations and Agencies. SAI India has more than 1 000 audit professionals trained in International Public Sector Accounting Standards (IPSAS), many of whom have conducted the audit of IPSAS based financial statements in United Nations/Agencies. SAI India has been the External Auditor of many UN organizations during the transition of these organizations to IPSAS and reviewed the process of adoption of IPSAS into their business processes.

27. Financial Statements of the State owned Enterprises, audited by CAG, are prepared as per Indian Accounting Standards (INDAS) which are in harmonization with the IFRS. To illustrate, we are auditing financial statements of Indian Oil Corporation, Oil and Natural Gas Corporation and National Thermal Power Corporation having revenue, in 2021–2022, of million \$98 367, \$15 687 and \$16 114 respectively.

E. Institutional capacity to undertake annual audits of WHO and the non-consolidated entities

28. SAI India has demonstrated adequate institutional capacity to undertake audit of WHO in view of its large human resource base equipped with a wide range of audit specialties. At present, we are the External Auditor of WHO and its non-consolidated entities (IARC, ICC, SHI, UNAIDS, UNITAID), for a term from 2020 to 2023. In the past also, we were External Auditor of WHO and its non-consolidated entities, for a period of eight years from 2004 to 2011.

CAG's Health sector audit experience in India

29. SAI India, besides certifying accounts, conducts performance audits of Programmes of the Health and Family Welfare Departments in India. This year, we have undertaken a pan India performance audit of Health Infrastructure and Services in all States and Federal Ministry/Agencies.

STAFFING STRATEGY

A. Summary Curriculum Vitae of the Comptroller and Auditor General of India

30. Mr. Girish Chandra Murmu assumed office as the Comptroller and Auditor General of India on 8th August 2020. Prior to this, Mr. Murmu was the first Lieutenant Governor of the Union Territory of Jammu and Kashmir. Mr. Murmu has rich and diverse public service experience of more than three decades at senior positions in finance, administration and public policy. He served in various capacities in the Government of India such as Secretary of the Department of Expenditure, Special and Additional Secretary in the Department of Financial Services and Department of Revenue, and Joint Secretary in the Department of Expenditure. Besides this, Mr. Murmu has served on important assignments in the State Government of Gujarat. He has wide experience in administrative, economic and infrastructure fields. Mr. Murmu holds an MBA degree from the University of Birmingham.

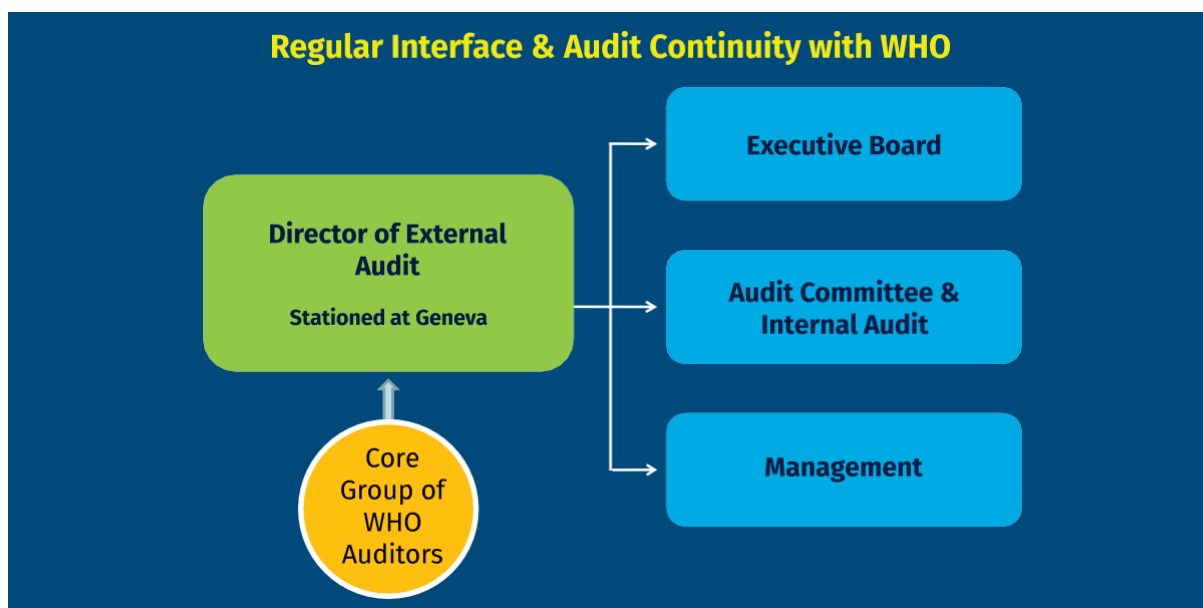
31. As the Comptroller and Auditor General of India, Mr. Murmu is responsible for auditing the accounts and related activities of all the three tiers of government i.e. the Federal, State and Local bodies. His primary responsibility is ensuring financial accountability in governance and making recommendations for improvement of systems and procedures.

B. Summary Curriculum Vitae of Lead Director for WHO audits

32. A senior officer of the organization is posted as Director of External Audit in WHO Headquarters, Geneva. At present, Ms Ritu Dhillon is the Director of External Audit in WHO, Geneva. Besides, being the External Auditor's interface with the WHO Secretariat on audit matters, she provides liaison and support to WHO as and when necessary. She also interacts with the Independent Expert Advisory and Oversight Committee (IEAOC) and Internal Audit. This assists CAG in greater appreciation of governance related issues of WHO through personal contact with representatives of the WHO, especially the IEAOC.

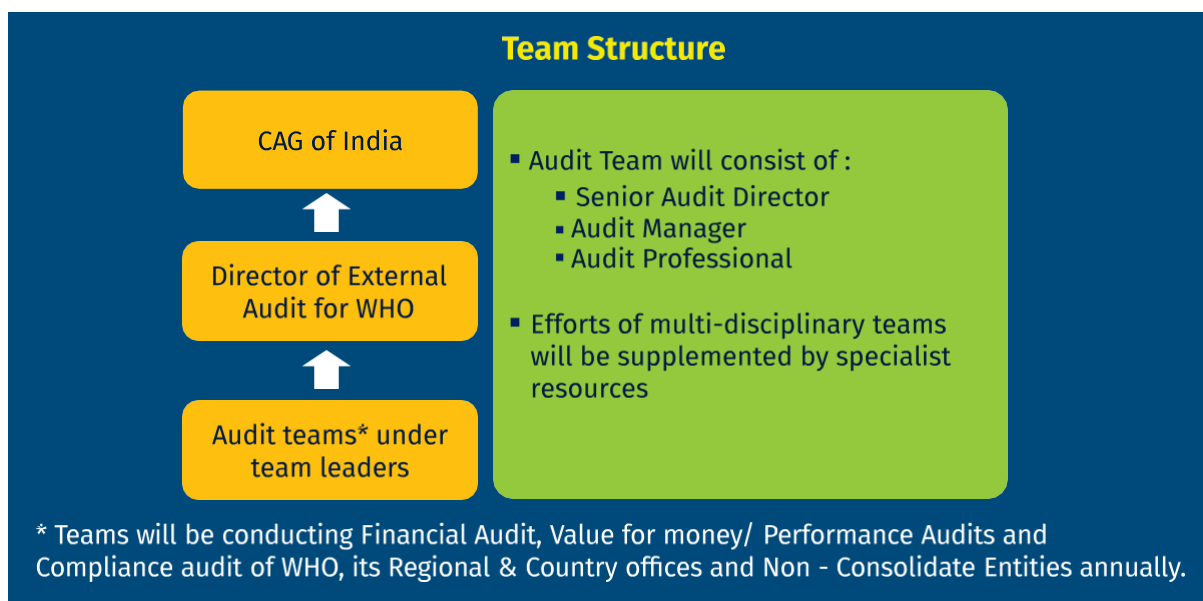
33. Ms Ritu Dhillon has worked as Accountant General of Audit in various States in India. She has a wide experience of auditing Health Sector in India. She has worked as Member Secretary in National Pharmaceutical Pricing Authority of India and in various organizations as Senior Financial Advisor & Chief Vigilance Officer under the Ministry of Health & Family Welfare.

C. Continuity of the audit team over the proposed four-year audit period



34. To ensure continuity of the audit team, we will create a dedicated pool of audit team members for the audit of WHO. Officers from this dedicated pool will be deployed and repeated in various audits' during the four-year audit period to ensure continuity. Besides, DEA who is a long-term staff member based at Geneva will be a crucial link for providing audit continuity to WHO.

Team structure

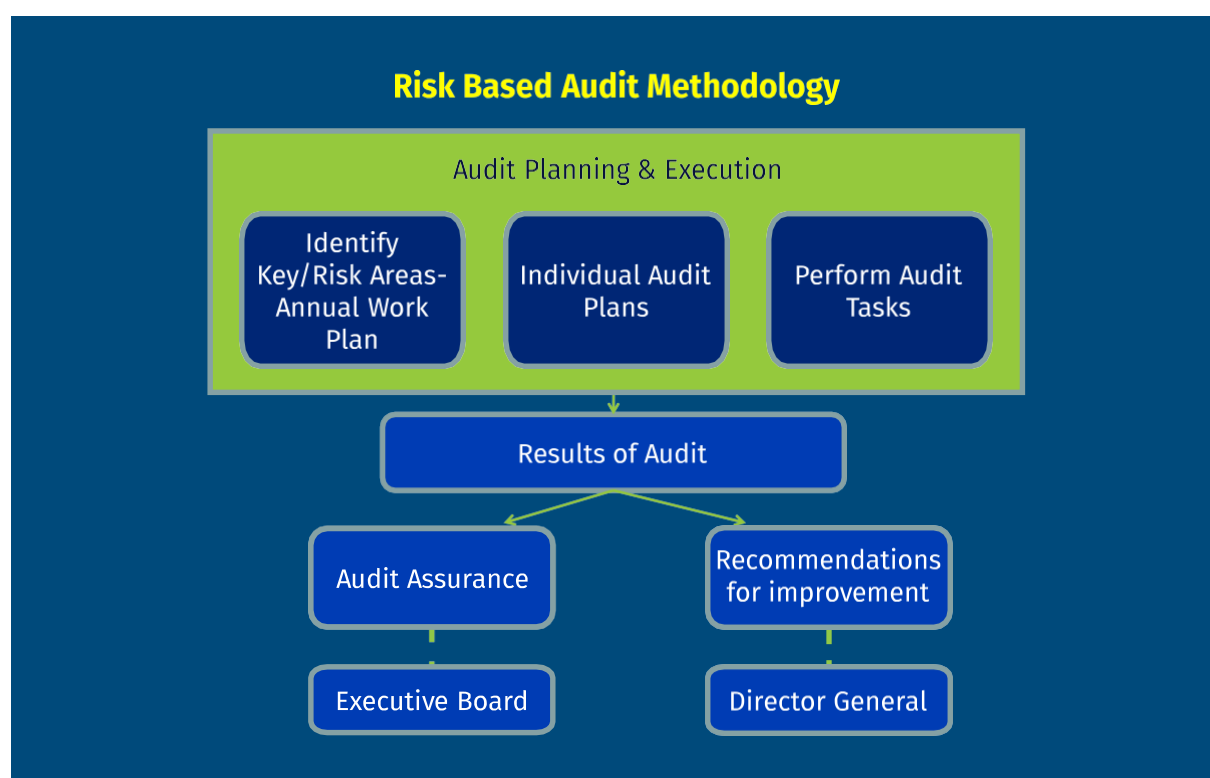


D. Balanced and diverse representation by gender in the audit team

35. To The CAG is committed to promoting gender equity, and women professionals will be adequately represented in the audit teams at all levels. At present, all our audit teams are directed by a senior lady officer – Ms Ritu Dhillon, Director of External Audit in WHO, Geneva.

AUDIT APPROACH AND STRATEGY

A. Comprehensive work plans



1. Audit planning

36. Prioritization of audit areas is done on the basis of an understanding of the entity and risk assessment conducted with reference to financial materiality, significance, topicality and visibility, and with reference to any specific areas indicated by those charged with governance.



37. Each year an Annual Audit Plan will be prepared in line with the Strategic Audit Plan but fine-tuned to latest developments in the audit environment. The Annual Audit Plan will specify details of audit to be undertaken; financial, compliance, value-for- money/performance audits, IT audits; units to be audited; audit schedule; scope of audit; assignment of personnel and audit duration The Annual Audit Plan for the audit cycle 2022–2023 was presented to IEAOC on 29 June 2022.

Principal risks

38. Following are some of the Principal Risk areas as identified by WHO's office of Compliance, Risk Management & Ethics. We have covered/shall cover risks assessed with the following areas in our audits:

- Financing
- Supply chain operations
- Implementation of polio eradication
- Transformation initiative
- Cyber Security
- Partner engagement
- GPW assumptions

- Impact Measurement
- Sexual exploitation, abuse and harassment
- Ethics including workforce well-being and mental health
- Environmental, Social & Governance issues

Adequate coverage of WHO resources

39. As we are doing now, we will ensure adequate coverage of all WHO resources and operations as under:

- WHO Headquarters
- Regional offices at Africa, Eastern Mediterranean, South East Asia, Western Pacific, and Europe
- Country Offices
- WHO-Non-consolidated entities

2. Audit execution

40. Audit execution commences with an Entry Conference where the audit plan, consisting of audit objectives and audit approach, is discussed with the Head of the Unit. The audited entity is apprised of the data, information and documents required during audit assignment. Audits are performed with a view to obtaining assurance regarding accuracy of financial statements, compliance with rules/regulations and adequacy of internal controls, and economy, efficiency and effectiveness of operations.

B. Sample audit plan (including missions)

41. Sample Annual Audit Plan including Missions & Audit Deliverables is given in the *Attachment 1*.



C. Nature of audit assignment

Financial audit

42. This includes attest functions of the financial statements and providing an opinion on the financial statements prepared under IPSAS. Our opinion and report conform to the requirements prescribed in the relevant clauses contained in the Financial Regulation of the organization.

Compliance audit

43. This includes audit against appropriation and assessing compliance with applicable rules, regulations and legislative authority. We examine the propriety of transactions and report cases of wasteful and improper expenditure.

Value for money/Performance audit

44. Value-for-money/performance audit covers audit of diverse areas with due regard to economy, efficiency and effectiveness. The areas for value-for-money/performance audit are selected on the basis of (a) quantum of resources allocated to them, (b) risk to the efficient and effective operation of organization and (c) concerns of WHO Governing bodies including IEAOC.

Additional audit assignments

45. We will accept any additional audit assignments at the request of World Health Assembly, as required under Financial Regulation 14.5, to perform certain specific examinations and issue separate reports on the results.

3. Audit execution



46. While reporting the results of audit, we will comply with the requirements as stated in WHO's Financial Regulation.

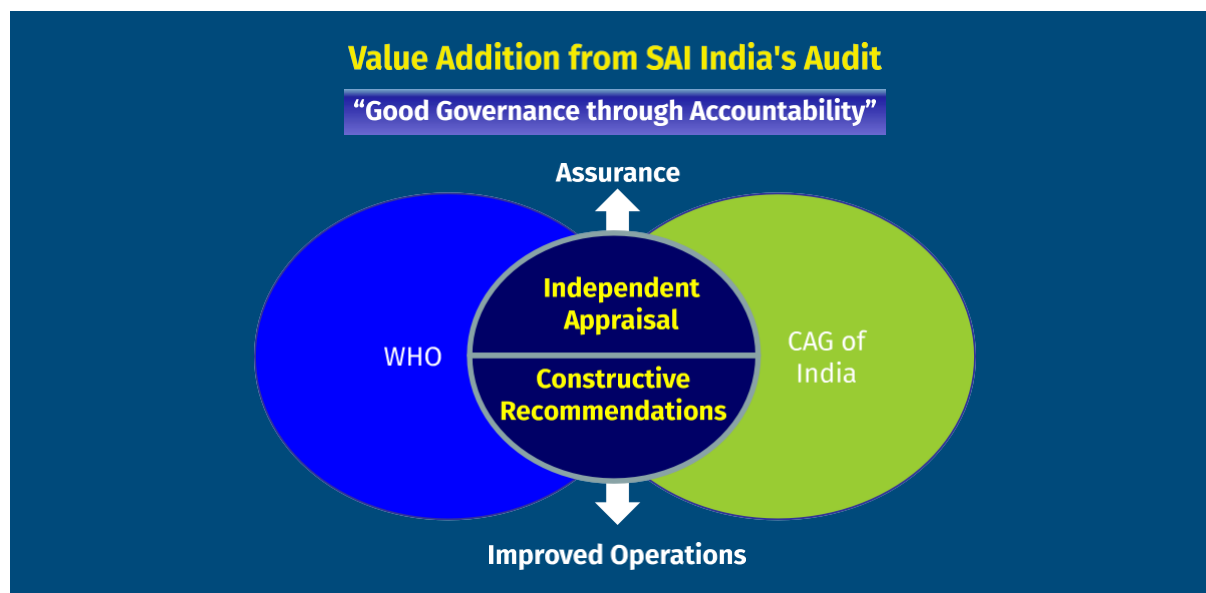
47. The following measures will be undertaken to ensure adherence to international reporting standards:

- Accuracy
- Completeness
- Balanced and Fair
- Clarity
- Constructive recommendations
- Timeliness

4. Management of recommendations

48. We do an internal review to ensure that the recommendations are practical and add value. The recommendations proposed to improve governance and internal controls are discussed in the Exit Conference to ensure that there is mutual agreement on them.

5. Value addition from SAI India



SAMPLE AUDIT PLAN

A. Attachment 1

Sample Audit Plan (including Missions and Audit Deliverables)

Mission	Audit Deliverable	Nature/Objective of Work
Annual Audit Plan	Annual Audit Plan	Audit Planning
Interim Audit	Management Letter ¹	Financial Audit
Audit of Regional & Country Offices	Management Letter	Compliance Audit
Performance Audit	Management Letter	Performance Audit
Performance Audit /IT Audit/Audit of Regional & Country Offices	Management Letter	Performance/ IT/Compliance Audit
Audit of WHO Non-Consolidated Entities IARC UNAIDS UNICC UNITAID SHI	Management Letter	Financial/Compliance Audit
Finalization of Audit Reports	<ul style="list-style-type: none"> Short Form Report(Audit Opinion) Long Form Report" Special Audit Report, if any, at the request of WHA 	Quality Assurance

¹ To be issued as part of Management Letter of final financial audit.

COST

A. Competitive all-inclusive fees for carrying out the audit for each year from 2024 to 2027

Auditor Work Months

49. Based on the assessment of available information on size, scale and priorities of WHO activities, we have estimated audit effort of 58 auditor-months¹ each year for auditing operations at WHO Headquarters, Regional and Country offices and WHO's Non-consolidated entities.

Proposed Audit Fee

50. Based on an assessment of WHO's operations at Headquarters, including the audits of Regional and Country Offices, as well as IARC, ICC, SHI, UNAIDS and UNITAID, the following audit fee is proposed:

Lump Sum Audit Cost in US\$			
Year	WHO	Non-Consolidated Entities	Total
2024	408 240	158 760	567 000
2025	408 240	158 760	567 000
2026	408 240	158 760	567 000
2027	408 240	158 760	567 000
Total	1 632 960	635 040	2 268 000

51. Audit fee worked out for the year 2024 is based on the cost component rates (Per Diem, Travel and Staff cost) of October 2022. The quantum of resource deployment will remain the same in subsequent years except for any variation in cost of air travel, staff costs and rates of DSA, which we expect should not exceed a cap of 7 per cent. In estimating the above fees, all secretarial and other ancillary costs, and all travel costs and living expenses of the audit staff have been included.

TRANSITION

A. Nature, extent and timing of requests for information, access to audit working papers of the outgoing External Auditor

52. As we are the present External Auditor WHO for the term 2020 to 2023, this is not applicable to us.

B. Assurance in respect of request for information by an incoming External Auditor

53. We assure that we will follow (a) guidance for handing over by the outgoing External Auditor and taking over by the incoming External Auditor, as has been prescribed by the UN Panel of External

¹ 58 Auditor months include man-days of (a) field audits, (b) Director of External Audit and (c) CAG headquarters.

Auditors, and (b) GUID 5090 “Audit of International Institutions” an INTOSAI Guidance to ensure smooth succession.

C. Interpretation of accounting policies & standards

54. One of the challenges faced by an organization is changed interpretation of Accounting Policies & Standards by the outgoing and incoming External Auditor. To overcome this, SAI India has been deliberating this issue in the UN Panel of External Auditors so as to develop a harmonized & uniform approach in respect of interpretation of key accounting policies and standards.

ANNEX 4

PROPOSAL FOR THE APPOINTMENT OF THE EXTERNAL AUDITOR OF THE WORLD HEALTH ORGANIZATION

KENYA

1. INDEPENDENCE

1.1 Appointment and Autonomy of the Auditor-General

The Office of the Auditor-General of the Republic of Kenya (OAG-K) is an independent constitutional office established under Articles 229 and 248(3)(a) of the Constitution of Kenya, 2010. Section 4 of the Public Audit Act, 2015 provides that the statutory head of the Office is the Auditor-General.

The Constitution gives mandate to the Auditor-General to audit and report on accounts of all public entities at National and County Government level and provide independent assurance on lawfulness and effectiveness in use of public funds. The Public Audit Act, 2015 also requires the Auditor-General to conduct performance audits and provide assurance on effectiveness of internal controls, risk management and overall governance.

We submit our audit reports directly to Parliament (National Assembly and Senate) and the relevant Regional Assembly.

1.2 Scope of audit

Section 10 of the Public Audit Act, 2015 reinforces the independence of the Auditor-General and provides that he/she shall not be subject to direction or control by any person or authority in carrying out his or her functions under the Constitution. Therefore, the Auditor-General has the freedom to decide on the content and timing of his/her reports.

1.3 Integrity and objectivity

In cognizance of the fact that ethical behavior, integrity and accountability are key components in promoting public confidence and trust, and in compliance with ISSAI 130 – Code of Ethics, the following measures are in place:

- Persons responsible for the audit are required to provide information on the independence of the team and any possible threats, including conflict of interest identified in all audit assignments;
- Independence of team members is maintained, updated and monitored to readily determine whether teams satisfy independence requirements;
- Criteria for determining familiarity threat and safeguards to reduce them to an acceptable level;

- Regular rotation of audit staff and persons responsible for the audit and quality reviews after a specified period in compliance with relevant ethical requirements.

1.4 Reliance on internal audit work

To consider reliance on the internal audit work, we evaluate their independence and objectivity. Where the following criteria are met, there is a strong indication that the internal audit function is objective:

- The reporting structure - accountable and reports the results both to top management and to those charged with governance.
- Located organizationally outside the staff and management function of the unit under audit;
- Sufficiently removed from political pressure to conduct audits and report findings, opinions, and conclusions objectively without fear of political reprisal;
- Does not permit internal audit staff to audit operations for which they have previously been responsible for;
- Has access to those charged with governance; and
- The internal audit function possesses relevant qualifications, skills, and competences.

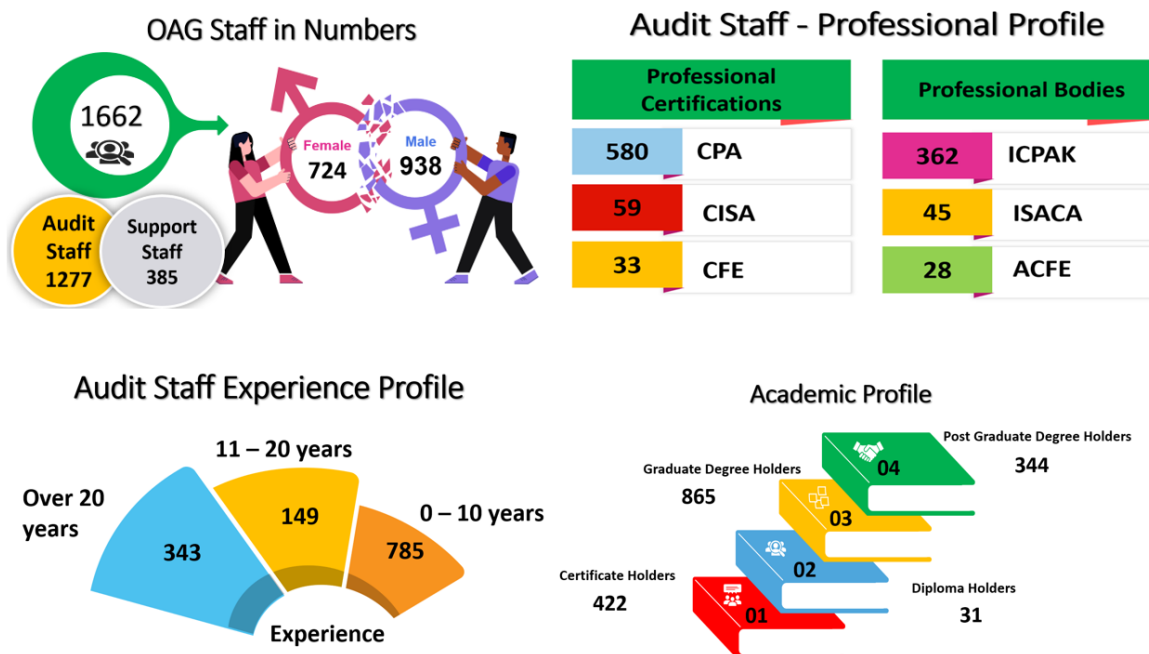
We will evaluate the threats and safeguards in using internal auditors work and determine the nature, extent, and timing of our audit procedures.

2. QUALIFICATIONS AND COMPETENCIES OF WORKFORCE

2.1 OAG-K workforce

OAG-K staff strength is 1662 comprising of both audit and non- audit staff. For effective and efficient service delivery, all the key support functions have been professionalized. The diagram below illustrates the gender representation of our staff, academic qualifications, the range of experience and professional qualifications for the audit staff and their membership to professional bodies.

OAG-K Workforce in Numbers



2.2 Proficiency in English

As provided under Article 7(2) of the Constitution of Kenya, English is one of the official languages of the Republic. English is taught as a subject in the first three years of primary education in Kenya and transitions to the language of instruction in the subsequent grades through to university. Consequently, our staff have a very good working knowledge of English.

2.3 Programme for Continuing Professional Education

Continuing professional education of staff is anchored in the OAG-K Human Resource Policy Manual. The Office provides sponsorship for various professional courses, local and international seminars, conferences and workshops. OAG-K maintains annual subscriptions to various professional bodies for her members of staff. The Office has established a Learning and Development Advisory Committee responsible for providing strategic direction in continuous training activities.

The Office has implemented the Career Progression Guidelines and Job Descriptions Manual. The Guidelines provide the qualifications and experience required for the various jobs within the Office and the set of competencies for each job classification. The Guidelines provide a well-defined career structure and establish standards for recruitment, training and continuous development.

2.4 Quality Improvement Programme

The ultimate responsibility and accountability for the Quality Management System (QMS) rests with the Auditor-General. Quality management procedures are performed for every audit as per the OAG-K Quality Control Policy and Manual, Quality Assurance Policy and Audit Manuals.

The OAG-K's policies and procedures outline the different audit review levels and their roles based on the organizational structure. The Office was an early adapter of ISQM 1&2 and appointed engagement quality reviewers for selected regularity audit engagements.

OAG-K conducts self-assessments using SAI Performance Management Framework (SAI-PMF) and the annual AFROSAI-E Institutional Capacity Building Framework (ICBF). The Office also subjects itself to the triennial quality assurance peer reviews by AFROSAI-E.

3. EXPERIENCE AND CAPACITY

3.1 Audit experience in UN Organizations and International Organizations

OAG-K has offered audit services to projects funded by UN Specialized Agencies and international organizations as summarized below:

Entities	Count
World Bank Projects	100
Projects Funded by Un Specialized Agencies (UNEP, UNFPA, UN-Habitat, UNDP, UNICEF and IFAD)	35
The Global Fund (HIV/AIDS, Tuberculosis and Malaria)	6
Others (African Development Bank, JICA, EU, KfW and AFD France)	76
COMESA Organs and Institutions	6
East African Community Organs and Institutions	29
International Conference on the Great Lakes Region	6

3.2 Audit experience with large Organizations using Enterprise Resource Planning Systems

Integrated Financial Management System (IFMIS) is an Oracle based Enterprise Resource Planning (ERP) being used at both the National and County levels of government in Kenya. OAG-K audit staff have, therefore, wide experience in audit of organizations using Oracle as well as other ERPs used by State Corporations and other Semi-Autonomous Government Agencies. OAG-K's System Assurance and Data science Directorate has executed comprehensive IS audit assignments and integrated audits on oracle-based solutions. Further, the department audits over 200 HR and payroll systems in government institutions.

3.3 Auditing standards and ethics governing our work

OAG-K has adopted the INTOSAI Framework of Professional Pronouncements (IFPP) in conducting its assignments, which includes the INTOSAI Principles, the ISSAIs and the INTOSAI Guidance as the auditing standards. ISSAIs are derived from ISAs, which are developed by IAASB.

In compliance with the requirements of ISSAI 130 – Code of Ethics, OAG-K has developed a Code of Conduct and Ethics. All members of staff have signified their commitment to accountability of the contents of the Code of Conduct by appending their signatures to the

document. The Code of Conduct is applicable to the Auditor-General, individual auditors and all individuals working on behalf of the Office.

3.4 Experience in Audit of IPSAS Financial Statements

OAG-K audit universe comprises of 1,606 entities of which 47% report under IPSAS (Accrual Basis) as illustrated below:

Number of Audited Entities per Financial Reporting Framework – 2021

Financial Reporting Framework	Audited Entities	%
IFRS	151	9
IPSAS (Accrual Basis)	759	47
IPSAS (Cash Basis)	696	44
Total	1 606	100

3.5 Capacity to Audit WHO and the Non-consolidated Entities

Our capacity to audit WHO is summarized as follows:

1. **Competent and Experienced Staff** – Our vast experience in auditing financial statements prepared in accordance with IPSAS (Accrual Basis) framework and the wealth of audit experience and knowledge within our workforce clearly demonstrates our ability to undertake the audit of WHO and the non-consolidated entities. OAG-K will deploy a dedicated, competent and experienced team to undertake WHO audits.
2. **Our reputation** – Development partners and other international organizations have over the decades entrusted us with the responsibility to audit and report on their various projects, **programmes** and initiatives. SAI Kenya members of staff take lead in INTOSAI and AFROSAI-E capacity building initiatives and quality assurance reviews in other SAIs within the African region as technical specialists and reviewers. The SAI has also undertaken special audits and forensic audits upon request by Parliament and in response to the various needs of stakeholders within the country.
3. **Our Audit Methodology** – OAG-K has developed a Financial and Compliance Audit Methodology (F!CAM). F!CAM is a combined audit approach that ensures a holistic view of client's performance. The methodology supports the Office in reducing to a bare minimum, the usually time-consuming substantive procedures, without reducing the quality of audit results. Quality control and quality assurance is an integral part of our audit process.
4. **Ability to deliver integrated Audits** – The Office has fully-fledged units that undertake financial, compliance, **information** systems and performance audit. To deliver a high impact audit, the WHO audit team will incorporate officers from the above units.
5. **Audit Management System and IT Infrastructure** – OAG-K has leveraged on information technology in its work and assembled a robust IT infrastructure to not only facilitate paperless audits but also **ensure** continuity even when physical interactions are hindered and thus

improving efficiency and effectiveness in service delivery. The Office uses an audit management system for audit planning, execution, reporting and follow-up.

6. **Health sector Audit Experience** – for the last 5 years the health sector in Kenya has averaged 10% of the national budget with health institutions spread both at national and county levels. Other than the **financial** audits conducted, OAG-K has carried out the following high impact performance audits in the health sector:

- Management of Blood Transfusion Services by Kenya National Blood Transfusion Services
- Provision of Mental Healthcare Services in Kenya
- Delivery of specialized Healthcare Service by Kenyatta National Hospital
- Delivery of specialized Healthcare Service by National Spinal Injury Hospital

The audit on Delivery of specialized Healthcare Service by Kenyatta National Hospital and Provision of Mental Healthcare Services in Kenya have been recognized and awarded best performance audit report in AFROSAI-E region in 2012 and 2017 respectively.

The performance audit in provision of mental healthcare services in Kenya led to legislation and enactment of the Mental Health Act, 2022.

4. STAFFING STRATEGY

4.1 Curriculum Vitae – Auditor-General of the Republic of Kenya

CPA Nancy Gathungu, CBS, is the Auditor-General of the Republic of Kenya and heads the Supreme Audit Institution of Kenya (SAi-Kenya). She holds a Bachelor's degree in Commerce (Accounting Option) and a Masters in Business Administration (Strategic Management) from the University of Nairobi. She is currently pursuing a Doctoral (PhD) Programme in Business Administration (Strategic Management) at Jomo Kenyatta University of Agriculture and Technology (JKUAT). She is a practicing Certified Public Accountant of Kenya (CPA-K), Certified Information Systems Auditor (CISA), a Member of the Association of Women Accountants of Kenya and a Fellow of the International Auditor Fellowship Programme at the US Government Accountability Office.

She has over 27 years public sector experience, both in external and internal audit at central government and state corporation levels. She plays a major role in international standards setting and best practices as:

- Chairperson of COMESA Board of External Auditors (GOBEA)
- Incoming Chair of East African Community Audit Commission
- Chair of the Audit Team of the International Conference on the Great Lakes Region

- Member of INTOSAI Capacity Building Committee and Outgoing Chair of its Workstream on Guides and Occasional Papers and Member of INTOSAI Working Groups on (1) Impact of Science and Technology on Auditing (2) Evaluation of Public Policies and Programs (3) Environmental Audit, and other three Working Groups.
- Chair of AFROSAI Technical and Institutional Capacity Building Committee and Member of AFROSAI African Journal of Comprehensive Auditing Board of Editors
- Vice-Chair of AFROSAI-E Governing Board and Chair of AFROSAI-E Working Group on Information Systems Audit and Management

4.2 Curriculum Vitae – Lead Director

Mr. Njoroge Waithima is a Director of Audit in the Office of the Auditor-General, Kenya with over 2 decades of public sector audit experience. He holds the following qualifications.

- Master of Business Administration (MBA), Finance from the University of Nairobi,
- Bachelor of Commerce (Accounting Option) from the University of Nairobi
- Certified Public Accountant of Kenya (CPA-K) and member of the Institute of Certified Public Accountants of Kenya.
- Strategic Leadership Development Program by the Kenya School of Government

Audit experience

He has a wide range of experience in financial and compliance audit gained in audit of various ministries, departments, and agencies, as well as projects funded by development partners particularly in health sector. He has also been involved in auditing other sectors including; Water, Education and Transport, Infrastructure, Housing & Urban Development.

4.3 Continuity and inclusivity

This will be achieved through the following:

- WHO audit assignment will be included in the OAG-K annual overall audit plan to ensure adequate allocation of resources.
- All OAG-K staff assigned to audit regional and international agencies are available for a minimum of 3 years before any changes. However, a large degree of continuity within the audit teams across the years will be maintained.
- OAG-K staffing ratios stands at 44:56 female and male respectively. The team composition for this assignment will endeavor to achieve a balanced and diverse representation by gender.

5. AUDIT APPROACH AND STRATEGY

5.1 Audit plan

OAG-K will conduct the audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs) which incorporate International Standards on Auditing (ISAs) and with the additional terms of reference of WHO, subject to any special direction by the Assembly. Our audits will include financial, compliance and performance audits. We will also seek to assess effectiveness of internal controls, risk management and governance structures at WHO. Our audit plan is outlined below:

Proposed audit plan and timelines	
Audit Objective: To obtain reasonable assurance: <ol style="list-style-type: none"> Whether the financial statements present fairly the financial position and results of the operations at the end of the period, were prepared in accordance with stated accounting policies and that accounting policies were applied consistently. To conclude that financial resources have been utilized in compliance with WHO financial regulations and legislative authority. To conclude that value for money was achieved in utilizing financial resources. To conclude on the effectiveness of internal controls and risk management. 	
Scope of Audit: Financial years 2024–2027	
Planned audit approach: The audit will be risk-based. Audit effort will concentrate on areas with a higher risk of material misstatement or non-compliance with significant authorities based on our understanding of WHO, its operating environment, internal controls, and materiality.	
Nature and extent of audit: The audit will have a combined approach of financial, compliance, performance and IS audit according to the relevant standards. Audit risk assessment and materiality will determine the extent of our audit procedures and evidence which will be documented in our overall audit strategy. We shall determine subject matters for compliance and performance audits based on our understanding of WHO operating environment and risk assessments.	
Materiality: Based on our understanding of WHO's operations and risk assessment we shall determine quantitative and qualitative materiality.	
Planned regional visits: Based on our understanding of WHO's operations and business risk, our audit will cover the headquarters, regional offices, and missions.	
Communication: We will seek to maintain an effective communication with management and those charged with governance throughout the audit. At the onset, we shall issue an audit engagement letter and conduct entry meetings. We shall communicate with management our audit findings through: <ul style="list-style-type: none"> • Audit queries • Exit meeting • Management letters Management views and comments are invited at all stages and factored into the final report.	
Use of Experts: The audit team shall assess the operations of WHO, where necessary we shall engage the relevant experts with strict adherence to highest level of confidentiality of audit.	
Audit Team: A team, headed by a Director of Audit will be constituted. There will be a balanced mix of staff with experience in financial, compliance audits, performance and IS audits.	
Quality management: A quality assurance staff will be assigned to ensure audit is conducted with due regard to audit standards and best practices.	

Activity	Responsibility	Timelines
Interim audits		
1. Issue engagement letter	Auditor – General	Week 1
2. Entry meeting between the auditors and management	Auditors and management	Week 1
3. Submission of information and documents	WHO management	Week 1 to 8
4. Planning and preliminary risk assessment and response	Audit team	Week 1 to 2
5. Audit execution – Financial, Compliance and value for money	Audit team	Week 3 to 7
6. Visit regional offices and Missions	Audit team	Week 4 to 7
7. Issue audit queries	Audit team leader	Week 1 to 7
8. Submit written response to audit queries	WHO management	Week 1 to 7
9. Exit meeting between the auditors and management	Auditors and management	Week 8
10. Issue management letter	Audit team leader	Week 8
11. Submit written response to management letter	WHO management	Week 8 to 9
Final audit		
1. Entry meeting between the auditors and management	Auditors and management	Week 1
2. Submission of information and documents	WHO management	Week 1 to 3
3. Perform audit procedure – Substantive procedures Review Financial statements	Audit team	Week 1 to 2
4. Issue audit queries	Audit team	Week 1 to 2
5. Submit written response to audit queries	Audit team leader	Week 1 to 2
6. Exit meeting between the auditors and management	WHO management	Week 3
7. Issue management letter	Auditors and management	Week 3
8. Submit written response to management letter	WHO management	Week 3 to 4
12. Issue audit report (short and long)	Auditor – General	Week 5

The proposed audit plan will be applied to WHO and Non-consolidated entities.

5.2 Detailed Workplan

The summary below only considers significant areas based on our initial assessment. We will update the work plan upon formal appointment and subsequent engagement with management.

Audit Phase	Proposed Activities	Deliverables
Planning	<ul style="list-style-type: none"> • Code of ethics declaration • Preparation and Issue of Audit Engagement letter • Conduct Entry meeting • Gain an understanding of WHO's operating environment, governance structures, legislative framework, internal audit department and internal controls • Evaluate the risk management process, tools, reports, and monitoring mechanisms • Determine risks at financial statement and assertion levels and design appropriate response • Determine audit materiality • Quality control 	<ul style="list-style-type: none"> • Engagement Letter • Minutes of the Entry Meeting • Overall Audit Strategy
Execution	<ul style="list-style-type: none"> • Perform analytical reviews incorporating data analysis • Process description, walkthroughs, risk assessment and response at components level • Perform audit procedures and evaluate misstatements • Test compliance with WHO basic documents, policies and procedures as informed by risk assessment. • Perform audit procedures to establish value for money in utilization of resources. • Review general IT and application controls • Issue audit queries and evaluate management responses • Conduct exit meetings • Issue management letter and evaluate responses • Quality control 	<ul style="list-style-type: none"> • Audit Queries • Minutes of exit meeting • Management letter
Reporting	<ul style="list-style-type: none"> • Review subsequent events and assess impact on the audit report • Audit close out procedures • Prepare and Issue audit reports 	<ul style="list-style-type: none"> • Short Form report • Long Form report
Follow-ups	<ul style="list-style-type: none"> • Review implementation status of audit recommendations 	<ul style="list-style-type: none"> • Status report

The proposed workplan will be applied to WHO and Non-consolidated entities.

6. COST

Based on our assessment of operations and financial statements of WHO, SHI, IARC, ICC, UNAIDS and UNITAID the following fee is proposed.

Year	Auditor-Work-Months	WHO & SHI (US\$)	Other Non-Consolidated Entities (US\$)	Total cost (US\$)
2024	45	263 163	202 520	465 683
2025	45	263 163	202 520	465 863
2026	45	263 163	202 520	465 863
2027	45	263 163	202 520	465 863
		1 052 650	810 081	1 862 731

Cost is based on ICSC living expenses rates (effective 1 Nov 22) and estimated travel cost.

In determining our cost, we presumed that WHO and the Non-Consolidated Entities will provide office space, telecommunications, and general office supplies, and this has not been factored into our costs.

7. TRANSITION

To maximize the transfer of the outgoing auditor's knowledge of WHO, cooperation between the predecessor auditor and ourselves is envisaged to ensure that we are fully briefed on audit issues facing WHO. We expect to have a joint meeting with the predecessor prior to the handover of the audit and to be granted access to relevant information and/or working papers on a timely basis to facilitate our understanding of the entity. We also commit to offer the same cooperation to incoming auditors.

ANNEX 5

PROPOSAL FOR THE APPOINTMENT OF THE EXTERNAL AUDITOR OF THE WORLD HEALTH ORGANIZATION

UNITED REPUBLIC OF TANZANIA

1. THE INDEPENDENCE AND MANDATE OF CONTROLLER AND AUDITOR GENERAL

1.1 Independence and Autonomy

Section 20 of the Public Audit Act, 2008 establishes a Supreme Audit Institution known as the National Audit Office of Tanzania (NAOT) headed by the Controller and Auditor General (CAG).

The appointment, statutory duties and responsibilities of the CAG are provided under Article 143 of the Constitution of the United Republic of Tanzania (URT) of 1977 and Section 10 (1) of the Public Audit Act, which includes auditing of all accounts and operations of the Government including Parastatals Organisations.

Article 143 (6) of the Constitution and Section 23 of the Public Audit Act mandates the CAG to discharge his duties without following the order or direction of any other person or Government Department. Similarly, the CAG has unrestricted access to people, documents, computers and any other information systems that may be reasonably considered necessary for the proper performance of the functions, responsibilities and exercising of power.

1.2 Reliance on Internal Audit Work

To optimise limited resources, we shall assess the WHO internal auditors' capacity, annual work plan and reports and rely on that work to the extent possible.

1.3 Types of the audits performed

We conduct audits of financial and compliance, forensic, performance, and specialised audits and the CAG may undertake any other audit as may deem fit.

In 2020/21, NAOT produced 999 audit reports on compliance and financial audits, which included 292 reports on development projects and 707 reports on Local Government Authorities, Central Government and Commercial and Non-Commercial Public-Sector Entities. Also, NAOT issued 12 performance audit reports covering different sectors and 12 standalone information systems audit reports.

2. QUALIFICATIONS AND COMPETENCIES OF THE WORKFORCE

2.1 Staffing position

NAOT has more than 950 staff, of which more than 800 are auditors. Our auditors are highly qualified and bring a rich diversity of academic disciplines and experience to their work. **Table 1** shows a number of auditors with professional qualifications in different disciplines.

Table 1. Auditors with professional qualifications

Professional Qualifications	Number of Auditors
Certified Public Accountants (CPA-T)	404
Certified Information System Auditors (CISA)	37
Certified Fraud Examiners (CFE)	6
Diploma in International Financial Reporting (DipIFR)	10
Diploma in IPSAS	42
Certified Procurement and Supplies Professionals	7
Project Management Profession (PMP)	3
Certified Information Security Manager (CISM)	3
Certified Internal Auditors (CIA)	2
Proficiency examination for Human Resources Officers (PHRO)	11
Legal Profession (Advocates)	11
Professional Quantity Surveyors	5
Professional Civil Engineers, Environmental Engineer, and other registered Engineers	24

2.2 Continuing Professional Development

NAOT provides extensive financial support for the Continuous Professional Development (CPD) of its professional staff to keep them abreast with the ever-changing professional environment and make them relevant all the time.

2.3 Language skills

Our auditors are proficient in spoken and written **English** and possess good interpersonal and communication skills.

3. OUR MEMBERSHIP IN INTERNATIONAL AUDIT ORGANISATIONS

NAOT is an active member of the INTOSAI, the African Organization of Supreme Audit Institutions for English-speaking countries (AFROSAI-E), the INTOSAI Working Group on Environmental Auditing (WGEA), and the Southern Africa Development Community Organisation of Public Accounts Committee (SADCO-PAC).

These platforms enabled NAOT to improve processes that allowed it to qualify for Level III (Established level) requirements of the Institutional Capacity Building Framework (ICBF) of AFROSAI-E in 2012. This achievement places NAOT among the few SAIs in the INTOSAI community to have attained that level.

4. OUR EXPERIENCE IN THE AUDIT OF THE UNITED NATIONS

4.1 UN audit

NAOT provided audit services to the United Nations entities for six years, from 1 July 2012 to 30 June 2018, as one of the members of the UN Board of Auditors (UNBOA). We have more than 150 auditors who were involved in the UN audit.

UN Audited entities by NAOT include UNFPA, UNDP, UNCDF, UN-Women, UNRWA, ICTY, ICTR, IRMCT, UNEP, UN-Habitat, UNON, UNMIL, UNSOS, UNISFA, MONUSCO, and MINUSTAH.

Table 2 below shows a summary of revenue and expenses of some UN entities audited by NAOT in the financial year 2018.

Table 2. Summary of revenue and expenses of some UN entities audited by NAOT

Entity	Total Revenue (US\$)	Total expenses (US\$)	Number of Countries support
UNDP	5.5 billion	5.1 billion	170
UNWOMEN	404.7 million	380.3 million	48
UNRWA	1 295.2 million	1 190.2 million	5
UNFPA	1 290.32 million	1 086 million	155
UNHABITAT	178.7 million	185.7 million	90

We audited major business transformations within the UN, including implementation of IPSAS, Global Field Support Strategy (GFSS), IT Strategy, Umoja (ERP system), and implementation of the New Global Service Delivery Model, implementation of new tools used for managing Implementing Partners such as Partner Capacity Assessment Tool (PCAT) and Harmonised Approach to Cash Transfers (HACT). The experience acquired in the audit of business transformation is an added advantage to the audit of WHO in similar transformation. We were conversant with the UN Development Assistance Framework (UNDAF) and we followed up on close development made to come up with the UN Sustainable Development Cooperation Framework (Cooperation Framework).

Our UN audit reports considered governance, transformation, internal control and accountability, enterprise risk management, information technology, project management, implementing partners, budgeting and performance reporting areas.

We had an opportunity to prepare and present a concise summary of the principal findings and conclusions contained in all reports of the Board of Auditors (2015 and 2016) and other reports to the oversight bodies such as the Advisory Committee on Administrative and Budgetary Questions (ACABQ), Fifth Committee of the General Assembly, Independent Audit Advisory Committee (IAAC) and other similar committees, Members States Groups, and Executive Boards.

5. AUDIT OF SIMILAR INTERNATIONAL ORGANIZATIONS

We also audit other international organisations as described in Table 3:

Table 3. Audit of other International Organizations

Client name	Description	Audit period
African Union (AU)	The union comprise all African Countries. It has 11 Offices and Organs established by the AU Assembly.	NAOT was re-appointed to serve the AU Board of External Auditors for two years, from 2023 to 2024, after successful completing the first two years in 2020 and 2021.
African Civil Aviation Commission (AFCAC)	The Commission offers civil aviation services to African Member states.	NAOT has a contract of six years from 2020 to 2025.
East African Community (EAC)	The Commission has seven Partner Member States.	NAOT, with other member states, audits annually the EAC
Southern African Development Community (SADC)	SADC comprise 16 member states	NAOT also audited SADC between 2017 and 2019, which is done on a rotational basis by three Member States at a time.

6. HEALTH SECTOR AUDIT EXPERIENCE

We are the statutory auditors of the Ministry of Health in Tanzania and all Independent State-owned Hospitals and Entities dealing with the provision of health services. The health sector in Tanzania accounts for a significant portion of the national annual budget.

The Ministry controls more than 70 entities providing health services to the public. These include the Medical Stores Department (MSD), which manages the supply chain of procurement and distribution of medicines and medical supplies, the Tanzania Medicines and Medical Devices Authority (TMDA), Tanzania Commission for AIDS (TACAIDS), Global Fund, Health Basket Fund and all Government medical services providers from primary health centres to referral hospitals. NAOT also audited UNRWA, which provided health services to about 5 million Palestine refugees.

Tanzania also benefits from WHO's assistance programmes; as a result, auditors have developed a strong understanding of WHO programmes and schemes while auditing such programmes and schemes. NAOT also performs performance audit on health sectors like in 2019/20 we issued performance report on immunization and vaccination project activities.

7. INTERNATIONAL AUDITING STANDARDS

Our audits comply with the International Standards of Supreme Audit Institutions (ISSAI) issued by INTOSAI. We will also conduct our audits in accordance with the Additional Terms of Reference of WHO, subject to any special direction of the WHO Executive Board and World Health Assembly.

8. OUR EXPERIENCE IN AUDITING IPSAS COMPLIANT FINANCIAL STATEMENTS

We have been auditing financial statements prepared in accordance with IPSAS since 2009 when Tanzania adopted the framework for the first time, and IPSAS-compliant financial statements of the UN for six years (2012–2018), African Union (2020–2021), East Africa Community, SADC and AFCAC. Therefore, NAOT has vast experience in auditing IPSAS-compliant financial statements.

9. INSTITUTIONAL CAPACITY TO AUDIT WHO

The team will compose of seniors and highly qualified professionals in accountancy, auditing, forensics, project management, and Information systems (IS) headed by the Audit Director and assisted by the Audit Manager. Refer to **Table 4** for team composition.

The CAG assumes the overall responsibility for the quality and reliability of work performed and signs the auditor's reports.

10. STAFFING STRATEGY

10.1 Summary of Curriculum Vitae for CAG and Audit Director

(i) Controller and Auditor General of Tanzania, Mr Charles Kichere

Mr Kichere was appointed in November 2019 as the Controller and Auditor General (CAG) of the United Republic of Tanzania; he is responsible for the overall direction of the audit, including the provision of resources and approval of work and signing of audit reports. CAG is the head of the NAOT.

He has over 20 years of hands on experience in public sector finance and audit, both in Local Government Authorities, Central Government, and international audit assignments. Before his appointment to the CAG post, he was the Regional Administrative Secretary of Njombe Region, Deputy Commissioner General, and then Commissioner General of the Tanzania Revenue Authority.

He also served as a member of the Board of Directors of CRDB Bank and Export Processing Zones Authority (EPZA) from 2017 to 2020. He was the head of Finance and Chief Accountant of the Tanzania National Roads Agency (TANROADS) from 2012 to 2016; a Chief Internal Auditor of TANROADS from 2007 to 2012, and also served as an Internal Auditor of Unilever Tanzania Limited (a private company that had operations in Tanzania and Kenya). Mr Kichere is chairing AFROSAI-E Human Resource Sub Committee.

Mr Kichere is a Certified Public Accountant (CPA-T) and holds a Master of Business Administration (MBA); Diploma in Financial Management of Donors Projects, Bachelor of Laws (LLB); and Bachelor of Commerce in Accounting.

(ii) Deputy Auditor General (Audit Director), Salhina Mkumba

Mr Mkumba has over 20 years of hands on experience in Public Sector Auditing. He is currently the Deputy Auditor General (DAG) responsible for audits of Public Authorities and other Bodies.

Before his appointment to DAG, he worked as the Director of External Audit (UN HQ) on the Audit Operations Committee (AOC) of the UN Board of Auditors (2015–2018), where he chaired the AOC (2015–2016), and Technical Group of the UN Panel of External Auditors (2016–2017). He also served as Deputy Director of External Audit (Tanzania) at the UN Board of Auditors (2012 – 2015) and as an audit manager responsible for managing audits of the Ministry of Finance and affiliated bodies-Tanzania (2005–2012).

Mr Mkumba is a member of the Audit Operational Committee of the AU Board of External Auditors (since 2020), East Africa Community (since 2019), and SADC audit (2019). He is also a Technical Committee member of the National Board of Accountants and Auditors (NBAA) since 2018.

He is a Certified Public Accountant (CPA-T) and holds a Master of Business Administration (MBA) from the University of Dar es Salaam.

10.2 Staffing Strategy for Continuity

NAOT will deploy auditors from a pool of more than 150 qualified and internationally experienced auditors and shall be strategic rotation and replacement to bring new and energetic resources while maintaining team optimal composition. The team will compose 12 field auditors (refer to **Table 4**).

Table 4. Audit team composition

S/N	Name	Position	Academic and Professional Qualifications
1	Amnon Mwasakatili	Audit Manager	MBA, CPA(T), ACCA-IFRS Diploma, IPSAS Diploma, & B.Com Accounting. He was the Audit Manager of UNRWA and is now managing the audit of AU and AFCAC. He is also a senior officer of the Technical Support Function of INTOSAI.
2	Tunginie Simba	Ass. Manager	CPA (T), MA-RLA, ACCA-IFRS Diploma, & Diploma in Performance Auditing
3	Asheri Matembele	Head Information System Audit	MSc. in Information Security and Audit, BSc. in Computer Science, Certified Information Systems Auditor (CISA), Certified Information Security Manager (CISM), MTA and ISO/IEC 27001
4	Kauthar Othman	Senior Auditor	Bachelor of Arts in Accounts and Finance, Certified Fraud Examiner (CFE), CPA (T) and Project Management Profession (PMP)
5	Yusuph Mabwe	Senior Auditor	CPA (T), Certified Information Systems Auditor (CISA) & B.Com Accounting.
6	Nobert Makonda	Senior Auditor	CPA (T), Master in Business Administration (MBA), & Bachelor of Accounting and Finance.
7	Hussein Twaha	Senior IS Auditor	Certified Information Systems Auditor (CISA), and MSc IT and Management
8	Nsia Michael	Senior Auditor	MBA in ITM, CPA () & B.Com Accounting
9	Salome Bakampenja	Senior Auditor	CPA (T), MBA, and Advanced Diploma in Accountancy
10	Hamisi Shekibula	Auditor	CPA(T) and B.Com Accounting.

S/N	Name	Position	Academic and Professional Qualifications
11	Hidaya Mshana	Senior Financial and IS Auditor	CISA, CPA(T), MSc in Finance and Investment, and Advance Diploma in Accountancy.
12	Faizy Mansoury	Auditor	Master of Arts in Monitoring and Evaluation, Certified Information Systems Auditor (CISA), CPA (T), Project Management Professional (PMP), and Bachelor of Accountancy in Business Accounting and Finance.

10.3 Plan to achieve a balance of gender

NAOT is an equal-opportunity employer and embraces gender issues in all of its undertakings, including auditing. We ensure gender balancing in all our audit team formation quantitatively and qualitatively. The field audit team will compose of four women and eight men.

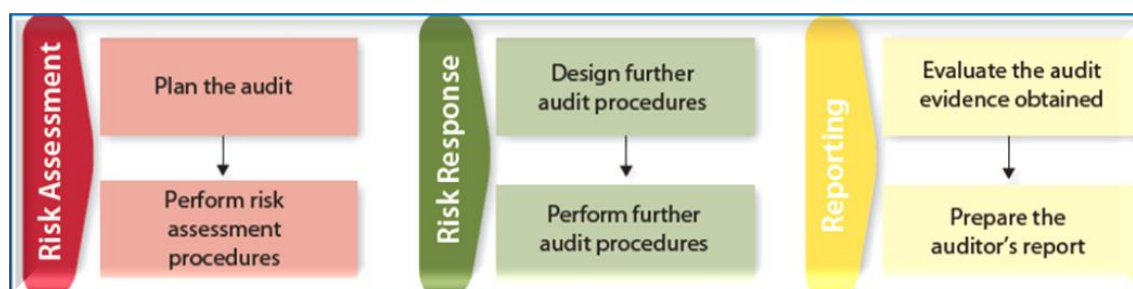
11. AUDIT APPROACH, METHODOLOGY AND STRATEGY

11.1 Audit approach

We apply a risk-based audit approach that responds to risks of material misstatements in the financial statements after thoroughly understanding the client's operating and business environment, including internal controls. This approach enables the optimal allocation of resources based on identified risks.

The entity's knowledge is at the core of the NAOT audit approach and in delivering various audit requirements. We use data analytics techniques on large volumes of data to get more insight as part of our risk assessment procedures. NAOT audits are carried out in well-defined stages covering planning, execution, and reporting (refer to **Figure 1**).

Figure. 1. The audit process



11.2 Interaction with Management

NAOT embraces a participatory audit approach in performing its audits whereby Auditors interact with management before executing the audit strategy and maintain open and regular dialogue on emerging audit findings. This approach helps to deliver quality outputs that meet the audit committees and the governing bodies expectations.

11.3 Communication of Audit Plan

The audit plan will be presented to Management and the Independent Expert Advisory and

Oversight Committee (IEAOC) for their review and propose areas of interest.

11.4 Audit Coverage

The audit will cover WHO headquarters in Geneva; Regional Offices in Cairo, Brazzaville, Copenhagen, Manila, New Delhi and Washington, DC and selected liaison offices. We will also audit International Agency for Research on Cancer (IARC), International Computing Centre (ICC) Staff Health Insurance (SHI), Joint United Nations Programme on HIV/AIDS (UNAIDS) and UNITAID and collaborate closely with the auditors of Pan American Health Organization (PAHO). Prioritization of auditable areas will base on risk assessment with regard to financial materiality, operational significance, oversight interest, and visibility.

11.5 Quality Control and Assurance Process

Quality control and assurance will be enacted at every stage of the audit process in accordance with the International Standards on Auditing and four review levels stipulated in our audit manuals.

11.6 Field Work

Interim audit will be performed before closure of the year while the final audit will be done after submission of the financial statements. Audit progress against work plan will be monitored to ensure efficient and cost-effective completion of audit. The teams will consist of a balanced mix of personnel with experience in financial, compliance, performance, and information Systems audits.

11.7 Reporting Audit Deliverables

NAOT will comply with the International Standards on Auditing and WHO Financial Regulations and its Additional Terms of Reference. Audit deliverables will be communicated to management for factual clearance and responses.

Table 5. Audit timelines

Activity	Deliverables	Allocated time
Audit Planning	Audit Plan	Two weeks for the first year; subsequent years will be one week
Interim audit (Field and HQ)	Interim Management Letter	Two weeks for HQ and each selected country office/Regional office
Final Audit	Draft Management Letter, Short form Audit Report (Audit Opinion on financial statements) and Long Form Report (Annual Audit report).	Four weeks
Audit Clearance and Signature of Audit report	Final audit reports and Management letter	One week
Presentation of audit reports to oversight bodies	Final audit reports and Management Letter	One day for each Oversight Body

12. SAMPLE AUDIT PLAN

At minimum, the audit plan will comprise the following:

- Introductory part gave the purpose and objectives of the audit;
- Scope/focus areas including field offices to be visited;
- Communication timeline;
- Planned audit approach and methodology;
- Audit team; and
- Key deliverables.

13. PROPOSED AUDIT COST

Proposed audit costs are calculated based on time spent on audit and levels of skill and responsibility of the staff involved. NAOT assumes that the assignment will cover financial, compliance and performance audits of WHO Headquarters, Regional and Country Offices and all affiliated institutions based on the agreed terms.

Based on our assessment of WHO's operations at Headquarters, including the audits of Regional and Country Offices, as well as IARC, ICC, SHI, UNAIDS and UNITAID, a total audit fee of USD 460,000 per annum is proposed; USD 368,000 for WHO and USD 92,000 for non-consolidated entities as described in Table 6.

Table 6: Proposed audit cost

Financial Year	Audit Cost in US\$
WHO Main Fund	
2024	368 000
2025	368 000
2026	368 000
2027	368 000
Sub-Total I	1 472 000
Non-Consolidated Entities – Administered by WHO (IARC, ICC, SHI, UNAIDS and UNITAID)	
2024	92 000
2025	92 000
2026	92 000
2027	92 000
Sub-Total II	368 000
Grant Total (WHO & Non-consolidated entities)	1 840 000

The proposed audit cost (DSA rates, and flight costs) are based on prevailing rates of

October 2022. The quantum of deployed resources will remain the same in subsequent years except for any variation in the flight cost and DSA rates, which its changes are expected not to exceed five per cent when the need arise.

We considered all secretarial and other ancillary costs, travel costs, DSA for Auditors, and other related expenses in the proposed audit cost. We presume that WHO will provide facilities such as office accommodation, telecommunications, and other office supplies hence, these have not been included in our audit costs. A payment schedule will be 20% after signing the contract, 40% at the beginning of the assignment and 40% upon completion of the audit assignment.

14. TRANSITION

The first-year audit approach will include the following:

- Discussion with outgoing external auditors (professional clearance) on any difficulties encountered in previous audits to avoid similar mistakes (if any);
- High-level transition meeting of key financial management personnel, the exiting External Auditors, and our senior team members to confirm our understanding of WHO operations;
- Review of the previous external auditor's working papers as part of professional clearance and review of opening balances; and
- Holding a meeting with WHO's Office of Internal Oversight Services to understand the operational scope.

We shall remain available and responsive to similar requests for information, including working papers, to an incoming External Auditor after four years of our audit services when nominated for the post.

ANNEX 6

SUMMARY TABLE OF NOMINATIONS WITH PROPOSED AUDIT FEES

Nominating Governments	Proposed audit fees (US\$) for 2024–2027
Egypt	1 708 308
India	2 268 000
Kenya	1 862 731
United Republic of Tanzania	1 840 000

ANNEX 7

ADVICE OF THE INDEPENDENT EXPERT OVERSIGHT ADVISORY COMMITTEE ON THE NOMINATIONS

In line with the IEOAC revised terms of reference¹, the Committee has been requested by the Director-General to review the nominations for the appointment of the External Auditor with a view to providing its advice to the Seventy-sixth World Health Assembly in May 2023.

Further to the Note Verbale sent to Member States by the Secretariat and reviewed by the Committee, four candidatures were received within the established deadline (24 November 2022): Egypt (Arab Republic of), India (Republic of), Kenya (Republic of) and Tanzania (United Republic of).

The Committee has carefully reviewed the four submissions received taking into consideration the following elements outlined in the IEOAC report to the thirty-seventh PBAC in January 2023²:

- a. Independence
- b. Qualifications and competencies of workforce
- c. Experience and capacity
- d. Staffing strategy
- e. Audit approach and strategy
- f. Cost
- g. Transition

The Committee was satisfied that the four candidatures covered broadly the elements set out in the Note Verbale, including commitments to audit team continuity and gender diversity, with some differences in relation to the degree of relevant experience presented, capacities and costs. These differences are further elaborated in the sections below. In the area of staffing strategy, all four audit services require further envisaging of how this strategy would be fulfilled.

Egypt (Arab Republic of)

Egypt's submission covered the information requested in the Note Verbale.

The response emphasized some experience auditing international organizations that are outside the UN system, including one organization that has adopted IPSAS. They have experience auditing health care systems at the national level. Less information is presented on their experience in the areas of performance audits and transition engagements. The proposal does not list the full audit team and

¹ EB150/43 - para 4 (g).

² EBPBAC37/2 - para 26.

provides little information on its staff development and quality improvement programme

The audit fees presented for the period 2024–2027 are the lowest (approximately US\$ 1.7 million) and also slightly lower than the cost for the period 2020–2023.

India (Republic of)

India, the current incumbent, submitted a very comprehensive and detailed proposal, reflecting their knowledge of the Organization and demonstrating their ability to continue to perform in the role.

In addition, the candidate highlighted its extensive level of experience in auditing of several United Nations agencies, funds and programmes. However, the proposal does not list the full audit team.

Further, India has presented its wide staff capacity, accompanied by well-established staff development programmes.

The workplan approach presented appears to be thorough but somehow conceptual.

The Committee noted that the proposed audit fees for the period 2024–2027 (approximately US\$ 2.27 million) are higher than the fees proposed by the other candidates, and higher than their fees for 2022–2023 (US\$ 1.8 million).

Being the current incumbent and in the absence of any significant shortcoming compared to other bidders, India would be able to ensure operational continuity and efficiency in the WHO External Audit function for a second mandate.

Kenya (Republic of)

The response provided adequate information with respect to the elements requested in the Note Verbale.

As far as the international experience is concerned, the proposal highlighted the audit services provided to projects funded by United Nations Specialized Agencies and other international organizations rather than the organizations as an audit entity. The proposal outlines their experience in auditing entities that have adopted IPSAS and International Financial Reporting Standards. The proposal does not list the full audit team.

Finally, the timeline proposed may have challenges, given the complexity of the work required and the size of the team as presented in the submission.

The audit fees presented for the period 2024–2027 (approximately US\$ 1.86 million) are in line with the cost for the period 2020–2023 and the ones proposed by Tanzania.

Tanzania (United Republic of)

The proposal from Tanzania covered all information requested. At the same time, it was more succinct and less detailed compared to other bidders.

Tanzania offered evidence of its previous experience in delivering audit services to United Nations agencies, funds and programmes (including large ones) in the recent past. The proposal outlines their experience in auditing entities that have adopted IPSAS. Less information is presented on their staff

development and quality improvement programmes.

The proposed audit fees for the period 2024–2027 (approximately US\$ 1.84 million) are in line with the cost for the period 2020–2023 and the ones proposed by Kenya.

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