![World Health Organization logo]

**PROGRAMME, BUDGET AND ADMINISTRATION**                         **EBPBAC32/4**
**COMMITTEE OF THE EXECUTIVE BOARD**                              **3 July 2020**
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# Compliance, risk management and ethics: annual report

## Report by the Director-General

1.     WHO has continued to follow up on its commitment to fully incorporate transparency and accountability in all its work, with the aim of ensuring that it is able to fulfil its mission, as laid out in the 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, establishing a culture of positive risk management in the Organization and improving accountability internally as well as to Member States.

2.     This report provides an update of the actions taken by the Secretariat in 2019:[1] (a) to promote the highest ethical standards, codes of conduct and core values; (b) to establish a culture of positive risk management across the Organization; and (c) to implement policies, procedures and tools to enhance organizational accountability and compliance with rules and regulations.

3.     Further to these activities, in May 2019 as part of WHO transformation, the unit with responsibility for due diligence and non-State Actors joined the Office of Compliance, Risk Management and Ethics.

**ETHICS**

4.     The Secretariat continued to strengthen its ethical framework throughout 2019. Building on the ethical principles laid out in its policies, and the Director-General's values, progress has been made in implementing new processes. The consultative nature of the process used to develop all ethics-related documents (including the code of ethics and professional conduct, the WHO policy on whistleblowing and protection against retaliation, the policy on the prevention of sexual exploitation and abuse, the code of conduct for responsible research[2] and the internal policy to handle research misconduct), the communications, presentations and training sessions provided by the Ethics team of the Office of Compliance, Risk Management and Ethics, have continued to increase staff awareness. This has led to

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[1] For the previous annual report, see document EBPBAC30/3.

[2] Respectively, WHO Code of ethics and professional conduct. April 2017 (http://who.int/about/ethics/code_of_ethics_full_version.pdf?ua=1, accessed 17 March 2020); WHO policy on whistleblowing and protection against retaliation: policy and procedures. April 2015 (https://www.who.int/about/ethics/WHOwhistleblowerpolicy.pdf?ua=1, accessed 17 March 2020); and WHO sexual exploitation and abuse prevention and response: policy and procedures. March 2017 (https://www.who.int/about/ethics/sexual-exploitation_abuse-prevention_response_policy.pdf, accessed 17 March 2020); WHO code of conduct for responsible research. November 2017 (https://www.who.int/about/ethics/code-of-conduct-responsible-research.pdf?ua=1, accessed 17 March 2020).

a strong increase in requests for advice from the Ethics team. The work initiated in 2019 to develop a new policy on sexual harassment is continuing and will be complemented by the revision of the existing policy on harassment.

5.     In 2019, two new mandatory training modules on the prevention of sexual exploitation, abuse and harassment were taken by all staff across the Organization. A communication campaign initiated in 2018 was taken forward, making available documents to raise awareness of sexual exploitation and abuse, and of how to prevent and handle any incidents occurring across WHO country offices. Clauses referring to the code of ethics and professional conduct and highlighting expectations in terms of professional behaviour, have been standardized and integrated into all staff appointment letters. Specific clauses were included in all non-staff contracts, setting out explicit WHO expectations in terms of contractual partners' behaviour with regard to sexual exploitation and abuse, with the clear requirement to take prompt action to address any occurrence.[1]

6.     Since 2016, the Integrity Hotline has enabled the Secretariat to receive reports of ethical concerns from staff members and the public globally, including anonymously. In 2019, the Secretariat received 88 reports through the Integrity Hotline. These reports include: 11 relating to Human Resources issues, two to personnel/health/safety, seven to breaches of the WHO code of ethics and professional conduct, four to conflicts of interest, 17 to breaches of staff rules and regulations, seven to fraud/corruption/bribery, one to procurement, two to discrimination, 14 to harassment, 19 to various issues, and one enquiry for feedback. In addition, three reports of sexual harassment reached the Integrity Hotline. Of these submissions, 15 reports were referred to the Office of Internal Oversight Services for investigation. In addition, during 2019, the Ethics team was also approached by over 200 staff members for advice on ethical dilemmas regarding various issues of concern.

7.     WHO runs an annual declaration of interest exercise for staff[2] in designated employment categories. The aim is for senior staff (at the P5 level and above), procurement and other staff in sensitive functions (at the G5 level and above) to declare their interests proactively. The Secretariat reviews declared interests and advises staff members, as appropriate, about mitigating actions. Last year, 701 staff members submitted declarations. A project was launched in 2019 to facilitate and streamline the annual declaration of interest exercise for staff across the Organization, by providing submission of declaration forms online. In addition, 76 staff members submitted requests for authorization of an outside activity during the course of 2019.

8.     The Office of Compliance, Risk Management and Ethics advises technical departments on conflicts of interest that may arise when external experts or advisers are invited to participate in working groups or to give expert opinions on public health-related topics. In 2019, over 960 such declarations of interest by external experts were reviewed. The Ethics team also provides regular input and support on related issues to technical departments across the Organization. The online monitoring system introduced in 2019 to manage and record the declarations of interest of individual experts invited across the Secretariat has proved very efficient.

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[1] For further information, go to: https://www.who.int/about-us/ethics/sexual-exploitation-abuse (accessed 17 March 2020).

[2] In compliance with Staff Rule 110.7.2 and WHO Manual II.5.910.

## RISK MANAGEMENT

9.      WHO is committed to fulfilling its mission in an effective, efficient, transparent and accountable manner. The Thirteenth General Programme of Work, 2019−2023, charts a bold and ambitious new strategy for WHO, and its successful implementation requires a fit-for-purpose risk management approach. Building on the foundational work and lessons learned in risk management to date, WHO is in the process of defining an enhanced and more ambitious enterprise risk management approach to serve the objectives of the Thirteenth General Programme of Work.

10.     This enhanced risk management approach aims at ensuring that staff members at all levels of the Organization understand the threats the Organization faces in delivering its work, while effectively balancing those threats with opportunities. The ongoing development of a higher risk threshold in management is key to supporting effective decision-making at all levels of WHO and to maximizing chances of achieving the triple-billion targets in an accountable and transparent way.

11.     As the Organization advances its risk management maturity, WHO will be guided by the United Nations system-wide reference risk maturity model, which was approved by the United Nations High-Level Committee on Management at its 38th session in October 2019. The risk maturity model serves as a common planning tool to help United Nations organizations define a road map to their next risk maturity stage, to be used in conjunction with a set of practical guidelines to help the organizations identify their risk threshold when pursuing their objectives.

12.     The intent is to build an effective strategy to advance the overall maturity of WHO's enterprise risk management in a way that supports and enables the achievement of the three pillars of the Thirteenth General Programme of Work. That will require global efforts to optimize WHO's risk management policy framework; governance; processes and integration with operations; systems and tools; risk capabilities; and the Organization's risk management culture. The following paragraphs present an update on the progress made to date on each of these dimensions, as monitored and reported by the Office of Compliance, Risk Management and Ethics and WHO's regional network of risk management focal points. That network was established in 2016 and supports the effective implementation of risk management and compliance practices across the Organization.

13.     **Policy framework** – The WHO risk management policy was adopted in 2015. The implementation of the Thirteenth General Programme of Work gives the opportunity to re-think key components of the policy, such as risk threshold. That implies carefully reviewing the areas where WHO wishes to increase or reduce risks in the pursuit of its latest objectives. In this context, WHO is evaluating aspects of its risk management system which would need to be further tailored properly to reflect its updated results and delegation of authority frameworks, while addressing the needs of all operations across the three levels of the Organization. This includes the updating of WHO's policies and guidelines in relation to the management of the risk of fraud and corruption in WHO programmes and activities.

14.     **Governance** – effective governance arrangements enable WHO to ensure that risks and their related responses are institutionalized and escalated as appropriate in a proactive manner. A fully integrated risk governance structure is required to achieve this. WHO's global risk management committee met accordingly in 2019, and several regions have also taken initiatives in this direction. The Regional Office for Africa has established local compliance and risk management committees in all 47 country offices in the region. The Regional Office for the Eastern Mediterranean established a compliance and risk management committee in May 2019, and all WHO country offices in that Region have been requested to establish local compliance and risk management committees to oversee risk management and compliance issues in line with WHO's accountability and internal control frameworks.

The Regional Office for Europe has integrated risk management into the work of its Executive Committee and is supporting countries to set up local risk committees.

15. **Processes and integration with operations** – effective risk management needs to be embedded within operations. For this reason, during the Programme budget 2020–2021 operational planning exercise, budget centres across all regions linked their identified risks to the new outputs of the Thirteenth General Programme of Work. WHO continues to explore ways to integrate risk management in the implementation of its activities still further. For example, in the Regional Office for Europe, risk management has transitioned from an annual to a regular exercise linked to reporting and planning. In addition, the Regional Office, in collaboration with the WHO Health Emergencies Programme, has developed a business continuity planning tool, where all locations will prepare their individual business continuity plans. In the Regional Office for the Eastern Mediterranean, all budget centres have been requested to designate a risk management focal point, with specific terms of reference helping to embed risk management in programme management.

16. **Systems and tools** – WHO has one corporate risk register managed by the Office of Compliance, Risk Management and Ethics. It consists of regional, division, country and department risks. Regional Directors, Assistant Directors-General, Heads of WHO Country Offices and Directors monitor and validate their respective risks on a regular basis, in line with their responsibilities as outlined in the corporate risk management policy.[1] The Office of Compliance, Risk Management and Ethics and the regional network of risk management focal points continue to follow-up the periodic update of the corporate risk register by all budget centres closely. That process is supported by the annual confirmation by budget centres that risks relevant to their activities are identified and addressed as appropriate. Going forward, WHO will increasingly seek to leverage the risk-related data and lessons learned generated by operations to support informed, evidence-based decision-making. Accordingly, regions such as the African and the Eastern Mediterranean regions have established monitoring dashboards and related key performance indicators to support the regional offices in monitoring their risks.

17. **Risk management capabilities** – WHO has undertaken several initiatives to develop management capabilities in the Organization, including the appointment in the Office of Compliance, Risk Management and Ethics of a new head of unit, Compliance and Risk Management. Efforts have been increased in all major offices to improve staff capacity to manage risks effectively, through face-to-face training, workshops and online learning options. Training in compliance and risk management is now provided to new WHO appointees during staff induction sessions. The African Region has launched a compulsory online training module on risk management which also covers fraud risk management. The Eastern Mediterranean Region organized a two-day training workshop on risk management for its risk management focal points in the last quarter of 2019. The Regional Office for the Western Pacific has also launched a training programme on accountability and risk management for all staff in the Region.

18. **Risk management culture** – The effective implementation of risk management is for the most part a cultural and behavioural issue which may require changes in managers' attitudes and practices. Through the launch of a risk management awareness campaign in 2020, WHO will aim to build a fit-for-purpose risk management culture which will enable the achievement of the objectives of the Thirteenth General Programme of Work.

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[1] WHO corporate risk management policy, 2015 (https://www.who.int/about/finances-accountability/accountability/corporate-risk-management-policy.pdf, accessed 17 March 2020).

19.    WHO will continue to examine lessons learned globally from the application of its risk management approach during implementation of the Twelfth General Programme of Work to inform the enhanced risk management approach needed to achieve its Thirteenth General Programme of Work objectives. This global effort started in 2020 with an evaluation in the Regional Office for the Western Pacific of the Region's experience with risk management in 2018–2019, the results of which will impact planning and implementation activities in the future, most notably for the 2022–2023 strategic planning. WHO also continues to identify good risk management practices, and periodically to share them internally with all staff, in the form of concise news stories.

## COMPLIANCE

20.    In order to be certain that the internal control environment is operating effectively and in compliance with WHO rules, regulations, policies and procedures, all budget centres across the Organization conduct an annual assessment of the effectiveness of internal controls in the Organization, using a self-assessment checklist. The checklist enables managers to reflect on their environment and operations, identify strengths and weaknesses, prioritize actions and enhance awareness of, and compliance with, WHO rules, regulations and procedures. The checklist is divided into five operational areas (internal environment, risk management, control activities, information and communication, and monitoring) and into 10 functional areas, including planning, procurement and security.

21.    To ensure this exercise corresponds adequately to the latest environment, the checklist is reviewed regularly to incorporate relevant contributions from key business owners.

22.    The results of the self-assessment, together with the annual letters of representation signed by the Regional Directors and Assistant Directors-General, support the annual statement of internal controls issued by the Director-General. The self-assessment exercise is now in its fifth year, and results from the 2019 exercise show that overall, throughout WHO, internal controls have been assessed as strong. Across the Organization, areas identified as being most in need of improvement included those of emergencies and risk management capacity-building. As part of its continuous improvement efforts, the Office of Compliance, Risk Management and Ethics is evaluating the effectiveness of the self-assessment process with a view to better leveraging the information available from audits, evaluations and other reviews.

23.    Another key component of the WHO compliance programme is the implementation of detection procedures such as compliance reviews or country programme management and administrative reviews, the aim of which is to identify best practices as well as areas for improvement. These reviews are conducted in all regions following an annual implementation plan. Thus, in 2019, all country offices in the South-East Asia Region were reviewed, as well as the Department of Health Systems Development in the Regional Office. In the European Region, programme management and administrative reviews were conducted in Georgia, Turkmenistan, Ukraine and Uzbekistan, and a compliance review was conducted in Tajikistan. The Regional Office for the Eastern Mediterranean has introduced pre- and post-audit reviews and compliance reviews, as well as direct financial cooperation/direct implementation assurance activities which covered Iraq and the Syrian Arab Republic in 2019 and which will be extended to four countries in 2020. In the African Region, programme management and administrative reviews and compliance reviews have enabled newly appointed WHO representatives to become familiar with the challenges inherent to their responsibilities, while identifying possible solutions and measures needed to reinforce compliance and risk mitigation. As a result of these targeted compliance activities, audit report ratings in the African Region over the past four years have improved significantly. In addition, a new function of compliance is being established in the Global Service Centre to strengthen compliance checks over global business transactions.

24.    To support implementation of the Thirteenth General Programme of Work better, WHO will continue to build a robust and "smart" compliance programme, where effective measures and controls are put in place and monitored to mitigate risks without hampering the delivery of results. The Office of Compliance, Risk Management and Ethics will use the development of the risk appetite approach as an opportunity to forge closer links between WHO's global compliance programme and its enterprise risk management framework, and thus continue to strengthen WHO's compliance and accountability culture.

## ACTION BY THE PROGRAMME, BUDGET AND ADMINISTRATION COMMITTEE

25.    The Committee is invited to note the report.

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