World Health Organization

REGIONAL OFFICE FOR **Africa**

REGIONAL COMMITTEE FOR AFRICA

ORIGINAL: ENGLISH

Sixty-eighth session
Dakar, Republic of Senegal, 27–31 August 2018

Provisional agenda item 8

REPORT ON REGIONAL MANAGERIAL COMPLIANCE ACTIVITIES AND MATTERS ARISING OUT OF INTERNAL AND EXTERNAL AUDITS

Report of the Secretariat

CONTENTS

ANNEXES

BACKGROUND

1.   In the past, Member States and partners criticized WHO in the African Region (AFR) at different forums, including at World Health Assembly and Executive Board meetings, for lack of accountability, non-compliance with the rules and regulations and weak internal controls. The Organization as a whole and WHO in the African Region in particular, were perceived as cultivating a "culture of tolerance" for non-compliance with rules and policies.

2.   The Independent Expert Oversight Advisory Committee (IEOAC)[1] "renewed its concern at the apparently persistent systemic weaknesses and ineffective controls across the Organization. The Committee particularly noted the unsatisfactory internal audit reports as regards the country offices that could be a symptom of a 'culture of tolerance' for non-compliance with rules and policies".[2] The poor outcomes of internal and external audits in WHO in the African Region gave further credence to this perception. More than half of the audits issued between 2012 and 2015 resulted in an unsatisfactory overall rating (See Annex 1). This led the WHO Office of Internal Oversight Services (IOS) to conclude in August 2015 that on the basis of the audits conducted in the Region; only 50% of internal controls were working effectively.

3.   Many initiatives aimed at strengthening accountability and internal controls already existed at headquarters, regional and country levels before 2015. These include the issuance of the internal control framework in November 2013, the launch of compliance missions to WHO country offices in 2013, and the delegation of authority to budget centre managers in 2014. However, all these initiatives had been undertaken in a rather isolated manner, lacked coordination and coherence. For example, the quality assurance, monitoring and compliance services lacked a coherent region-wide approach, while the internal control framework had not been effectively operationalized at country level.

4.   The Regional Director, on assuming office in February 2015, launched a transformation agenda aimed at transforming WHO in the African Region into a more responsive and efficient organization that better meets the needs of Member States. One of the pillars of this agenda is to transform the enabling functions in the Region into Responsive Strategic Operations with managerial accountability, transparency and risk management assured, and to improve internal controls and compliance.

5.   Consequently, the Accountability and Internal Control Strengthening Initiative (AICS) was launched to improve accountability, transparency and risk management. At the beginning of the AICS Initiative in mid-2015, four broad objectives were agreed upon, namely to strengthen the adequacy and effectiveness of internal controls; improve accountability, transparency and compliance; enhance the performance of individual staff and budget centres, and measure, monitor and report on progress.

6.   The AICS Initiative would consolidate all global, regional and local initiatives into one single initiative with an appropriate governance structure, with participation and input from all concerned WHO staff at all levels of the Organization. The implementation of the AICS Initiative evolved over

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[1]   The IEOAC is an independent advisory committee established by the Executive Board of WHO, and reporting to the Programme, Budget and Administration Committee.
[2]   EBPBAC22/3, Report of the Independent Expert Oversight Advisory Committee.

time with the benefit of experiences and feedback from across the Organization and beyond. This report describes the change management process since its inception in 2015.

ACTIONS TAKEN

7.   In April 2016, the WHO Regional Office for Africa Compliance and Risk Management Committee (CRMC), which comprises the WHO Regional Office for Africa Executive Management, was formally established with the aim of providing strategic guidance to the AICS Project and to support the Regional Director in ensuring a strategic, transparent and effective overall approach to risk and compliance management.

8.   The Compliance and Risk Management Committee defined the following five key pillars of the AICS project:

(a) Improved information-sharing;

(b) Clearly defined expectations and robust monitoring and evaluation;

(c) Targeted training and direct country support;

(d) Improved engagement with Member States, and

(e) Improved governance and oversight.

Improved information-sharing

9.   An intranet site, which was launched for the AICS Project in August 2015, serves as a single point of entry for information on WHO rules, procedures and best practices across the Region (see Annex 2). Since then, 626 policy documents, standard operating procedures (SOPs) and internal control checklists have been published on this intranet site and key documents were translated into the working languages of the Region. In addition, collaborative spaces were established to facilitate timely information-sharing across the different functional networks in the Region and to share information about best practices. Region-wide systemic control weaknesses were identified and shared with WHO country offices (WCOs) to inform their interventions.

Clearly defined expectations and robust monitoring and evaluation

10. The first 12 managerial Key Performance Indicators (KPIs) for WCOs were introduced in 2015. In 2016, the number of KPIs was expanded to 23 and the Region began linking the performance evaluation of budget centres, budget centre managers and staff working in the enabling functions to KPI achievements using the existing performance management and development system (PMDS). The results framework was also completely revamped in 2017 through the development and implementation of additional indicators for technical programmes and managerial-specific KPIs for budget centres in the Regional Office.

11. Reporting and transparency around progress was accomplished through the development of three dashboards, which include trend analysis features and enable focused interventions. Detailed quarterly feedback reports are also shared with all budget centres. As a way of recognizing staff and country office performance, in October 2017, during a regional meeting of all heads of administration of country offices, the best performing budget centres were officially recognized at an

award ceremony. The use of KPIs is widely accepted in the Region as heavily contributing to positive progress in strengthening the internal control environment and is considered as a best practice across the entire Organization.

Targeted training and direct country support

12. Targeted training programmes were developed using data from the monitoring of KPI performance, audit results and other reviews of budget centres to address weaknesses identified across the Region and within specific areas of work, for example, procurement requestors. In the past, such information was not readily available, which meant that training programmes were not necessarily addressing the root causes of underperformance. Training programmes are carried out either through face to face sessions or through electronic IT learning platforms where feasible.

13. In addition, in order to ensure that all new staff have the necessary tools and knowledge base to effectively carry out their functions, an induction programme, which is mandatory for all newly recruited staff, was developed and rolled out. All administrative staff in the Region have also been trained following the completion of the restructuring of the General Management Cluster.

14. The Compliance Unit coordinates multifunctional missions to conduct Programme Management and Administrative (PM&A) reviews in support of WCOs. The scope of these reviews has been expanded to include aspects of programme management and strategic leadership and is now conducted within six months of a change in leadership of a country office. Compliance and PM&A reviews have been carried out in 16 Member States.[3] The best practices identified during these reviews are shared with all offices.

Improved engagement with Member States

15. With the recognition that improvements in our internal control environment require actions by both the Secretariat and Member States, steps have been taken to strengthen this collaboration. To this end, information on progress in the area of audit and compliance is shared annually with Member States during meetings of the Regional Committee.

16. In order to strengthen collaboration between ministries of health (MOHs) and WHO staff, and to improve compliance at country level, a handbook on WHO business rules was developed and fully rolled out in 2017. The handbook was distributed to all MOHs in the Region and relevant training was organized by WHO country offices (WCOs) with their national counterparts. The handbook aims to raise awareness of staff of the ministries of health about WHO rules and procedures and to improve compliance in the area of Direct Financial Cooperation (DFC), procurement and travel.

Improved governance and oversight

17. Following the establishment of the Compliance and Risk Management Committee (CRMC), major efforts have been made to bring together the various control strengthening initiatives across the Organization.

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[3] PM&A Reviews in Burundi, Cameroon, Central African Republic, Chad, Democratic Republic of the Congo, Ethiopia, Equatorial Guinea, Gambia, Mali, Nigeria, Senegal and South Sudan.
Compliance Reviews in Liberia, Madagascar, Sierra Leone and Togo.

18. As part of a review of compliance and quality assurance functions in the Regional Office for Africa, the Compliance Unit was moved to the General Management Cluster, thereby paving the way for a more coordinated and cohesive approach to strengthening the control environment while leveraging limited resources. The Independent Expert Oversight Advisory Committee has cited this as a best practice and encouraged similar reviews for other regional offices.

19. In 2017, following the CRMC approval of a regional DFC assurance policy, assurance missions were introduced to review the use of DFC funds by Implementing Partners and to strengthen accountability for DFC-funded activities. A new DFC assurance team was established, which conducts review missions, and has carried out five[4] such reviews based on a risk profiling exercise. The review missions provide much needed assurance to partners who have repeatedly expressed concerns in this area.

20. A Corporate Risk Management Policy was introduced by WHO headquarters in November 2015. In September 2017, the establishment of local CRMCs in all budget centres in the Region was made mandatory. This is to ensure adequate oversight at all levels in the Region. Most recently, in March 2018, a compliance and risk management committee was also established within the General Management Cluster at the Regional Office for Africa to monitor compliance, risk management and performance of budget centres vis-à-vis managerial KPIs and to prioritize and coordinate required support to African Region budget centres based on trend analysis.

PROGRESS MADE

21. Since the introduction of the Compliance and Risk Management Committees, risk management in the WHO African Region has improved through the implementation of an electronic risk management tool, including an online risk register and electronic workflows. Budget centres now update their risks and mitigation plans on a continuous basis with the results subsequently reported to the CRMC.

22. The AICS Project has resulted in measurable improvements in accountability and the effectiveness of internal controls for WHO in the African Region. The multi-pronged but integrated approach of information-sharing, clearly defined expectations through KPIs, targeted training, engagement of Member States and experience exchange has, in large part, contributed to this success.

23. The improvements in accountability and internal controls achieved through the AICS Project are reflected in the outcome of audits carried out in the Region, which are independent measures of performance improvement. As shown in Annex 1, while more than 50% of audits conducted prior to 2016 had unsatisfactory outcomes (which is the lowest possible audit rating), since 2016, no audits have been issued with unsatisfactory results.

24. In terms of closing audits, between May 2017 and 14 March 2018, five audit reports (four external and one internal) were fully closed while seven new internal audit reports were issued. Currently, 295 audit recommendations related to 14 audit reports are open and at various stages of implementation. The detailed status of audit recommendations can be found in Annex 2.

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[4]   Burkina Faso, Cameroon, Ethiopia, Madagascar and Níger.

25. The Office of Internal Oversight Services (IOS) reported that the overall effectiveness of internal controls in the African Region had increased from 50% in August 2015 to 75% in 2017 based on the offices audited over the period. IOS uses a risk-based approach in selecting auditees, which means that it is a good proxy indicator of regional performance. Of the six major offices assessed, the Region has progressed from the last position to the fourth place and has the second largest positive change of 25% as shown in the Annex 1.

26. There have been improvements in controls from the individual performance of budget centres, as measured by the managerial KPIs. Progress can be seen especially in the areas of Human Resources and Finance. During 2017, the WHO Country Offices in Benin, Botswana, Gabon, Sierra Leone and eSwatini were particularly successful in improving their performance.

27. The WHO Regional Office for Africa reduced the amount of unjustified DFC funds by US$ 16.7 million (44%), from US$ 37.7 million (815 overdue DFC reports) as at 15 May 2017, to US$ 21.03 million (369 overdue DFC reports) as at 15 March 2018. Chad, Madagascar, Guinea, Niger and Senegal have made good progress in reducing the number of overdue DFCs. However, Central African Republic, Cameroon, Comoros, Congo, Democratic Republic of the Congo, Equatorial Guinea, Gabon, Guinea-Bissau, Kenya, Malawi, Rwanda, South Sudan and Togo have outstanding DFCs dating back to between 2013 and 2015. The detailed status of DFCs in the Region can be found in Annex 3.

28. To reinforce oversight and ethical behaviour of staff, collaboration with internal and external audits and the Office of Compliance and Ethics was strengthened through collaboration and regular consultations, including in the area of fraud prevention and detection and the enforcement of "zero tolerance to fraud and financial irregularities". Relevant training on fraud prevention and ethics has been provided to country office staff and red flags of fraud, financial irregularities and staff misconduct are systematically reported to the IOS in WHO headquarters.

29. WHO's Independent Expert Oversight Advisory Committee[5] reviewed progress of the Project in 2016, and confirmed its positive impact on accountability, compliance and controls in the African Region. The Committee supported the Project for improving efficiency and performance of the country offices in the African Region and recommended that other regions explore the possibility of adapting this model to their own specific regional requirements.

ISSUES AND CHALLENGES

30. In general, significant shortcomings in human, financial and material resources could have a negative impact on the Project's progress. An outdated IT environment, network challenges and insecure office space have to be overcome. Attracting the right individuals for vacancies and matching the skills of existing staff with functions have been a challenge for WHO in the African Region for many years, while they also have a negative impact on the progress of the AICS Project. The projected 18% cut in funds available for the General Management Cluster in the current biennium will also impact the implementation of the AICS Project.

31. Budget centres had difficulties in accomplishing some Key Performance Indicators, such as the indicator measuring the closing of awards within three (3) months of the end date, which are

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[5] IEOAC Report to Committee of the Executive Board, EBPBAC23/3.

correlated to submission of donor reports and clearance of encumbrances. There was also observed a need to have more alignment between the results from internal control self-assessments with those of the risk register, findings from audit reports and compliance reviews as well as some of the Key Performance Indicators which would indicate a true objective understanding by managers. Detailed control weaknesses are listed in Annex 4.

32. While significant progress had been made in clearing overdue DFC reports, some countries still continue to face reporting challenges as shown in Annex 2. To address the DFC issues, several country offices have shifted from the use of DFC to Direct Implementation (DI) which exposes the Organization to greater risk since most country offices are not adequately staffed to implement these types of activities at the country level.

NEXT STEPS

33. To overcome some of these challenges, major investments have been made and will continue to be made, including an upgrade of the IT and network infrastructure and improvements in office premises. Targeted training of existing and new staff and a culture of open communication and respect among all staff will help to strengthen commitment and overcome initial resistance. Enhanced resource mobilization efforts and cost-saving measures, including new cost-recovery initiatives, will also help bridge the funding gap.

34. The AICS Project uses the outcome of audits as an objective indicator to measure the outcome and success of the Project. As illustrated in Annex 5, the efficiency of closing audit recommendations was used as the major performance criterion up until 2015. By 2016, through the AICS Project, the focus turned to the outcome of audits, and in particular the avoidance of unsatisfactory audit outcomes, as opposed to simply closing recommendations. Moving forward, under the strategic direction of the Compliance and Risk Management Committee, the focus will be on the avoidance of audit recommendations, in particular significant/high risk audit recommendations by focusing our efforts on addressing their root causes in a holistic manner.

35. Another focus of the AICS Project in 2018 and beyond will be the provision of more strategic support to WHO country offices with particular performance challenges, through the proactive use of the performance data from KPIs and business intelligence to prioritize interventions from the Regional Office. The recognition and reward of excellence, training and career path planning will also be strengthened to foster commitment, improved staff morale and performance.

36. The multifunctional PM&A review missions is an initiative of WHO in the African Region. There are plans to carry out joint missions with other WHO regions in conducting these reviews so as to share our experiences and to replicate the practice across the Organization. It is also envisaged that by exchanging experiences and organizing joint inter-regional missions, the process will be further strengthened.

**ACTIONS PROPOSED**

Member States should:

37. Commit to ensuring that Direct Financial Cooperation reports are submitted within three months of the completion of the activities.

38. Advocate for additional funding for the enabling functions at global governance meetings.

WHO should:

39. Continue its efforts in improving the control environment through the Accountailty and Internal Control Strengthening initiative.

40. The Regional Committee is invited to note the contents of the report and adopt the actions proposed.

ANNEX 1 - Evolution of conclusions of internal audits and effectiveness of internal controls

Changes in overall effectiveness of internal controls from 2015 to 2017
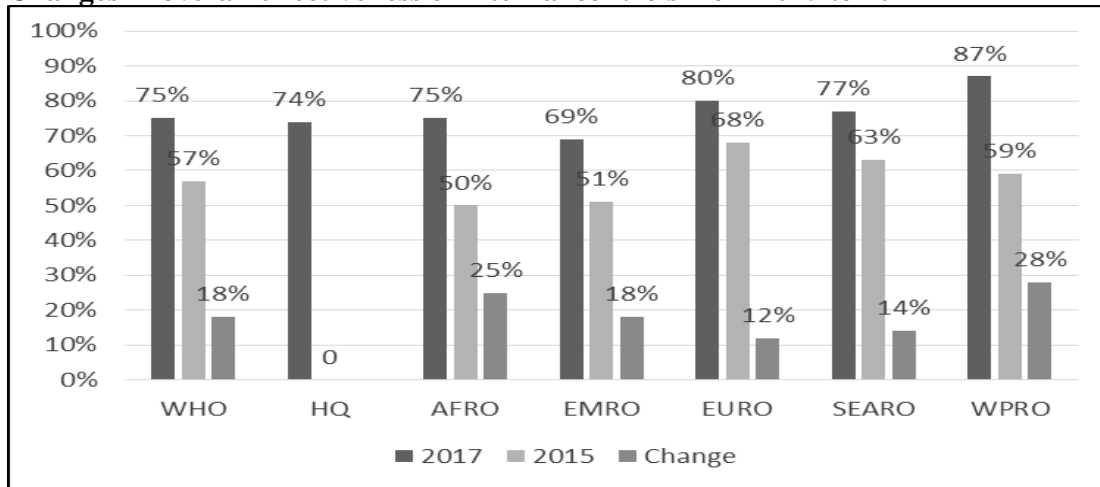
Evolution of conclusions of internal audits from 2012 to 2017
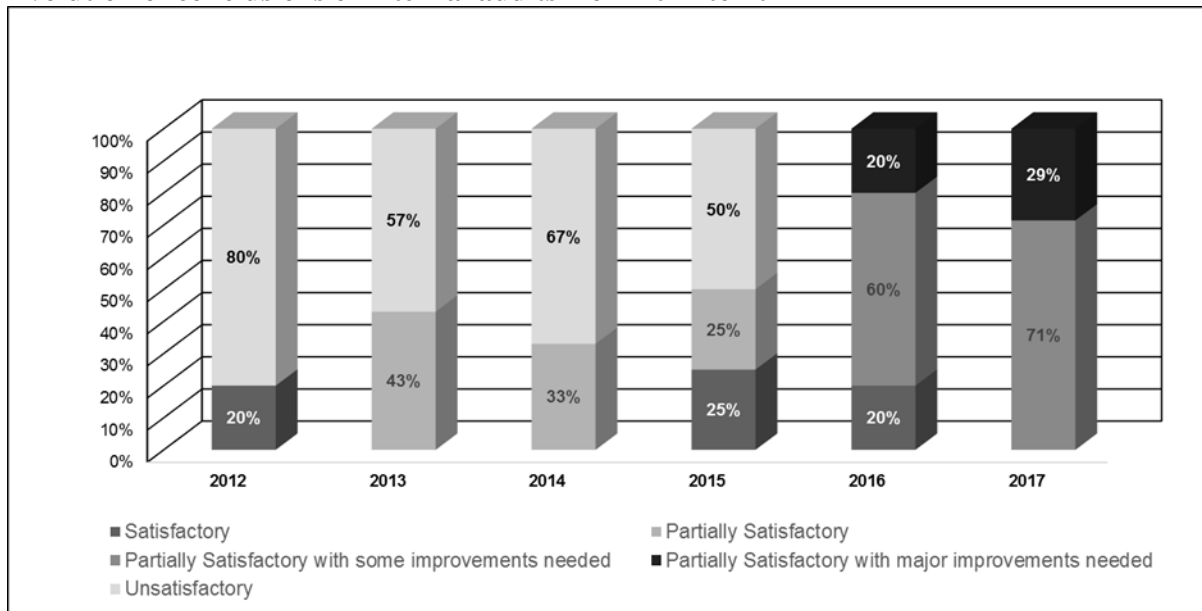
2017: 7 audit reports; 2016: 5 audit reports; 2015: 4 audit reports; 2014: 3 audit reports;2013: 7 audit reports; and 2012: 5 audit reports

ANNEX 2: New AICS Website

ANNEX 3: Implementation Status of the Audit Recommendations for the African Region (as at 15 March 2018)

Audit No.	Audit Title	No. of Audit Recs	CLOSED RECOMMENDATIONS			OUTSTANDING RECOMMENDATIONS			Remarks
			No. of "Closed" Recommendations		Total no. of "Closed" Recs	No. of "Open" Recs	No. of "In-progress" Recs	Total No. of Outstanding Recs	
			As at 15 May 2017	16 May 2017 to 15 March 2018					
			(1)	(2)	(1) + (2)	(A)	(B)	(A) + (B)	
	Internal Audit								
15/986	WHO Country Office, Kenya	**31**	30	0	**30**	0	1	**1**	Implementation in-progress
15/1011	WHO Country Office, Juba, South Sudan	**40**	13	14	**27**	1	12	**13**	Implementation in-progress
16/1021	Integrated audit of WHO in the United Republic of Tanzania	**37**	33	1	**34**	0	3	**3**	Implementation in-progress
16/1024	WHO Country Office in Rwanda	**13**	10	3	**13**	0	0	**0**	**Audit report fully closed on 13 November 2017**
16/1043	Integrated Audit of the Communicable Diseases Cluster at the Regional Office for Africa	**82**	0	23	**23**	35	24	**59**	Implementation in-progress
16/1049	WHO Country Office in Comoros	**10**	0	6	**6**	0	4	**4**	Implementation in-progress
16/1059	WHO Country Office in Ghana	**17**	0	13	**13**	0	4	**4**	Implementation in-progress
17/1082	WHO Country Office in Niger	**36**	0	0	**0**	36	0	**36**	Report issued on 16 Nov 2017
17/1096	WHO Country Office in Mali	**36**	0	10	**10**	0	26	**26**	Issued in August 2017. Implementation in-progress
17/1106	WHO Country Office in Cameroon	**34**	0	0	**0**	34	0	**34**	Final Report on 12 Feb 2018 pending release in System.
17/1095	WHO Country Office in Equatorial Guinea	**40**	0	0	**0**	40	0	**40**	Final Report on 13 Feb 2018
17/1113	WHO Country Office in Sierra Leone	**29**	0	0	**0**	29	0	**29**	Final Report on 8 March 2018
17/1094	WHO Country Office in the Republic of the Congo	**28**	0	0	**0**	28	0	**28**	Draft report on 6 February 2018
17/1097	Procurement of Goods and Selected Services Contracts at AFRO	**15**	0	0	**0**	15	0	**15**	Draft report on 9 March 2018
	Total Internal Audit Recommendations	*448*	*86*	*70*	*156*	*218*	*74*	*292*	

Audit No.	Audit Title	No. of Audit Recs	CLOSED RECOMMENDATIONS			OUTSTANDING RECOMMENDATIONS			Remarks
			No. of "Closed" Recommendations		Total no. of "Closed" Recs	No. of "Open" Recs	No. of "In-progress" Recs	Total No. of Outstanding Recs	
			As at 15 May 2017	16 May 2017 to 15 March 2018					
			(1)	(2)	(1) + (2)	(A)	(B)	(A) + (B)	
	External Audit								
EA-16-AF-05	Management letter on the audit of WHO Intercountry Support Team for West Africa	22	15	7	**22**	0	0	**0**	**Audit report fully closed on 20 February 2018**
EA-16-AF-13	Management Letter on the Audit of WHO Regional Office for Africa (2016)	20	18	2	**20**	0	0	**0**	**Audit report fully closed on 20 February 2018**
EA-17-AF-20	Management Letter on the Audit of the WHO Country Office in Central African Republic	15	0	12	**12**	3	0	**3**	Implementation in-progress
EA-17-AF-21	Management Letter on the Audit of the WHO Country Office in Benin	22	0	22	**22**	0	0	**0**	**Audit report fully closed on 20 February 2018**
EA-17-AF-22	Management Letter on the Audit of the WHO Country Office in Mozambique	19	0	19	**19**	0	0	**0**	**Audit report fully closed on 20 February 2018**
	Total External Audit Recommendations	*98*	*33*	*62*	*95*	*3*	*0*	*3*	
	GRAND TOTAL	**546**	**119**	**132**	**251**	**221**	**74**	**295**	

ANNEX 4: List of overdue Direct Financial Cooperation (DFC) reports (number and amount) by country (May 2017 vs March 2018)

Country	No. of Overdue DFC Reports as at 15 May 2017	No. of Overdue DFC Reports as at 15 March 2018	Change in No. of outstanding DFCs +/(-)	Overdue DFCs Amounts in USD as at 15 May 2017	Overdue DFCs Amounts in USD as at 15 March 2018	Change in Overdue DFC Amounts USD	Overdue DFC Reports as % of Total DFC Expenditure as at 15 March 2018
Angola	9	8	-1	266 949	380 189	113 240	3%
Benin	34	4	-30	460 752	49 000	-411 752	0%
Botswana	0	0	No DFCs	0	0	No DFCs	0%
Burkina Faso	20	9	-11	194 956	126 459	-68 497	0%
Burundi	0	3	3	0	819 044	819 044	33%
Cabo Verde	3	0	-3	46 685	0	-46 685	0%
Cameroon	50	26	-24	2 884 860	2 785 745	-99 115	6%
Central African Republic	22	13	-9	391 711	155 321	-236 390	1%
Chad	29	8	-21	5 413 332	306 649	-5 106 683	1%
Comoros	18	14	-4	76 513	59 851	-16 662	7%
Congo	28	20	-8	476 905	610 380	133 475	11%
Côte d'Ivoire	29	1	-28	477 131	2 983	-474 148	0%
Democratic Republic of the Congo	1	4	3	88 160	156 722	68 562	0%
Equatorial Guinea	11	7	-4	492 520	283 037	-209 483	8%
Eritrea	2	0	-2	86 692	0	-86 692	0%
Ethiopia	26	20	-6	1 258 130	4 573 875	3 315 745	4%
Gabon	20	13	-7	201 640	115 734	-85 906	3%
Gambia	17	0	-17	90 686	0	-90 686	0%
Ghana	22	2	-20	673 273	55 036	-618 237	0%
Guinea	8	0	-8	720 832	0	-720 832	0%
Guinea-Bissau	54	38	-16	804 553	640 651	-163 902	16%
Kenya	23	6	-17	6 284 707	1 660 215	-4 624 492	2%
Lesotho	1	0	-1	3 485	0	-3 485	0%
Liberia	2	1	-1	4 470 180	404 915	-4 065 265	2%
Madagascar	119	42	-77	2 274 824	832 539	-1 442 285	4%
Malawi	3	2	-1	126 568	51 814	-74 754	1%
Mali	17	11	-6	971 141	454 211	-516 930	1%
Mauritania	32	22	-10	230 142	213 489	-16 653	2%
Mauritius	1	1	0	4 300	11 419	7 119	3%
Mozambique	41	15	-26	587 316	541 369	-45 947	5%
Namibia	0	0	No DFCs	0	0	No DFCs	0%
Niger	20	3	-17	1 442 073	53 177	-1 388 896	0%
Rwanda	21	21	0	443 936	381 010	-62 926	5%
Sao Tome and Principe	0	0	No DFCs	0	0	No DFCs	0%
Senegal	39	5	-34	676 563	34 586	-641 977	0%
Seychelles	3	0	-3	16 059	0	-16 059	0%
Sierra Leone	9	11	2	180 907	345 979	165 072	1%
South Africa	0	0	No DFCs	0	0	No DFCs	0%
South Sudan	2	1	-1	474 378	469 613	-4 765	36%
eSwatini	1	0	-1	846	0	-846	0%
United Republic of Tanzania	4	1	-3	267 293	52 152	-215 141	0%
Togo	16	9	-7	1 334 362	1 295 610	-38 752	20%
Uganda	56	27	-29	2 696 595	3 108 426	411 831	10%
Zambia	2	1	-1	130 955	6 612	-124 343	0%
Zimbabwe	0	0	No DFCs	0	0	No DFCs	0%
TOTAL	**815**	**369**	**-446**	**37 722 910**	**21 037 812**	**-16 685 098**	**2%**

ANNEX 5: Key Systematic weaknesses/Recurring audit findings for WHO in the African Region

#	Audit Area	Description of Audit Finding	Actions done to address the audit finding

1	Direct Financial Cooperation (DFC)	On-site monitoring activities are not conducted and spot checks of background documentation are not performed on sample DFCs.	• DFC Accountability and Assurance Activities Framework provides for WCOs and AFRO role
			• Local Compliance and Risk Management Committees mandated to operationalize the Framework including:
			  o establishing a quarterly plan for on-site monitoring visits and spot checking activities,
			  o reporting to AFRO on the conducted activities and any deviations detected

		Technical and financial reports are not received on a timely basis with long outstanding DFC reports.	• Management Dashboard and Key Performance Indicators introduced to monitor overdue reports • AFRO Units send periodic alerts to Budget Centres on status of reports
2	Donor Reporting	Technical and financial reports are not submitted within the required time frame with a high number of overdue donor reports.	
3	Direct Implementation	Technical and financial reports were not submitted on a timely basis and approved by appropriate WCO officials.	
4	Imprest management	Inadequate segregation of duties and controls related to Staff with eImprest access.	Segregation of Duties review has enabled identification of conflicts and WCOs advised to make appropriate changes
		Instances where eImprest Bank and Cash balances exceeds the imprest ceiling.	AFM/AFRO and Budget Centres undertake quarterly reviews of cash ceilings using monthly average of expenses
5	Human Resources	Objectives in the ePMDS are not fully aligned with the SMART criteria for a more accurate staff performance evaluation.	HRM/AFRO issues guidance to supervisors on improving quality of the objectives
		Failure to obtain reference checks or copies of previous performance appraisals before initiating the appointment action and record evidence of review of the original education certificates for all staff recruitment	Requirement adopted as part of checklist developed by HRM/AFRO and implemented for recruitments
		Lack of consolidated identification of staff development needs and the implementation of a robust staff development and learning plan.	HR Focal Points collating learning and development needs from 2018 PMDS for respective Budget centres.
		Lack of timely ePMDS performance reviews of staff at the beginning of year, mid-year and year-end within the prescribed period	Management Dashboard and Key Performance Indicators introduced to monitor ePMDS status
		Organigram and HR Plan is inadequate for effective and efficient programme delivery and the principle of segregation of duties	AFRO undertaking a functional review of WCOs to remedy this and completed restructuring of Clusters
		Inconsistency between the requirements listed in the post description and those in the Vacancy notice for example on required work experience	RM/AFRO send reminders to Budget Centres to update the Post Descriptions
		Failure to prioritize the filling of key vacant positions while taking into account the potential changes in the HR plan and mobilize the necessary funding required.	Budget Centres required to formulate succession plans and fast-track replacements of departing staff
6	Risk Management	Risk management is not embedded in operational planning, PB monitoring and performance assessment	CRE/HQ working to integrate the risk management process with operational work planning
		Risks identified are not adequately described by recognizing the appropriate indicators,	• COT/AFRO undertakes quality review of all risks

#	Audit Area	Description of Audit Finding	Actions done to address the audit finding
		root causes and effects corresponding to the identified risk for developing effective risk mitigation strategies	• Local Compliance and Risk Management Committees required to monitor and update risks
7	Internal Controls	Failure to use the results of self-assessment of internal controls to identify and document specific actions which can be taken to strengthen controls.	• Quality control done by AFRO to align results with risk register, audit reports and reviews • COT/AFRO has identified and reported for implementation areas that need strengthening
8	Assets management	• The annual physical verification is not adequately documented and discrepancies explained and/or reported to the Property Survey Committee. • Fixed asset verifications are not carried out on a timely basis by a staff member independently from the fixed assets and inventory functions. • Delayed disposals, lack of handover certificates and failure to obtain the Property Survey Committee approval prior to disposal of fixed assets; • Lack of proper accountability records such as the prescribed Declaration of Receipt for the custodian of fixed assets.	• Capacity-building initiatives undertaken to train asset focal points in 2017 following migration to the GSM fixed asset module • AFRO KPI implemented to monitor submissions of asset verification certificates with staff different from asset focal points are designated to undertake the verification exercise • AFRO monitors implementation of PSC decisions while migration to the GSM fixed asset module facilitates easier asset tracking
9	Vehicle management	Failure to periodically monitor fuel consumption and maintenance costs.	• Some country offices have online fleet management systems • Log books and fuel records monitored periodically
10	Information Technology (IT) Management	• Lack of periodic review of GSM access rights to ensure that staff only have access to responsibilities needed to perform their work. • IT back-ups not conducted regularly, stored offsite, and periodically recovery tested as part of an updated Business Continuity Plan (BCP)	• ITM/AFRO performs periodic IT assessment • AFRO has worked with respective Budget Centres to review GSM access rights on an annual basis. • ITM/AFRO performs periodic IT assessment and supports WCOs in updating their BCPs
11	Vendor Management	Vendors are not periodically evaluated on performance in delivery of goods and services.	AFRO KPI implemented on supplier performance evaluation before payment of invoice
		Failure to ensure that only pre-qualified suppliers are used or exceptions approved	Budget Centres required to provide justifications are provided where necessary in the adjudication report
12	Procurement	No Annual Procurement Plan prepared to enhance procurement efficiency	Training of focal points and KPI developed to monitor this with deadline of 31 March each year
13	Security	Failure to implement MOSS recommendations with realistic budgets.	WCOs now implement priority recommendations in light of limited financing available
		Staff do not obtain security clearances before travel and undertake mandatory field security training	Budget Centres have now centralized monitoring of training certificates and draft security clearances are automatically created for every TR
14	Travel	International duty travel requests are not raised and approved on a timely basis while there is no quarterly travel plan to reduce travel cost and forecasting budgetary requirements for duty travels	Revised travel policy requires all non-compliant TRs approved by DAF on exceptional basis and travel plans to be submitted by all Units

ANNEX 6: Use of audit outcome as indicator to measure the outcome and success of the AICS project
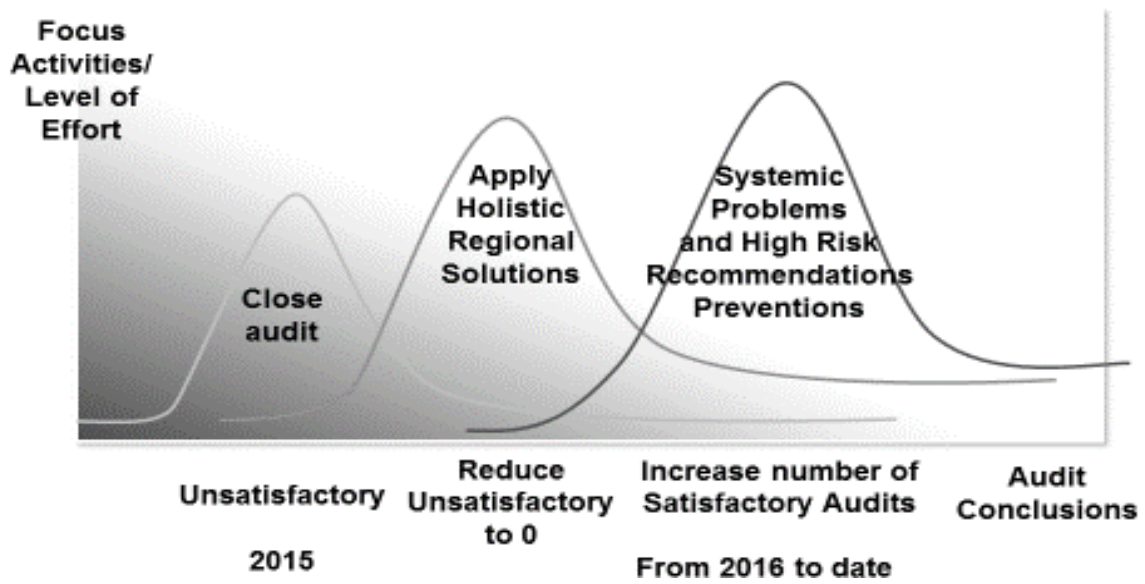
2015 and before – Focus on closing audits in a timely manner

2016 – Focus on outcome of audits, in particualr avoiding unsatisfactory audits

2018 – Focus on avoiding high risk and recurring audit recommendations