

Independent Expert Oversight Advisory Committee: annual report

The Director-General has the honour to transmit herewith to the Programme, Budget and Administration Committee of the Executive Board, for the Committee's consideration at its thirtieth meeting, the report submitted by the Chairperson of the Independent Expert Oversight Advisory Committee (see Annex).

ANNEX

**REPORT OF THE INDEPENDENT EXPERT OVERSIGHT ADVISORY
COMMITTEE TO THE PROGRAMME, BUDGET AND
ADMINISTRATION COMMITTEE, MAY 2019****BACKGROUND**

1. The Independent Expert Oversight Advisory Committee (IEOAC) was established by the Executive Board in May 2009 under resolution EB125.R1, with terms of reference to advise the Programme, Budget and Administration Committee (PBAC), and through it the Executive Board, on matters within its mandate, which include:

- review of WHO's financial statements, financial reporting and accounting policies;
- provision of advice on the adequacy of internal control and risk management;
- review of the effectiveness of the Organization's internal and external audit functions, and monitoring of the implementation of audit findings and recommendations.

2. The current members of IEOAC are:

Name	Date of appointment by the Executive Board¹	Decision reference
Dr Jeya Wilson (Chair)	May 2015	EB137(4)
Mr Leonardo P. Gomes Pereira	May 2015	EB137(4)
Mr Christof Gabriel Maetze	June 2017	EB141(2)
Mr Jayantilal Karia	June 2017	EB141(2)
Mr Christopher Mihm	June 2017	EB141(2)

3. This report is the ninth annual report of the IEOAC to the PBAC and summarizes progress achieved in its work from May 2018 to April 2019.

4. The Committee held its twenty-fifth, twenty-sixth and twenty-seventh sessions on 23–25 July 2018, 16–18 October 2018 and 8–11 April 2019, respectively. The twenty-sixth session was held in the Regional Office for the Western Pacific (WPRO) in Manila. This session included a half-day mission to Philippines Country Office and a meeting with the Director of the WHO Global Service Centre, Malaysia, who was present in Manila. Some headquarters staff were present at the session and others joined through a videoconference link for the relevant agenda items.

5. The Committee received excellent support from Management and is grateful to the Regional Director for the Western Pacific and the WHO Representative to the Philippines and their teams for the frank and open discussions with the Committee.

¹ The "date of appointment" refers to the date of adoption of the relevant decision by the Executive Board.

INTEGRITY OF FINANCIAL STATEMENTS INCLUDING STAFF HEALTH INSURANCE

6. The Committee reviewed and discussed with management the 2018 financial statements. It assessed the key underlying accounting policies, the reasonableness of significant judgements and the clarity of disclosures. The Committee noted that the financial statements have been prepared and submitted in a timely manner with minimal audit recommendations. The external auditor, the Commission on Audit of the Republic of the Philippines, confirmed that there were no major changes in accounting policies or judgements made by Management in the preparation of the financial statements in accordance with International Public Sector Accounting Standards (IPSAS).

7. At the end of 2018 WHO showed total assets of US\$ 5.2 billion including US\$ 3.5 billion of cash and short-term investments (Notes 4.1 and 4.2 of the Financial Statements) and US\$ 1.3 billion of Receivables (Note 4.3). Total Liabilities and Net Assets/Equity included US\$ 1.3 billion of total accrued staff benefits liability mostly relating to the Staff Health Insurance (Note 4.12), US\$ 1 billion of inter-entire liabilities (Note 4.15) and US\$ 2 billion of net assets/equity.

8. Given that the accounts were compliant with IPSAS and that the Auditors would be issuing an **unmodified opinion** on the 31 December 2018 financial statements of WHO, the Committee recommends the submission of the financial statements 2018 to the PBAC, and further to the World Health Assembly.

9. The Committee took note of the financial statements of the Staff Health Insurance Fund for 2018. It observed that while Management is aware of the risks associated with the long-term unfunded liability, based on the update to the actuarial valuation, the date of having a fully funded Staff Health Insurance Fund is now 2043, compared to the previously projected date of 2049 and 2038 prior to that. The Committee remains concerned about the issue of having a fully funded staff benefit liability and the overall sustainability of the Staff Health Insurance (SHI) in its current form. At its meeting in March 2018, the Committee had urged Management to find ways of restricting the full-funding year to 2038 and to explore options on cost containment including reduction in benefits, use of generic drugs and increasing contributions. Based on the feedback received from the Finance Team and Staff Health Insurance, the Committee concluded that Management's efforts to date have not addressed the issue adequately. While the Committee recognizes that the forecast date for full funding will vary from year to year depending on actuarial factors, nevertheless the **Committee recommends that for its next meeting, Management shares a plan with the Committee on tactical and strategic measures which, irrespective of any annual fluctuations or adjustments, will ensure overall sustainability of SHI and full funding of WHO's staff benefit liability as soon as possible.**

EXTERNAL AUDIT

10. The Committee met with the External Auditors in private as well as with management representatives at its twenty-fifth and twenty-seventh sessions.

11. At the twenty-fifth session, the External Auditors provided the Committee with highlights of the 2017 External Audit Report, the 2017 SHI financial statements and the 2018 External Audit Plan. The Committee noted that an unmodified opinion has been issued by the Auditors for the SHI 2017 financial statements. The External Auditors advised the Committee that the audit of the 2018 financial statements of the Staff Health Insurance Fund is being finalized and that they are confident that an unmodified audit opinion will be issued.

12. The Advisory Committee reviewed the 2018 External Audit Plan and was satisfied that it was managed in coordination with the audit plan of the Office of Internal Oversight Services (IOS), and that there was no duplication.

13. The Committee was also pleased to note that the Regional Office for the Western Pacific and the Philippines Country Office have good control over the audit recommendations and have consistently provided timely responses on all audit reports.

14. At the twenty-seventh meeting, the External Auditors provided the Committee with the highlights of results of audit of the 2018 financial statements and several other audits completed by them during 2018 including those of the Global Service Centre, the Resource Mobilization department at HQ, the WHO Health Emergency Programme and the Framework Convention on Tobacco Control (FCTC).

15. The Committee expressed concern over the large numbers of overdue reports to donors, where, as per the External Auditors' report, the number of such overdue reports increased from **757** as at 31 December 2017, to **1016** as at 31 December 2018, an increase of **34%**, resulting in a situation where donors have not released funds to WHO. **The Committee recommends that this issue be addressed urgently by Management. Specifically, the Committee recommends that Management develop a plan with a root cause analysis of the overdue reports, strategies for addressing the issue and clear milestones for progress going forward.**

16. The Committee would like to thank the external auditors from the Commission on Audit of the Republic of the Philippines for their work and contribution to WHO. The Committee looks forward to receiving information on process and selection of the future statutory auditor of WHO at its next session.

INTERNAL OVERSIGHT SERVICES

17. At each of its sessions, the Committee met with the Director of IOS, both privately and with members of Management present.

18. At its twenty-fifth and twenty-sixth meetings, the Committee received an update on the work of the Department and the conclusions from 2018 internal audits. An update on status of WPRO audits was presented and the Committee was satisfied with the results. As mentioned in its interim report, the Committee was pleased to note that the staff positions were no longer frozen and recruitment on some of the fixed-term as well as short-term positions was progressing.

19. The Audit workplan for 2018 has been finalized and the reports have been issued except for four: the Department of Communicable Diseases; Department of Administration and Finance in the Regional Office for the Eastern Mediterranean; Award Management; and the WHO Country Office in Yemen. These have been drafted and are awaiting Management's response. Out of the total of 21 reports and draft issued, the distribution of audit opinions is as follows.

Audit Opinion	Number of Audits	% of total
Satisfactory	4	19
Partially satisfactory with some improvement needed	13	62
Partially satisfactory with major improvement needed	3	14
Unsatisfactory	1	5
Total	21	100

20. The Committee took note of the top five areas of highest level of residual risk:
- (a) further strengthening assurance activities over Direct Financial Cooperation, as the intended plans to conduct such activities have not been fully implemented in a consistent manner and more focus is required to implement corrective actions;
 - (b) strengthening controls over direct implementation assurance activities;
 - (c) improving vendor management (selection and evaluation of vendors) and the completeness of procurement documentation for goods and services (including bidding and selection process), which has a potential negative impact on fraud risk;
 - (d) implementing action plans to improve alignment of the staffing levels with the mandates and the strategic objectives of the programmes and/or offices in line with GPW 13; and
 - (e) improving resource mobilization for some key programmes that remain underfunded (such as those addressing noncommunicable diseases, neglected tropical diseases, social determinants of health and the effects of climate change on health), given their high dependence on specified voluntary contributions.
21. The Committee is pleased to note that the percentage of “overdue open” audit recommendations decreased from 8.2% in October 2018 to 4.2% in February 2019. However, the Committee remains concerned that the progress on the implementation of individual internal audit recommendations during previous years has not yet led to significant, sustained, systematic improvement across the Organization. **The Committee recommends that Management take appropriate actions to ensure that all audit recommendations are implemented on a timely basis with appropriate follow-up. Management may also wish to include this item as one of the Key Performance Indicators (KPIs).**

Investigations

22. The investigation function of the WHO provides investigation services to WHO as well as to UNAIDS, Unitaid and IARC. It had its first external assessment and quality review in late 2017.
23. As a basis of discussion, the Committee reviewed the intake of cases over recent years. The Committee is of the view that given the size and complexity of WHO, the overall number of cases appears to be at the lower end of expectations. It therefore suggests preparing the investigation function for a continued increase in the future in both case intake and case complexity.

24. The following table provides an overview of investigation cases received by type, 2014–2018.

Type of cases received by year					
	2014	2015	2016	2017	2018
Abuse of authority	1	1	1	1	7
Assault	1	2		1	5
Breach of confidentiality		1	3		1
Breach of neutrality			1	2	
Bribery				6	3
Conflict of interest		4	2	6	5
Failure to comply with professional standards	3	8	7	2	4
Fraud	14	10	15	11	30
Harassment	17	21	9	14	21
Medical insurance fraud	2		4	5	10
Mismanagement		2	2	1	5
Misuse of funds				1	
Other	2	1	5	7	17
Outside activity	2	3	1		
Procurement irregularity	4	11	11	5	9
Recruitment irregularity		6	6	9	5
Retaliation	1	3		1	5
Sexual exploitation and abuse				1	4
Sexual harassment	1	2	5	2	9
Theft	2	8	7	7	7
Leak during an investigation					1
Grand total	50	83	79	82	148

25. While much has been achieved in the area of investigations at WHO in recent years, there appears to be a need for further improvement. The issues and challenges include:

- (a) substantial increase in number of reported cases;
- (b) increasingly complex cases;
- (c) substantially enhanced media and civil society interest;
- (d) investigations of allegations of a sensitive nature, in particular sexual harassment, harassment, and sexual exploitation and abuse;
- (e) timelines for concluding investigations;
- (f) investigations of complaints against third-party actors;
- (g) substantial backlog of cases requiring attention.

26. The Committee noted and welcomed the measures taken to increase short-term investigation capacity to address both the increased intake as well as the backlog of cases:

- (a) external roster is being used to add temporary capacity of three full-time equivalent positions;
- (b) external contract with proven harassment investigations capacity (200 days, until year-end 2019).

27. The Committee believes that further to finding short-term solutions, there is a need for addressing investigation challenges in a more fundamental way. Hence the Committee is pleased to note that, in line with the overall ongoing transformation of WHO, Management is planning to develop a blueprint for a “best in class” investigation function that is fit for purpose for WHO. Such a blueprint will allow for a more informed discussion on investigations going forward including the allocation of resources. The Committee stands ready to support this exercise and has undertaken to review the terms of reference for a “Request for Proposal” for external assistance in this project.

COMPLIANCE, RISK MANAGEMENT AND ETHICS

28. The Committee continues to monitor at all its sessions the progress being made in the areas of Compliance, Risk Management and Ethics, including WHO’s Principal Risks and the implementation of the Baldwin Report.¹ The Committee noted that the enterprise risk management (ERM) process has progressed over the past few years, and that an increasing degree of risk maturity will be required during the implementation of the GPW 13. As with all management initiatives, the key to success lies in effective implementation. In this regard, the Committee expects to see Management cascading ERM throughout the Organization and using it to inform decision-making at all levels. Central to this process will be the degree of progress in embedding a risk-based culture in WHO. **The Committee recommends that the transformation process have a dedicated risk register, and that WHO’s principal risks be owned and monitored by Senior Management.**

29. At all its sessions, the Committee had a detailed discussion with Management on the issues related to reporting and response to sexual exploitation and abuse. The Committee will continue to review and assess progress in this area at its future meetings.

WHO TRANSFORMATION PROJECT

30. At its twenty-fifth meeting, the Committee was updated on the WHO Transformation Project which gives due cognizance to WHO’s normative function and focuses on country needs and impact at the local level. The Committee recognizes that the Transformation Project requires change across the Organization with considerable impact on HQ functions, and notes that, as with any large change initiative, there will be resistance to change. Senior Management is aware of this challenge and is developing an implementation strategy.

31. During the visit to WPRO and WCO Philippines, the Committee was briefed in detail about the progress of the Transformation Project at the regional and country level. The important aspects of the

¹ An external review of WHO risk management commissioned from the Baldwin consultancy firm.

project are well understood, and the Regional Office is supporting the countries in moving the agenda forward through engagement and follow-up.

32. At its twenty-seventh meeting, the Committee was provided an update on the WHO Transformation Project and on the four principles guiding the transformation work:

- (a) GPW 13's "triple billions" must drive WHO's work;
- (b) WHO needs stable, uniform and predictable processes;
- (c) WHO's three levels must be aligned for seamless delivery;
- (d) WHO needs agile ways of working for cross-level/function work.

33. The Committee noted that good progress has been made in the Transformation Project over the past year. There is significant improvement in the status of the project, and the Committee looks forward to seeing demonstrable outcomes in the coming months. The new organigram and reorganized structure at HQ were noted.

34. The Committee further noted that agility is an important component of transformation. In welcoming this approach, the Committee gave due cognizance to the ambitious nature of the project and the effort that will be required to bring the expected results, for example, the need for a strategic human capital plan discussed in paragraphs 50–51 below. A tectonic culture shift will be required not only on the part of the Organization, but also on the part of the Governing Bodies.

EVALUATION AND ORGANIZATIONAL LEARNING

35. At the twenty-sixth and twenty-seventh meetings, the Director-General's Representative for Evaluation and Organizational Learning presented a status update on the completed and ongoing evaluations. The Committee is pleased to note that Management is giving due attention to the development of a systematic approach for the implementation of the recommendations identified during audits, evaluations and reviews.

36. Highlights of the annual report on evaluation were presented to the Committee at its twenty-seventh meeting, and the Committee is satisfied with the contents.

37. The Committee noted that with the triple billion target, the role of evaluation becomes even more critical as it informs about the relationship between outputs and outcomes. Therefore, there is a need for the work of the Department to be fully aligned with the needs of the programmes.

38. The Committee was provided with samples of brief summary evaluation report. These reports, complemented by a detailed report, help to address the needs of a varied audience. The Committee saw this as a positive development in its recognition that different users, such as line managers, senior leadership, funding and delivery partners, and Member States, will need different levels of detail in evaluation results. The value in evaluation, and research more generally, is in the extent to which it is useful and used by decision-makers and stakeholders.

39. The Committee is also pleased to note that an evaluation of Framework for Engagement with Non-State Actors has been proposed, and it looks forward to seeing the results of this evaluation at one of its future meetings.

GPW 13 IMPACT FRAMEWORK AND BUDGET 2020–2021

40. At its twenty-seventh session, the Committee was most impressed by the briefing it received on the GPW 13 implementation strategy from the Special Adviser to the Director-General, Assistant Director-General for Data, Analytics and Delivery, and Director Planning, Resource Coordination and Performance Monitoring, for its intellectual clarity, coherence, and clear linkage to the Sustainable Development Goals.

41. Effective implementation of the Impact Framework throughout the Organization and with partner organizations will be vital to its success. The Committee looks forward to reports on progress towards the goals in the Framework and GPW 13, as well as specific examples of decisions informed by the use of the Framework. In addition, data quality and availability in disaggregated form that “leaves no one behind” is a major challenge to the implementation of the 2030 Agenda. The Committee looks forward to continuing conversations with Management about data gaps, and strategies to address those gaps. Overall, implementation remains key as do concerns on data governance being addressed through the newly established data governance division.

UPDATE ON INFORMATION MANAGEMENT AND TECHNOLOGY

42. The Committee met with the new Chief Information Officer (CIO) during its twenty-seventh meeting. The CIO provided an update on the various initiatives, projects and the key strategic directions for the Information Management and Technology Department (IMT). He also shared the vision and mission of IMT which is aligned with GPW 13 and the triple billion target in terms of digital transformation, innovation and cybersecurity.

43. The Committee notes that the IT structure of WHO is currently fairly decentralized. While this is explained by the nature of the organizational set-up, it does pose challenges with regard to IT investment and data functions that should be uniformly shared across an entire organization and coordinated for the sake of efficiency and effectiveness. Ensuring data integrity and achieving full benefits from digital undertakings supporting the GPW 13 would benefit from a more centralized approach. **Therefore, the Committee advises Management to move forward to improve the coordination and alignment of resources, through the adoption of an enterprise-wide IT, data and cybersecurity approach.** Furthermore, the Committee encourages Management to separate more clearly the “run WHO” and “change WHO” resources to ensure that the ambitious digital agenda can be implemented.

TERMS OF REFERENCE OF THE IEOAC

44. Under paragraph 5d of the IEOAC’s Terms of Reference approved by the Executive Board and as a matter of good practice, the Committee discussed the need for a review of its existing terms of reference against accepted best practice and external sources of guidance on oversight committees. As a result of this discussion, it was felt that in order to carry out a thorough review of existing Terms of Reference and suggest potential improvements on them, the Committee will continue to discuss the subject in its future meetings over the course of the year 2019.

45. Furthermore, with the important developments in WHO in the areas of review by the Committee, including Transformation, GPW 13 and the Proposed programme budget 2020–2021, the Committee felt that there is need for continuity in contributions from two of its senior members, Dr Jeya Wilson and Mr Leonardo Pereira, whose current tenure is due to end in April 2020.

46. As a result, the Committee unanimously proposes that the term of office of the aforementioned two members be extended until 31 December 2020.

OTHER MATTERS

47. **Funding of Programme budget 2018-2019 and flexible funding:** At its twenty-fifth meeting, the IEOAC received the financial highlights of the 2018–2019 Programme budget, including the status of funds available and expenditure as at 30 June 2018. The Committee noted that the availability of funding is consistent with prior years and good progress has been made on the 2018–2019 programmes. The Committee advised senior management to prioritize spending requirements and determine which activities could be reduced or eliminated in case of a funding shortfall.

48. An overview of the methodology of allocation of flexible funding, some challenges and proposed solutions going forward into 2020–2021, was provided by the Director Planning, Resource Coordination and Performance Monitoring. This helped the Committee better understand the process of how flexible funds are allocated. The Committee was also provided with a briefing on the results report of 2018, which is similar to the one from 2017. The WHO Secretariat recognized the contribution of the recommendations of the IEOAC in making this report more meaningful, user-friendly and concise.

49. **Polio Transition:** The Committee reviewed the Strategic Action Plan for Polio Transition and its implementation. The Committee recognizes the tremendous amount of work that is being undertaken to move polio-free countries to a post-eradication stage. The Committee understands that certain countries are already at this stage and it encourages Management to implement transition measures in these countries.

50. **Human resources:** At its twenty-seventh meeting, the Committee had a brief discussion with the outgoing Human Resources Director about the human resources planning resulting from the recently announced organizational changes as part of the wider transformation exercise. While the Committee understands that this is work in progress, it would like to see a strategic human capital plan that aligns with GPW13 and leads to the strengthening of skills in country offices.

51. The Committee is concerned about the absence of a WHO strategic human capital plan that focuses both on addressing any existing critical skills gaps and on positioning WHO for the future. For example, the Committee was impressed with Management's plans to pilot an agile project and programme management approach. However, such an approach requires specific skill sets and a change in culture that must be carefully developed and planned. The Committee would therefore expect to see that staff training and development to meet these needs be included in a strategic human capital plan. In short, since an organization's human resource strategy needs to be the centrepiece of any successful transformation effort – such as the one under way at WHO – the lack of a robust human capital plan risks undermining the entire transformation effort.

52. **WHO Investment Case and Resource Mobilization:** An update was provided to the Committee on the strategic framework for resource mobilization and its goals and principles, by the Executive Director, External Relations and Governance. The overall goals are increased, predictable, flexible and sustainable resources to deliver GPW 13 and the triple billion target to the total amount of US\$ 14.1 billion.

53. The strategic framework is linked to the investment case and has clearly defined principles. These are that all three levels of WHO jointly deliver on funding requirements, and that resource mobilization is led by a professional corporate function and uses best-in-class processes, systems and tools. Funding targets are defined as KPIs and efforts focused on strategic priorities.

54. The Committee appreciates the clearly articulated strategic framework and principles as well as the proposal of preparation of donor impact sheets, to address the issue of coherence between relations with donors at all levels of the Organization. At its future meetings, the Committee would appreciate a presentation on progress of the implementation of the strategy, including risk management, change management and the use of technology.

55. **Value for Money project:** The Committee received a presentation on the definition of “Value for Money” with the dimensions of economy, efficiency, effectiveness, equity and ethics. The inclusion of “equity” implies that the language of the 2030 Agenda and the core principle that ‘no one is left behind’ are being applied to the day-to-day work of WHO. The Committee sees this as an important point of view and it looks forward to seeing how this principle along with the others is applied by WHO across its work at all levels.

56. **Review of prior IEOAC recommendations:** A summary of the significant issues raised by the Committee from the period April 2018 to April 2019 is attached in the Appendix.

**Dr Jeya Wilson (Chair), Christof Maetze, Leonardo Pereira,
Jayantilal Karia, Christopher Mihm**

Appendix

Issue raised	Action/Comments by WHO Secretariat	Status
The lack of a strong organizational structure to deal with emergencies.	With the new structure announced on 6 March 2019, there are changes to the WHO Health Emergencies programme structure and the role of emergencies will be further clarified.	In Progress
Create a formal mechanism or structure to institutionalize the lessons learned from audit findings across the whole Organization.	Progress has been made on the recommendation (and reported in EB144/51). In 2018, led by the DDG Corporate Operations, a review was made of all open recommendations and a shortlist of five recurring, systemic cross-cutting issues arising from findings and recommendations from various sources, were identified for follow-up and action within ongoing workstreams with key business owners, including the transformation team. Following the recent changes in senior management responsibilities, the senior management lead to provide stewardship for this important mechanism for organizational learning needs be identified.	In Progress
To undertake “what if” or “scenario” planning, in order to understand the full impact on programmes of the projected funding shortfall, and to share the results with Member States.	Management will discuss this with the committee during their July 2019 session.	In Progress
The need for a full-scale business continuity plan for the Organization.	There is significant progress in this area. All corporate units have been tasked to include this in their 2019 objectives and document solutions. An update will be made to IEOAC in 2019.	In Progress
Need for a structured, cohesive, project management plan for implementation of the Framework of Engagement with Non-State Actors (FENSA).	Guidance followed and implemented accordingly.	Completed
Concern regarding the sustainability of the Staff Health Insurance Fund due to significant unfunded long-term liability.	The Staff Health Insurance Fund (SHI) is currently 40% funded (with assets of US\$ 996 million) which represents 86% funding of current retirees’ liability and 0% of the future retirees’ liability. SHI is actively addressing ways to contain costs and ensure the plan is well funded. There are no concerns on the sustainability of the fund. A full update will be provided to the Committee at their next meeting.	In Progress
Consider options for dealing with the existing backlog of investigations to ensure there is a timely response to alleged wrongdoings.	Additional surge capacity has been added as follows: (1) The IOS external consultant roster is being used to add temporary capacity – three-month rolling contracts (two P5 and one P2); (2) External contract with proven harassment investigations capacity (200 days till year end), being used for partner cases under a long term agreement; and (3) Requested additional fixed-term positions, which are currently under consideration.	Completed

Issue raised	Action/Comments by WHO Secretariat	Status
Develop a global transition plan for the end of the Polio programme to minimize the impact on health systems of vulnerable countries.	A Strategic Action Plan on Polio Transition 2019–2023 was presented to the Seventy-first World Health Assembly in May 2018 and has three overarching key objectives: (1) sustaining a polio-free world after eradication of polio virus; (2) strengthening immunization systems, including surveillance for vaccine-preventable diseases, to achieve the goals of WHO’s Global Vaccine Action Plan 2011–2020; (3) strengthening emergency preparedness, detection and response capacity in countries to fully implement the International Health Regulations (2005). A polio transition team was established in the Secretariat in September 2018 to lead the programme of work laid out in the strategic action plan and a high-level Steering Committee established (chaired by the Deputy Director-General). Implementation of the plan has commenced with many activities to ensure the goals are met as planned.	Completed
There is still an issue with outstanding Direct Financial Cooperation (DFC) reports, especially in the African Region, and Management was urged to identify the root cause and find ways to resolve the underlying issues.	In 2018 policies were revised to ensure DFCs are in line with WHO’s priorities and donor requirements. At the end of 2018, the number of DFC purchase orders (POs) with overdue final reports reached its lowest level ever reported at 157 POs which was down from 430 POs reported in February 2018. This significant decline was the result of a series of measures such as system enhancement and controls, reporting and monitoring tools, proactive follow-up, implementing partners assessment, and post-facto verification missions. The most significant decline was in the African Region where DFC reviews has been a priority. The external auditor, in their report to the Seventy-second World Health Assembly, highlights the improvements in reporting for DFCs as an example of good practices implemented by WHO and closed their previous audit recommendation that requested WHO management to address the root causes of DFC reporting protraction through more effective strategies and better monitoring, coordination and interventions.	Completed
Recommendations of two audit reports are significantly overdue: Declaration of Interests and Department of Governing Bodies and External Relations. Senior management should review these reports with the Director of IOS to determine if the recommendations are still relevant and determine an appropriate process to close them.	Both audits were closed in May 2018 and reported to the IEOAC in April 2019.	Completed

Issue raised	Action/Comments by WHO Secretariat	Status
There are many recommendations coming from various sources such as the UN Joint Inspection Unit, external audit, internal audit, CRE and evaluations. Management has recognized the need to have a consolidated process to address all the recommendations to ensure that they are managed appropriately and effectively. IEOAC recommends having a central repository for all such recommendations with the corresponding action to address.	Progress has been made on the recommendation (and reported in EB144/51). In 2018, led by the DDG Corporate Operations, a review was made of all open recommendations and a shortlist of five recurring, systemic cross-cutting issues arising from findings and recommendations from various sources, were identified for follow-up and action within ongoing workstreams with key business owners, including the transformation team. Following the recent changes in senior management responsibilities, the senior management lead to provide stewardship for this important mechanism for organizational learning needs be identified.	In Progress
Management to share a plan with the Committee on tactical and strategic measures to ensure overall sustainability of SHI and full funding of WHO's staff benefit liability by 2038 or sooner.		New
Management to develop a plan with a root cause analysis of the overdue donor reports, strategies for addressing the issue, and clear milestones for progress going forward.		New
The Committee recommends that Management take appropriate actions to ensure that all Internal Audit recommendations are implemented on a timely basis with appropriate follow-up. Management may also wish to include this item as one of the KPIs.		New
The Committee recommends that the transformation process have a dedicated risk register, and that the WHO's principal risks be owned and monitored by Senior Management.		New
The Committee advises Management to move forward to improve the coordination and alignment of resources, through the adoption of an enterprise-wide IT, data and cybersecurity approach.		New

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