

Report of the External Auditor

Report of the Internal Auditor

External and internal audit recommendations: progress on implementation

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

1. The Committee was provided with introductions to the reports of the External and Internal Auditors, as well as the document on the progress on the implementation of external and internal audit recommendations.¹
2. The Committee welcomed the unqualified audit opinion from the External Auditor and noted its recommendations on the Regional Office for Europe, the country office of the Republic of Moldova, the performance audit of WHO Global Service Centre in Kuala Lumpur, and the IT audit of the Business Management System.
3. The Committee expressed satisfaction at the expansion of the Office of Internal Oversight Services and its improving operational effectiveness, although the increase in the caseload and the Office's capacity to cope were matters for concern that needed monitoring. Strengthening the investigative capacity of the Office is therefore pivotal to meeting the demand. The Committee acknowledged that better knowledge and awareness among staff members and increased trust could account for the greater numbers of cases recorded.
4. The Committee invited the Secretariat to address the identified root causes of non-compliance as contained in the report of the Internal Auditor, including ensuring that mandatory training for all relevant workforce categories is complied with in a timely manner. It noted that the management of assets, data security, confidentiality, procurement and risk management were also areas identified as requiring action. Further, it expressed concern that non-sexual harassment, fraud and corruption accounted for many of the new cases of allegations of misconduct in the workplace.
5. The Committee welcomed the reporting of action on all audit recommendations through the Consolidated Platform for Recommendation Tracking and other tools.

¹ Documents A76/22, A76/23 and A76/24, respectively.

6. The Secretariat underlined the importance of the internal and external audit recommendations for the implementation of the Business Management System in order to enable corrective actions to be taken before its launch, noting that implementation was proceeding within established cost estimates and timelines. When in place, this new system would be a crucial component in improving the internal control environment through redesigned processes and embedded control mechanisms, and would be vital to transforming the culture of compliance in the Organization. Further improvements required changes in organizational culture and should benefit from the introduction of the new Business Management System.

7. In respect of the country offices, the Secretariat highlighted that the enhanced delegation of authority to the country offices and the distribution of additional resources to them will be accompanied by the establishment of key performance indicators so as to strengthen the monitoring of performance and enhance the Organization's accountability framework. Steps to tighten and improve supply and warehouse management with new Business Management System software were being piloted and introduced.

8. The Secretariat outlined the growth and development of the restructured Office of Internal Oversight Services, which included building the capacity of the core team along with identifying the need for surge capacity and an additional focus on addressing allegations of fraud and corruption. A comprehensive review of the Office is planned for the end of 2023, including a peer review and an external quality assessment of the investigation and internal audit functions, in accordance with the requirements of the respective international professional standards.

9. In response to a request for clarification, the Secretariat explained that the temporary suspension, in part, of Financial Rule XII, 112.1, would terminate as expected at the end of the 153rd session of the Executive Board.

RECOMMENDATIONS TO THE HEALTH ASSEMBLY

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

The Seventy-sixth World Health Assembly, having considered the report of the External Auditor to the Health Assembly;¹ and having noted the report of the Programme, Budget and Administration Committee of the Executive Board to the Seventy-sixth World Health Assembly,²

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

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

(a) expedite the implementation of the audit recommendations in a timely manner, in particular for the mandatory training for non-staff;

¹ Document A76/22.

² Document A76/46.

- (b) ensure that the year-end review of the investigation function addresses any further reforms for the function to fulfil its mandate; and
- (c) continue to monitor the resource needs of the investigation function to ensure it is properly staffed to respond to the significant increases in caseloads.

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