



**REGIONAL COMMITTEE FOR AFRICA**

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**REGIONAL MATTERS ARISING FROM REPORTS OF THE  
WHO INTERNAL AND EXTERNAL AUDITS**

**Information Document**

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## **BACKGROUND**

1. This information document has been prepared in accordance with a request by the Fifty-seventh session of the Regional Committee in 2007 for a regular update of its members on progress made in strengthening compliance with administrative rules, regulations, policies and procedures. The document sets forth the challenges and achievements in the area of compliance management since the last session of the Regional Committee in Angola in November 2012 and provides an update on the status of implementation of the recommendations of internal audits and external audits.
2. As part of the ongoing WHO management reform, WHO headquarters and all WHO regions have increased their efforts to strengthen compliance management, taking into account the new Global Management System (GSM) environment and the scarcity of the available financial resources. Risk and compliance management remains a priority for WHO budget centres in the African Region.

## **ACHIEVEMENTS IN COMPLIANCE MANAGEMENT**

### **WHO Management Reform – Accountability and Transparency**

3. The Sixty-sixth World Health Assembly that took place in Geneva from 20 to 28 May 2013 discussed audit and compliance issues in both its Committees A and B. Committee A addressed accountability and transparency issues. In particular, WHO committed itself, among other things, to establishing a new Compliance, Risk Management and Ethics Office at WHO headquarters; further issuing Standard Operating Procedures in areas such as Travel, Procurement, Human Resources and Finance; developing an Organization-wide risk register; and recruiting additional staff for the Office of Internal Oversight Services (IOS). The above measures are intended to further strengthen risk management in WHO including the African Region in addition to ensuring considerable increase in audit coverage for WHO country offices.
4. Committee B considered the reports of the internal auditors and external auditors. The Report of the Internal Auditors (*World Health Assembly document A66/35*) mentioned in particular the Regional Office for Africa (AFRO), the Inter-country Support Team/West Africa and the WHO country offices (WCOs) in Mozambique, Liberia, Central African Republic and Uganda. It highlighted audit queries on eImprest, procurement, Direct Financial Cooperation and inventory management. The Report of the External Auditors (*World Health Assembly document A66/58*) mentioned in particular AFRO and WCO/Ghana and made reference to audit queries on eImprest, inventory management and Direct Financial Cooperation.

### **AFRO Action Plan to Strengthen Internal Controls**

5. Analysis of the queries raised by the Internal Auditors and External Auditors in 2012 showed that similarities in control weaknesses exist in many WHO country offices in the African Region. This analysis was confirmed during compliance missions conducted by the Regional Director's Compliance Team which found that the weaknesses have common root causes such as unclear definition of responsibility, inadequate control procedures and tools, and shortcomings in supervision and compliance management.

6. Consequently, the relevant Units in the Regional Office's General Management Cluster and the Regional Director's Compliance Team will be strengthened to enhance oversight over country office operations and to overcome generic weaknesses in risk management at WHO country offices and the Regional Office, especially in areas such as *eImprest* accounts, Logistics, Inventory, Procurement, Travel and Human Resources management.

#### **Regional Director's Compliance Team (CT/RDO)**

7. The Regional Office has a Compliance Team with three audit professionals and support staff to manage AFRO's compliance programme on a day-to-day basis and to serve as the focal point for all compliance issues in the African Region. The Compliance Team, which reports directly to the Regional Director, is headed by a senior compliance officer.

8. During the reporting period, the Compliance Team carried out compliance reviews of WHO country offices in Gabon, Uganda, Tanzania, Comoros and IST/Central Africa. The Compliance Team also reviewed selected activities in the Regional Office and assisted Regional Office managers to close old audit reports. In addition, the Compliance Team participated in training and staff meetings to raise awareness among Regional Office staff of internal controls and other compliance issues.

#### **Member States' Responsibility for Direct Financial Cooperation (DFCs) agreements**

9. In the past years, WHO Member States have frequently stressed the importance of an effective framework for internal control of WHO activities. Direct Financial Cooperation (DFC) agreements with governments have, in this context, received more and more scrutiny from auditors especially in the Africa Region where DFC constitutes the second highest area of expenditure after staff-related expenses. The late submission or non-submission of financial and technical reports by Member States justifying the use of DFC funds has been the subject of audit queries.

10. In November 2012, WHO drew the attention of the honourable ministers to outstanding DFC advances in their respective countries. Since then, progress has been made and the total amount of outstanding DFC expenditures has decreased. However, to avoid audit queries in the future, further progress needs to be made and WHO country offices will continue to work closely with their counterparts in the national ministries of health to ensure effective accounting for these expenditures.

#### **Status of External and Internal Audit**

11. Internal and external audit reports are important management tools for continuous improvement of compliance and risk management in the African Region. The Regional Office has been able to close all internal audit reports issued prior to 2012. Significant efforts are currently underway to close all audit reports issued during 2012.

12. The Regional Committee is invited to take note of this information document and provide any specific guidance to the Regional Office, as appropriate.

**Annex: Status of Implementation of External and Internal Audit Recommendations as at  
26 June 2013**

N°	Audit title	Audit report time	Audit report number	No of recommendations	Closed to date	Open recommendations	Comments
Internal Audits				(1)	(2)	(3)=(1)-(2)	
1	Integrated Audit of WHO in Angola	Feb. 2012	11/872.	32	0	32	Implementation and communication between WCO and IOS ongoing.
2.	Regional Office for Africa Post-GSM implementation	March 2012	11/874	46	1	45	Implementation and communication between WCO and IOS ongoing
3.	Integrated audit of WHO in Uganda	June 2012	12/883	32	4	28	Implementation and communication between WCO and IOS ongoing
4.	WHO Country Office in Central African Republic	July 2012	12/891	53	8	45	Implementation and communication between WCO and IOS ongoing
5.	WHO Country Office in Mozambique	Nov. 2012	12/903	52	13	39	Implementation and communication between WCO and IOS ongoing
6.	Intercountry Support Team for West Africa	Jan. 2013	11/882	9		9	Not yet due
7.	WHO Country Office in Guinea	March 2013	12/904	25		25	Not yet due
8.	WHO Country Office in Liberia	Jan. 2013	12/908	28		28	Not yet due
9.	WHO Country Office in Burundi	April 2013	13/915	35		35	Not yet due
External Audits							
1	Management letter on the audit of the Regional Office	April 2013	ML-FY2012-24	33		33	Implementation and communication between the Regional Office and external auditors ongoing.
2	Management letter on the audit of the Country Office/Ghana	April 2013					Implementation and communication between WCO and external auditors ongoing.