



REGIONAL COMMITTEE FOR AFRICA

ORIGINAL: ENGLISH

Seventieth session

Virtual session, 25 August 2020

Agenda item 18.7

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

Information Document

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BACKGROUND

1. The Fifty-seventh session of the Regional Committee requested the Secretariat to provide regular updates to Member States on progress achieved in strengthening compliance with administrative rules, regulations, policies and procedures. The purpose of this document is to inform Members States about achievements and challenges in the areas of accountability, audit and risk management since the Sixty-ninth session of the Regional Committee.

2. The document builds on a substantive report submitted by the Secretariat to the Sixty-eighth session of the Regional Committee. The report documents the accomplishments and challenges of the Accountability and Internal Control Strengthening (AICS) project that was launched in 2015 to promote the goals of the Transformation Agenda. The AICS project has achieved significant progress in advancing a culture of accountability and strengthening of internal controls in the African Region, particularly in country offices. The reporting period for this document is the year from March 2019 to February 2020.

EXTERNAL AND INTERNAL AUDITS

3. During the reporting period, four internal audit reports were issued for the following budget centres: South Sudan; Mozambique; Democratic Republic of the Congo, which included the emergency response to the Ebola virus disease outbreak; and the Central African Republic. The internal audits issued during the reporting period were rated as partially satisfactory with some improvements required (one audit) or major improvements needed (three audits), reflecting the general improvements in the internal control environment in the Africa Region.

4. Two external audits were issued for the Country Offices in Nigeria and Uganda. The external audit of the Regional office for Africa was suspended in March 2020.

5. Prompt and effective implementation of audits remains a management priority. The progress in implementing audit recommendations is reported quarterly to the Regional Compliance and Risk Management Committee (CRMC). The more holistic approach adopted to address control gaps in a comprehensive manner has enabled effective solutions for common problems in the Region. As a result, three internal audits¹ and four external audits² were successfully closed; 60% of the total audit recommendations were successfully closed; with 40% outstanding. Annex 1 shows the detailed status of the implementation of audit recommendations.

MANAGERIAL KEY PERFORMANCE INDICATORS (KPIs)

6. The Regional Office continues to regularly monitor the performance of budget centres against the 17 (seventeen) established managerial key performance indicators (KPIs) covering the enabling functions: finance, procurement, human resources management (HRM), security, information technology (IT), travel and asset management. During the year under review, there were notable improvements in the areas of DFC and direct implementation, asset management and human resources, objective setting and performance reviews. There was a decline in the ratio of international travel bookings made at least 14 days before the travel date.

¹ Internal audits for the following Country Offices and Regional Office Clusters: South Sudan, Communicable Diseases Cluster, Family and Reproductive Health Cluster.

² Management letters on the audits of Angola, Kenya, Madagascar, United Republic of Tanzania.

7. Performance results have been regularly reported to the CRMC and shared with budget centres and through KPI dashboards, to document past performance results and inform the implementation of recommended actions as needed. The Regional Office provides analyses and guidance to budget centres to address the causes of any downward trends in performance. A ranking of budget centres was established for greater transparency. The three best performing WHO country offices for the reporting period in the various categories are presented in Table 1.

Table 1: List of best performing country offices by size and emergency management

Small country offices	Medium country offices	Large country offices	Emergency management
1. Algeria	1. Namibia	1. Ghana	1. Mali
2. Gambia	2. Senegal	2. Côte d'Ivoire	2. Niger
3. Mauritius	3. Burkina Faso	3. Liberia	3. Cameroon

RISK MANAGEMENT

8. All budget centres in the WHO African Region continue to manage their risks using a corporate risk management tool. The local risk registers contain risks and related risk mitigation plans. This consistent and coherent methodology and approach is enabling more effective decision-making to improve delivery of results and embed risk management in operational processes, both in the results-based management cycle (planning, performance assessment and budgeting) and in the accountability and internal control frameworks.

9. During the end of biennium assessment of Programme budget 2018-2019 implementation, all risk registers were updated, with 240 risks documented. Mitigation plans have been developed for 181 risks, as shown in Table 2 below:

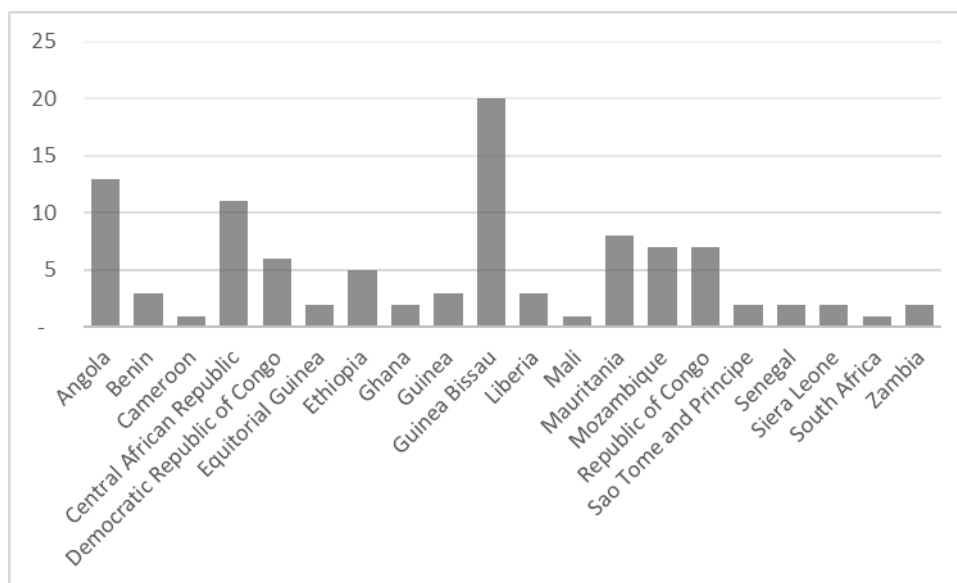
Table 2: Breakdown by risk area and country offices vs Regional Office clusters

Risk Area	Regional Office	Country Offices	Total Risks Identified	Mitigation/response actions
Financial	5	56	61	43
Political/governance	2	36	38	28
Reputational	2	24	26	19
Staff, systems and structures	9	59	68	55
Strategic	3	15	18	15
Technical/public health	1	28	29	21
Total number of risks identified	22	218	240	181

DIRECT FINANCIAL COOPERATION (DFC)

10. Close attention continues to be paid to DFC reports, with rigorous and systematic monitoring by WHO country offices and the Regional Office. In the reporting period, the number of outstanding reports increased slightly compared to previous years. As of February 2020, there were 101 overdue DFC reports totalling US\$ 7.5 million, compared to 44 overdue DFC reports totalling US\$ 8.5 million in February 2019. The chart below presents a summary of the number of overdue DFC reports by country. Annex 2 lists the number of overdue DFC reports by country and the respective unjustified amounts.

Number of overdue DFC reports by country (as of February 2020)



11. The regional framework for accountability and assurance activities operationalizes the relevant provisions on accountability and assurance activities as prescribed in WHO policies. A specialist team continues to provide DFC, DI and grant letter of agreement (LoA) assurance services throughout the Region. The team visited 12 countries³ in the year to February 2020 with combined DFC expenditures of US\$ 44 million (representing 52% of DFC expenditure in 2019). Specific weaknesses identified during these missions were discussed with implementing partners and WHO country office staff to enhance their capacity and improve their ability to comply with the DFC standard operating procedures (SOPs), including timely reporting.

12. Member States are expected to fully collaborate with the WHO Regional Office and country offices and facilitate the effective implementation of the DFC accountability and assurance framework. Member States are also requested to expedite the submission of the outstanding DFC reports.

13. The Regional Committee noted this report.

³ Central African Republic, Chad, Democratic Republic of the Congo, Ethiopia, Gabon, Mozambique, Congo, United Republic of Tanzania, Uganda, South Africa, South Sudan, Zimbabwe.

ANNEX 1: Implementation status of audit recommendations for the African Region (as of February 2020)

Audit No.	Audit Title	No. of Audit Recs	CLOSED RECOMMENDATIONS			OUTSTANDING RECOMMENDATIONS			Remarks
			No. of Recommendations "Closed"		Total no. of "Closed" Recs	No. of "Open" Recs	No. of "In-progress" Recs	Total No. of Outstanding Recs	
			As at 18 February 2019	19 February 2019 to 12 February 2020					
			(1)	(2)	(1) + (2)	(A)	(B)	(A) + (B)	
	Internal Audit								
15/1011	WHO Country Office, South Sudan	40	36	4	40	0	0	0	Audit closed during the period
16/1043	Integrated Audit of the Communicable Diseases Cluster at the Regional Office for Africa	82	75	7	82	0	0	0	Audit closed during the period
17/1082	WHO Country Office in Niger	36	19	2	21	2	13	15	Implementation in-progress
17/1094	WHO Country Office in Republic of Congo	27	13	12	25	0	2	2	Implementation in-progress
17/1095	WHO Country Office in Equatorial Guinea	40	24	7	31	3	6	9	Implementation in-progress
17/1097	Procurement and supply services department at the Regional Office for Africa	14	9	2	11	2	1	3	Implementation in-progress
17/1106	WHO Country Office in Cameroon	34	18	2	20	0	14	14	Implementation in-progress
18/1126	WHO Country Office in Ethiopia	62	26	19	45	5	12	17	Implementation in-progress
18/1127	WHO Country Office in Nigeria	32	9	21	30	0	2	2	Implementation in-progress
18/1129	WHO Country Office in Liberia	39	22	12	34	0	5	5	Implementation in-progress
18/1134	WHO Country Office in Chad	45	0	27	27	0	18	18	Implementation in-progress
18/1137	Integrated Audit of the Family and Reproductive Health Cluster at the Regional Office for Africa	28	8	20	28	0	0	0	Audit closed during the period
18/1155	Audit of the Regional Office for Africa	28	0	0	0	19	9	28	New audit issued March 2019
19/1161	WHO in South Sudan	54	0	19	19	33	2	35	Implementation in-progress

Audit No.	Audit Title	No. of Audit	CLOSED RECOMMENDATIONS			OUTSTANDING RECOMMENDATIONS			Remarks
19/1164-1	WHO Country office in the Democratic Republic of the Congo	45	0	0	45	13	32	45	Implementation in-progress
19/1164-2	Ebola virus disease outbreak - Democratic Republic of the Congo	40	0	4	4	18	18	36	Implementation in-progress
19/1167	WHO in Mozambique	53	0	13	13	31	9	40	Implementation in-progress
19/1182	WHO Country Office in the Central African Republic	33	0	0	33	33	0	33	Implementation in-progress
	Total Internal Audit Recommendations	732	259	171	430	159	143	302	
	External Audit								
EA-18-AF-33	Management Letter on the Audit of the WHO Country Office in Angola	25	23	2	25	0	0	0	Audit closed during the period
EA-18-AF-34	Management Letter on the Audit of the WHO Country Office in Kenya	12	10	2	12	0	0	0	Audit closed during the period
EA-18-AF-38	Management Letter on the Audit of the WHO Country Office in Madagascar	22	0	22	22	0	0	0	Audit closed during the period
EA-18-AF-40	Management Letter on the Audit of the WHO Country Office in Tanzania	13	10	3	13	0	0	0	Audit closed during the period
EA-19-AF-54	Management Letter on the Audit of the WHO Country Office in Nigeria	12	6	0	6	0	6	6	Implementation in-progress
EA-19-AF-58	Management Letter on the Audit of the WHO Country Office in Uganda	24	0	0	0	0	24	24	Implementation in-progress
EA-19-AF-57	Management Letter on the Audit of the Regional office for Africa								Suspended 25 March 2020
	Total External Audit Recommendations	108	49	29	78	0	30	30	
	GRAND TOTAL	840	308	200	509	159	173	332	

Annex 2: List of overdue DFC reports (February 2019 vs February 2020)

Country	No. of Overdue DFC Reports as at 31 March 2019	No. of Overdue DFC Reports as at 13 March 2020	Change in No. of DFCs overdue	Overdue DFC Amounts in US\$ as at 31 March 2019	Overdue DFC Amounts in US\$ as at 13 March 2020	Change in Overdue DFC Amount US\$
Angola	3	13	10	96,407	2,561,924	2,465,517
Benin	1	3	2	7,087	66,775	59,688
Botswana	-	-	No DFCs overdue	-	-	No DFCs overdue
Burkina Faso	-	-	No DFCs overdue	-	-	No DFCs overdue
Burundi	-	-	No DFCs overdue	-	-	No DFCs overdue
Cabo Verde	2	-	(2)	34,494	-	(34,494)
Cameroon	1	1	0	35,635	45,290	9,655
Central African Republic	6	11	5	131,621	584,665	453,044
Chad	6	-	(6)	1,005,121	-	(1,005,121)
Comoros	0	-	No DFCs overdue	-	-	No DFCs overdue
Congo, Republic	2	7	5	75,884	350,224	274,340
Côte d'Ivoire	0	-	No DFCs overdue	-	-	No DFCs overdue
Democratic Republic of the Congo	3	6	3	906,646	343,729	(562,917)
Equatorial Guinea	-	2	2	-	156,019	156,019
Eritrea	-	-	No DFCs overdue	-	-	No DFCs overdue
Ethiopia	3	5	2	5,676,198	414,285	(5,261,913)
Gabon	1	-	(1)	138,674	-	(138,674)
Gambia	-	-	No DFCs overdue	-	-	No DFCs overdue
Ghana	1	2	1	94,061	21,635	(72,426)
Guinea	-	3	3	-	97,020	97,020
Guinea-Bissau	2	20	18	8,829	70,895	62,066
Kenya	-	-	No DFCs overdue	-	-	No DFCs overdue
Lesotho	-	-	No DFCs overdue	-	-	No DFCs overdue
Liberia	-	3	3	-	352,209	352,209
Madagascar	-	-	No DFCs overdue	-	-	No DFCs overdue
Malawi	-	-	No DFCs overdue	-	-	No DFCs overdue
Mali	4	1	(3)	98,581	7,849	(90,732)
Mauritania	-	8	8	-	97,158	97,158
Mauritius	-	-	No DFCs overdue	-	-	No DFCs overdue
Mozambique	2	7	5	14,664	860,568	845,904
Namibia	-	-	No DFCs overdue	-	-	No DFCs overdue
Niger	-	-	No DFCs overdue	-	-	No DFCs overdue
Rwanda	-	-	No DFCs overdue	-	-	No DFCs overdue
Sao Tome and Principe	1	2	1	5,000	31,735	26,735
Senegal	1	2	1	6,296	13,779	7,483
Seychelles	-	-	No DFCs overdue	-	-	No DFCs overdue
Sierra Leone	2	2	0	128,812	883,419	754,607
South Africa	-	1	1	-	414,364	414,364
South Sudan	-	-	No DFCs overdue	-	-	No DFCs overdue
Swaziland	-	-	No DFCs overdue	-	-	No DFCs overdue
Tanzania	1	-	(1)	25,493	-	(25,493)
Togo	-	-	No DFCs overdue	-	-	No DFCs overdue
Uganda	2	-	(2)	34,621	-	(34,621)
Zambia	-	2	2	-	36,085	36,085
Zimbabwe	-	-	No DFCs overdue	-	-	No DFCs overdue
TOTAL	44	101	57	8,524,123	7,409,629	(1,114,494)