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Agenda item 17.2

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

**Report by the Regional Director**

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## BACKGROUND

1. This information document is prepared in accordance with the request from the Fifty-seventh session of the Regional Committee in Brazzaville in 2007 to regularly update its Members on progress made in strengthening compliance with administrative rules, regulations, policies and procedures. The document describes challenges and achievements in the area of audit, compliance and risk management since the last session of the Regional Committee, which was held in Cotonou in November 2014. The document includes an annex on the status of open internal and external audits in the African Region as at 17 July 2015.

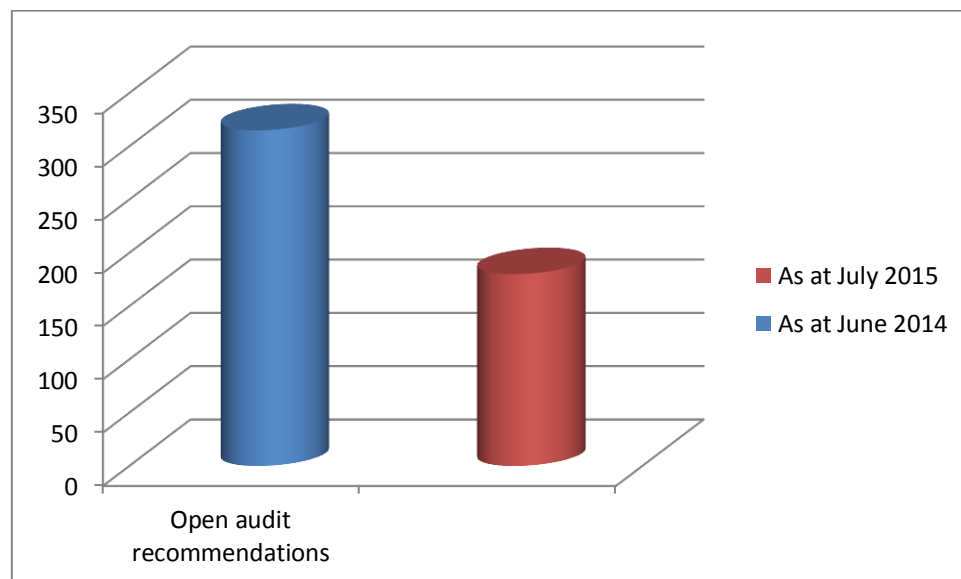
2. Upon taking office in February 2015, the Regional Director has taken several actions to accelerate the implementation of the WHO reform process in the African Region in the context of her Transformation Agenda. In the area of accountability, the Regional Director has urged all staff to be accountable and transparent and to strive for excellence in their work. Risk and compliance management remains therefore a high priority for all WHO budget centres. Awareness building, availability of information, training and setting out clear performance indicators are the building blocks for performance improvement in the Region.

## EXTERNAL AND INTERNAL AUDITS IN THE AFRICAN REGION

3. The African Region has continued to make progress in closing internal and external audits. The details are presented in the annex of the document.

4. As reported to the last RC (AF/RC/64/INF.DOC/2) in November 2014, there were 315 outstanding open internal and external audit recommendations for the African Region. During the reporting period, 197 of these audit recommendations were implemented and closed and 62 new audit recommendations were issued. As of July 2015, 180 open audit recommendations were outstanding and, when compared to the situation of November 2014, a decrease of 43% in outstanding audit recommendations can be noted.

**Chart 1: Open Audit recommendations**



## **RISK AND COMPLIANCE MANAGEMENT**

5. Since the last Regional Committee meeting in November 2014, several initiatives have been launched to strengthen risk and compliance management in the African Region.

6. WHO Member States have mandated the Director-General, WHO to develop a global risk register aimed at better identifying, assessing, managing and mitigating risks. All budget centres in the African Region have developed their own risk register in 2015 and these country-specific registers have been now consolidated into a region-wide risk register. The regional risk register describes specific strategic, financial, systems, reputational, technical and public health risks and related mitigation measures to reduce risk impact and probability. This risk register is expected to allow the African Region to manage its risk exposures in a more systematic and transparent manner.

7. The WHO Accountability Framework has been adopted in 2015 and is operationalised through the General Programme of Work and the development of the new Programme Budget 2016/17. The framework also guides staff in the African Region on how accountability can be affected in day to day work activities and relationships.

8. Following a review of the quality assurance and compliance functions in the Region conducted by the Director of Compliance, Risk management and Ethics based in Geneva, the Regional Director decided to implement the recommendation that the Compliance Team fall within the General Management Cluster in 2015. This organizational change ensures better synergy and cooperation between the administrative, quality assurance and compliance functions. In addition, two new compliance officers were recruited in 2014 to enhance the “second line of defence” capacity of the Regional Office.

9. The African Region Accountability and Internal Control Strengthening Project was launched in early 2015. The project aims to strengthen controls, streamline processes, and disseminate more effectively information on regulations, rules, policies and procedures to all staff. The Project is expected to improve significantly accountability and efficiencies in the management of WCOs.

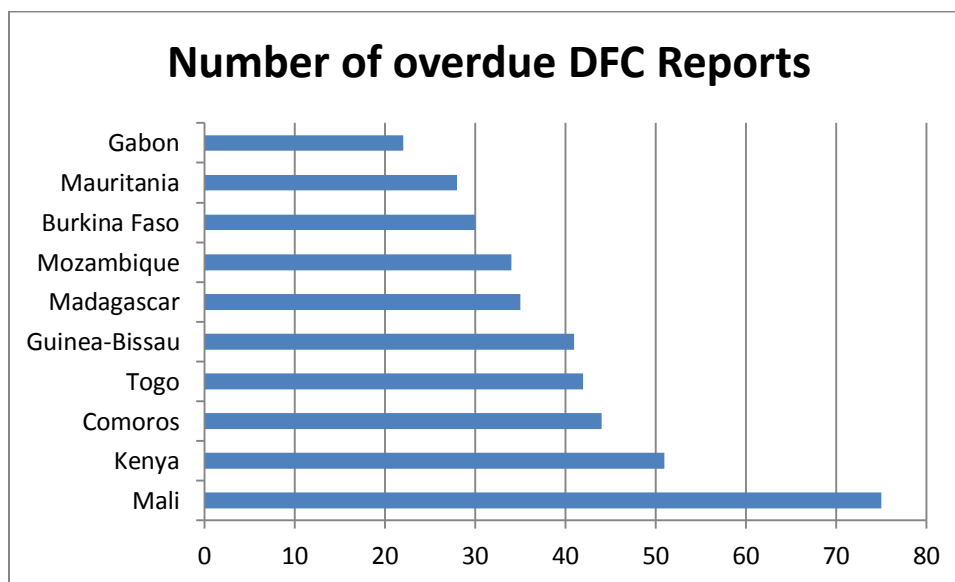
10. Key Performance Indicators (KPIs) have been developed to more objectively measure the performance of WCOs in the African Region. The linking of individual staff performance to the achievement of KPIs results in a more objective and transparent assessment and informs targeted interventions in terms of staff development activities as well as individual performance improvement plans. It is important to note that staff in the Region cannot improve compliance unilaterally and the support of Member States is also required as is the case with reporting on DFC implementation.

11. Internal controls checklists are used to improve controls in WCOs and specific guidelines have been issued to enable WCOs to overcome systemic control weaknesses in all areas of administration and to prevent recurring audit queries in the future. Programme and administrative reviews have been carried out by programme, finance and compliance staff in selected countries to improve performance of WCOs and enhance controls. These reviews are also meant to address organizational issues.

12. Workshops to raise awareness of WHO rules and regulations with MoH counterparts and implementing partners have also been launched as they are a critical partner if compliance in the Region is to be improved.

13. Reporting by Member States on DFC implementation is improving but continues to be a major issue. The numbers of overdue reports has decreased to 638 as at 15 July 2015, from 976 as at end 2014. In addition to measures already taken, such as enforcing policy that new DFCs may not be contracted when there are overdue reports and more rigorous financial reporting requirements, the Organization is committed to implementing further quality assurance activities on the DFC mechanism. The African Region will work closely with Member States on implementing these measures, including risk assessments of MoH counterparts, additional scrutiny of budgets and reporting, both technical and financial, and will extend to external audit where risk is categorized as significant.

**Chart 2: Top 10 beneficiary countries with overdue DFC reports as of June 2015**



**ANNEX: Status of Implementation of External and Internal Audit Reports as at 17 July 2015**

N°	Audit Title	Audit report date	Audit Report Number	No of Recommendations	Closed to date	Open Recommendations	In progress Recommendations	Comments
<b>Internal Audits</b>				(1)=(2)+(3)+(4)	(2)	(3)	(4)	
1	Integrated Audit of WHO in Angola	2012/02	11/872	32	23	0	9	Implementation and Communication between WCO and IOS on-going.
2.	Regional Office for Africa Post-GSM Implementation	2012/03	11/874	46	39	0	7	Implementation and Communication between WCO and IOS on-going
3.	WHO Country Office, Bangui, Central African Republic	2012/07	12/891	53	42	0	11	Implementation and Communication between WCO and IOS on-going
4.	Inter-country Support for West Africa, Ouagadougou, Burkina Faso	2013/01	11/882	9	0	0	9	Implementation and Communication between IST and IOS on-going
5.	WHO Country Office, Addis Ababa, Ethiopia	2013/09	13/924	68	51	0	17	Implementation and Communication between WCO and IOS on-going
6.	WHO Country Office, Antananarivo, Madagascar	2013/10	13/928	43	26	0	17	Implementation and Communication between WCO and IOS on-going
7.	WHO Country Office, Ndjamena, Chad	2013/12	13/931	65	43	1	21	Implementation and Communication between WCO and IOS on-going
8.	WHO Country Office, Kinshasa, Democratic Republic of the Congo	2014/09	14/943	54	25	5	24	Implementation and Communication between WCO and IOS on-going
9.	WHO Country Office, Abuja, Nigeria	2015/06	14/946	28	0	28	0	New Audit
10.	WHO Country Office, Windhoek, Namibia	2015/05	14/963	13	0	13	0	New Audit
11.	Regional Office for Africa	2015/06	15/981	54	0	54	0	New Audit
<b>External Audits</b>								
1	Management letter on the audit of the Regional Office AFRO	2013/04	ML-FY2012-24	33	23	0	10	Implementation and Communication between AFRO and External Auditors on-going.