World Health Organization

PROGRAMME, BUDGET AND ADMINISTRATION   **EBPBAC28/3**
COMMITTEE OF THE EXECUTIVE BOARD   **5 April 2018**
Twenty-eighth meeting
Provisional agenda item 2.2

Compliance, risk management and ethics: annual report

Report by the Director-General

1.   Under the leadership of Dr Tedros Adhanom Ghebreyesus, WHO has made a commitment to enhance further its transparency and accountability, with the aim of ensuring that it is able to fulfil its mission, as laid out in the draft thirteenth general programme of work, 2019−2023. The Secretariat continues to make steady progress in promoting and fostering ethical principles as the basis of WHO's work, improving compliance with internal controls and establishing a culture of positive risk management in WHO.

2.   This report provides an update of the actions taken by the Secretariat since May 2017:[1] (a) to promote the highest ethical standards, codes of conduct and core values; (b) to develop policies, procedures and tools to enhance organizational accountability for resources and results; (c) to advance internal control compliance; and (d) to further the systematic implementation of an Organization-wide risk management system.

ETHICS

3.   The Secretariat has continued to strengthen the Organization's ethical framework with a code of ethics and professional conduct,[2] laying out corporate ethical principles, and policy and procedures on sexual exploitation and abuse prevention and response,[3] which addresses the behaviour of staff members and individuals collaborating with WHO towards the populations that receive WHO services. The Secretariat also developed a code of conduct for responsible research[4] as well as a policy on misconduct in research. These policies, developed with input from across the Secretariat, constitute the foundation of a forthcoming mandatory training package on ethics. A significant increase has been seen in the number of staff members seeking advice from the Office of Compliance, Risk Management and Ethics.

---

[1] See the previous annual report, document EBPBAC26/3.

[2] Code of ethics and professional conduct, April 2017. Geneva: World Health Organization; 2017 (http://who.int/about/ethics/code_of_ethics_full_version.pdf, accessed 6 March 2018).

[3] WHO sexual exploitation and abuse prevention and response, Policy and procedures, March 2017. Geneva: World Health Organization; 2017 (http://who.int/about/ethics/sexual-exploitation_abuse-prevention_response_policy.pdf, accessed 6 March 2018).

[4] Code of conduct for responsible research, November 2017. Geneva: World Health Organization; 2017 (http://who.int/about/ethics/code-of-conduct-responsible-research.pdf, accessed 6 March 2018).

4.   The Secretariat continues to implement the WHO policy on whistleblowing and protection against retaliation.[1] Staff members and the public worldwide can report ethical concerns to the Integrity Hotline, which was launched in 2016. As at 31 December 2017, the Secretariat had received a total of 61 reports from the hotline, of which 38 have been closed, while three have been withdrawn. The remaining 20 reports are still active, nine of which have been referred to the Office of Internal Oversight Services for investigation. The 61 reports received were related to concerns about: human resources matters (13 reports), breaches of WHO's code of ethics and professional conduct (10), conflicts of interest (9), breaches of staff rules and regulations (7), fraud, corruption or bribery (6), harassment (6), discrimination (3), health and safety of WHO personnel (1) and procurement (1); one was an enquiry for feedback on a previously reported ethical issue and the remaining four were miscellaneous matters.

5.   In addition to examining and referring for action, as appropriate, the reports received through the Integrity Hotline, the Secretariat's Ethics Team provides advice across the Organization on ethical dilemmas to all staff members who contact the Office of Compliance Risk Management and Ethics directly: In 2017, more than 70 individuals asked the team for advice on various issues.

6.   With regard to the issue of conflict of interest, the Secretariat continues to run its annual exercise of declaration of interest for staff members in designated employment categories.[2] This exercise ensures that all senior staff members (at P5 level and above), staff members involved in procurement and other sensitive functions (at G5 level and above) declare their interests. This allows the Secretariat to review any actual or perceived conflict that may have adverse consequences affecting their, and therefore WHO's, credibility, competence and independence. The Office of Compliance, Risk Management and Ethics reviews declared interests and advises staff members, as appropriate, on mitigating actions. In 2017, of 544 staff members who submitted their declarations, 58 declared interests that required specific advice. Additionally, 74 staff members submitted requests for authorization of an outside activity, of which 71 were approved as at 31 December 2017.

7.   The Office of Compliance, Risk Management and Ethics also provides advice on conflicts of interest that may arise when external experts or advisers are invited to participate in working groups or provide expert opinion on public health-related topics. In 2017, over 700 such declarations of interest by external experts were reviewed. The Ethics Team also provides regular input and support on related issues across the Organization, and a central platform will be established in 2018 to improve the management of declarations of interest for technical experts.[3]

COMPLIANCE

Enhancing accountability and transparency

8.   The Office of Compliance, Risk Management and Ethics, with the support of the regional network of risk management and compliance focal points, provides support in fostering accountability for resources and results across the Organization. Global needs to enhance accountability are discussed jointly and information on regional accountability initiatives is regularly shared through the network to

---

[1] WHO whistleblowing and protection against retaliation, Policy and procedures, 2015. Geneva: World Health Organization; 2015 (http://www.who.int/about/ethics/WHOwhistleblowerpolicy.pdf, accessed 6 March 2018).

[2] In compliance with Staff Rule 110.7.2 and WHO eManual III.1.2.

[3] The global engagement management tool features a specific module on declarations of interest for external experts.

allow organizational learning, linking of relevant initiatives and the use of best practices across the Organization.

9.   The regional offices have undertaken multiple initiatives to promote and strengthen accountability and transparency: a few examples are listed here. As part of the Transformation Agenda of the World Health Organization Secretariat in the African Region 2015–2020, the Regional Office for Africa has introduced key performance indicators,[1] linked to the annual performance objectives of relevant staff, to help to monitor the performance of budget centres in contributing towards health development in countries in the region. The Regional Office for the Americas has introduced the PAHO Administrative Compliance Initiative, which centralizes and harmonizes the region's compliance activities. The Regional Office for the Eastern Mediterranean has improved performance and compliance monitoring and reporting through a dedicated, automated accountability cockpit, which is linked to staff performance appraisals. The Regional Office for Europe now has a full-time staff member devoted to the role of compliance and risk management, thereby enabling the regional office to tackle accountability and compliance issues in a more sustainable manner. The Regional Office for South-East Asia has undertaken country administration and programme management reviews across the region to assess the performance of country offices, using checklists linked to WHO reform goals. The Regional Office for the Western Pacific has formalized a regional advisory group on accountability and risk and developed regional compliance reports to identify accountability risks and monitor progress in compliance areas.

Strengthening internal controls

10.   To strengthen the internal control environment further and ensure compliance with WHO rules, regulations, policies and procedures, all budget centres conduct an annual assessment of the effectiveness of internal controls, using the internal control framework self-assessment checklist. The checklist reviews controls in five overarching operational areas (internal environment, risk management, control activities, information and communication, and monitoring), as well as in nine functional areas, such as human resources management, travel and procurement. This tool has enabled managers to reflect on their environment and operations, identify strengths and weaknesses, prioritize actions and enhance compliance.

11.   The checklist was reviewed and updated in 2017 based on guidance from business owners in the Secretariat and WHO's external auditors. The results of the self-assessment exercise feed into the annual letters of representation between the Deputy Directors-General, Regional Directors and Assistant Directors-General, as well as into an annual statement on internal controls issued by the Director-General. Indicative results from the 2017 self-assessment exercise show that Organization-wide, internal controls have been assessed to be strong overall. Across the Organization, room for improvement has been identified in the areas of travel planning, systematic monitoring of budget centres' compliance with rules and regulations, and the implementation of risk responses. Also, the implementation of procurement planning should be enhanced. The results of the self-assessment exercise are reviewed carefully and the current control measures will be adapted, as required. Budget centres are also developing specific action plans that focus on areas that need improvement.

---

[1] The Transformation Agenda of the World Health Organization Secretariat in the African Region 2015–2020. Brazzaville: World Health Organization Regional Office for Africa; 2015 (http://www.afro.who.int/sites/default/files/pdf/generic/Transformation_agenda_english.pdf, accessed 13 March 2018).

RISK MANAGEMENT

12.   Corporate risk management in WHO aims to ensure that senior management, managers and staff members understand the risks and opportunities that are inherent in the Organization's operations and choose the appropriate strategies to manage them. To ensure that risk management supports operational decision-making, WHO has aimed at embedding risk management into its results-based management process and accountability and internal control frameworks.

13.   As previously reported,[1] risk management has advanced considerably in WHO since 2013, when the Organization-wide approach to risk management was first developed.[2] Annual risk identification exercises have been carried out since 2014. The results of the 2016 exercise were reported to the Director-General in July 2017, providing a comprehensive picture of the most critical risks facing WHO. The annual bottom-up risk identification exercise is complemented by the identification of high-level, corporate-wide principal risks that are regularly reviewed by the senior leadership of the Organization and are available on the WHO website.

14.   The Secretariat developed and launched a risk management tool in 2017 to replace the previously used Excel-based risk registers. The tool, a database developed by the Secretariat and available to users online, strengthens the integrity of the risk management process and data, establishes a clear workflow for risk validation and escalation, and provides users with real-time access to the risk information of the Organization. It also ensures that all risks have risk mitigation actions, to help the Secretariat to mitigate the risks. The launch of the tool was linked to the operational planning process for the Programme budget 2018–2019, to allow budget centres to validate and identify risks in the context of the programme budget objectives, and to incorporate their planned risk response actions into their workplans. Alongside the introduction of the risk management tool, an extensive training package was launched and training has been offered to staff across the Organization.

15.   The risk management tool allows budget centres to identify risks and risk mitigation actions on a continuous basis. From 20 September 2017 to 15 January 2018,[3] budget centres identified 1956 risks, of which 218 were considered critical[4] and 51 were considered severe.[5] This is a reduction from the previous risk management cycle in which 2722 risks were identified in 2016–2017, of which 411 were considered critical and 128 were considered severe.

---

[1] See documents EBPBAC23/4 and EBPBAC26/3.

[2] See document EB133/10.

[3] At the time of writing in January 2018, information in the database about some risks was still in the process of being validated by the risk management focal points.

[4] The risk is undesirable. It is escalated to the relevant approval authority and reported to the Assistant Director-General or Regional Director, as applicable (as outlined in the corporate risk management policy).

[5] The risk is unacceptable and is escalated to the highest approval authority (that is, it is reported to the Director-General) and is monitored by Office of Compliance, Risk Management and Ethics.

16.   Similar to previous years, most of the critical risks were identified in the following risk areas: "lack of sustainable funding for programmes", "lack of clear roles and responsibilities and/or lack of organization-wide coherence in WHO", and "political instability/limited capacity or commitment of Member States". The individual risks identified in these areas frequently concerned:

- a reduction of donor funding and/or lack of long-term donor commitment and/or highly specified funding – potentially having an impact on the Organization's ability to recruit and maintain staff and implement activities in a timely manner;

- limited government capacity and/or changes in the health environment and/or political uncertainty – potentially resulting in diminished priority and attention given to WHO programmes in countries, thereby delaying implementation of activities;

- unclear roles and responsibilities within the Organization – potentially leading to uncoordinated communication, duplication of activities and suboptimal use of resources.

17.   At the end of 2017, the Secretariat established the WHO Risk Committee, led by the Deputy Director-General for Corporate Operations. The Committee demonstrates the commitment of senior management to the risk management. The purpose of the Committee is to support the Director-General and the Global Policy Group in the operationalization of risk management in WHO, embedding risk management in WHO's culture and increasing the value added of risk management in WHO.

18.   In 2017, following guidance from Independent Expert Oversight Advisory Committee, and with the aim of further operationalizing risk management, the Secretariat commissioned an independent external review of its approach to risk management. This review confirmed that for an organization of the size and complexity of WHO and for which risk management has been implemented only recently, there is strong risk governance and a robust risk management framework in place. The Secretariat also received positive feedback for having taken risk management forward in a systematic manner since 2013, and constantly striving for improvements. Notable achievements include: the high quality of the corporate risk management policy; the development of the new risk management tool; and the establishment of the Risk Committee.

19.   The review, however, also highlighted several areas that need to be focused on.

- Risk management communication and training needs to be enhanced to strengthen the risk culture of the Organization.

- Stronger alignment between risk management and planning, monitoring and reporting processes needs to ensured.

- The numbers of staff members for the risk management function across the Organization needs to be sustainable and sufficient.

- Senior management needs to set the tone from the top, taking an active role in risk management.

- The risk escalation structure needs to be reviewed, to ensure a stronger consolidation of risks detected through the bottom-up risk identification process, thereby also facilitating the systematic harmonization of bottom-up and top-down processes.

20.   The Secretariat will prepare a plan to implement the recommendations of the report of the independent external review, under the guidance of the Risk Committee.

ACTION BY THE PROGRAMME, BUDGET AND ADMINISTRATION COMMITTEE

21.   The Committee is invited to note the report.

= = =