

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. The Regional Office continues to regularly monitor the performance of budget centres against the 17 established managerial key performance indicators (KPIs)¹ covering the enabling functions: finance, procurement, human resource management, security, information technology, travel and asset management. Performance results are regularly reported to senior management and shared with budget centres through KPI dashboards. In addition, quarterly reports are produced to assist budget centres in monitoring their performance and to indicate the areas where support is required. The reports provide analyses and guidance to budget centres to address the root causes of any downward trends in performance. A ranking of budget centres was established for greater transparency.

2. All the budget centres in the World Health Organization (WHO) African Region continue to manage their risks using a corporate risk management tool, which includes information on risk mitigation measures, with detailed action plans and timelines to ensure that risks are identified and closely managed.

3. Since 2020, field missions to conduct assurance activities on direct financial cooperation (DFC) and direct implementation (DI) were put on hold and the team repurposed to conduct up-front quality checks due to COVID-19 travel restrictions. Field missions resumed in October 2021.

PROGRESS MADE/ACTIONS TAKEN

4. Five internal audit reports were issued for Angola and Nigeria (partially satisfactory with some improvements required), Gabon (satisfactory), Zimbabwe and the General Management and Coordination Cluster at the Regional Office for Africa (partially satisfactory with major improvements required). These overall positive audit results reflect further improvements in the internal control environment in the African Region.²

5. Two external audit recommendations were issued for the WHO Country Offices in Ethiopia and South Sudan. Key recommendations made for local procurement and supply chain management processes also noted the local context (limited local suppliers) and global supply chain disruptions during the COVID-19 pandemic.

6. Management continues to place a premium on the timely implementation of audit recommendations. Five internal audits³ and two external audits⁴ were closed. Sixty-nine per cent (453 out of 667) of internal audit recommendations were successfully closed with 31% (192 out of 667) outstanding. Of the outstanding recommendations, 114 relate to new audits (see Table 1 of the Annexes).

¹ Seventeen KPIs on the following streams: awards, bank reconciliation, DFC, DI, encumbrances, contract management, procurement, leave management, staff development and learning (SDL), asset management, fixed asset verification, travel and security,

² The audits use a four-tier rating system: 'satisfactory', 'partially satisfactory with some improvements required', 'partially satisfactory with major improvements required' and 'unsatisfactory'

³ Internal audits for the following Country Offices and Regional Office services: Equatorial Guinea, Nigeria, Regional Office for Africa (General Management Cluster), Ebola virus disease - operational support in the DRC, Burundi.

⁴ Management letters on the audits of Nigeria and Uganda

7. In terms of managerial key performance indicators (KPIs), good results were achieved with bank reconciliations, bank items that were outstanding in imprest accounts and on the payment of invoices. The three best performing⁵ WHO country offices in the various KPI categories are presented in Table 2 in the Annexes.

8. During the mid-term assessment of the Programme budget 2020–2021, all the risk registers were updated. Identified critical risks were discussed by the Regional Risk Management Committee, as well as with the relevant risk owners across the three levels of the Organization, to ensure that appropriate risk response action plans were developed and effectively implemented. Various actions were taken by the Secretariat to promote high ethical standards, foster a culture of risk management, and enhance accountability and compliance.

9. The number of outstanding DFC reports has increased compared to previous years. As of 1 March 2021, there were 54 overdue DFC reports totalling US\$ 1.7 million, compared to 66 on 28 February 2022 totalling US\$ 7.1 million (see Table 3 of the Annexes).

10. A digital finance initiative was launched to move from cash payments to mobile money/bank transfers for field campaign health workers, in order to mitigate the risks inherent in cash payment processes. The Regional Office has provided technical support for the implementation of these measures in 14 countries⁶ over the past two years. As of February 2022, ninety-eight per cent (109 695 out of 111 931) registered polio campaign workers were paid directly to their mobile money accounts in eight⁷ countries (see Table 4 of the Annexes).

11. The main challenges include overdue DFC reports, which is a recurring audit issue and requires rigorous and systematic monitoring by WHO country offices and the Regional Office. In addition, travel restrictions due to the COVID-19 pandemic compromised the delivery of support to countries.

NEXT STEPS

12. Member States should ensure collaboration with the WHO country offices to facilitate the implementation of the DFC accountability and assurance framework, including an annual self-assessment of the effectiveness of internal controls.

13. Member States are also requested to expedite the submission of outstanding DFC reports.

14. Member States are requested to support the implementation of electronic payment systems to facilitate and sustain the successful introduction of the digital finance initiative.

15. The Secretariat will resume review missions that are more solution-focused, to provide opportunities for capacity building and more effective support to country offices and implementing partners.

⁵ Assessed on overall performance across the key performance indicator streams, such as, bank outstanding items, DFCs, DIs, fixed assets year-end certificates and performance management.

⁶ Burkina Faso, Cameroon, Côte d'Ivoire, Congo, Democratic Republic of the Congo, Ethiopia, Gambia, Ghana, Kenya, Liberia, Mali, Sierra Leone, South Sudan and Uganda.

⁷ Côte d'Ivoire, Congo, Gambia, Ghana, Liberia, Mali, Sierra Leone, and South Sudan.

16. The Secretariat should ensure that DFC implementation is closely monitored and reported in a timely manner by taking appropriate mitigating actions such as implementing DFC audit recommendations related to assurance activities with high residual risks.

17. The Regional Committee is invited to note this report.

ANNEXES

Table 1: Implementation status of audit recommendations for the African Region (as of February 2022)

| Audit No. | Audit title | Number of Audit recommendations | Closed recommendations | | | Outstanding recommendations | | | Remarks |
|----------------|--|---------------------------------|----------------------------------|---|---|-----------------------------|---------------------------|-------------------------------|--|
| | | | No. of recommendations "closed" | | Total no. of 'closed' recs at end of the reporting period | No. of 'open' recs | No. of 'in progress' recs | Total no. of outstanding recs | |
| | | | "Closed" Audit recs at 1/19/2021 | Recs 'closed' during the reporting period | | | | | |
| | | | (1) | (2) | (1) + (2) | (A) | (B) | (A) + (B) | |
| Internal Audit | | | | | | | | | |
| 17/1095 | Country Office in Equatorial Guinea | 40 | 35 | 5 | 40 | N/A | N/A | N/A | Audit closed during the reporting period |
| 17/1106 | Country Office in Cameroon | 34 | 21 | 7 | 28 | 0 | 6 | 6 | Implementation in progress |
| 18/1126 | WHO in Ethiopia | 62 | 55 | 2 | 57 | 0 | 5 | 5 | Implementation in progress |
| 18/1127 | Country Office in Nigeria | 32 | 30 | 2 | 32 | N/A | N/A | N/A | Audit closed during the reporting period |
| 18/1129 | WHO in Liberia | 39 | 36 | 0 | 36 | 0 | 3 | 3 | Implementation in progress |
| 18/1134 | Country Office in Chad | 45 | 35 | 1 | 36 | 0 | 9 | 9 | Implementation in progress |
| 18/1147 | Information and Communications Technology at the Regional Offices for Africa and South-East Asia | 7 | 5 | 2 | 7 | N/A | N/A | N/A | Audit closed during the reporting period |
| 18/1155 | Regional Office for Africa | 28 | 10 | 10 | 20 | N/A | N/A | N/A* | Audit closed during the reporting period |
| 19/1161 | WHO in South Sudan | 54 | 50 | 0 | 50 | 2 | 2 | 4 | Implementation in progress |
| 19/1164-1 | Country office in the Democratic Republic of the Congo | 45 | 16 | 13 | 29 | 6 | 10 | 16 | Implementation in progress |
| 19/1164-2 | Ebola virus disease audit - Democratic Republic of the Congo | 40 | 38 | 2 | 40 | N/A | N/A | N/A | Audit closed during the reporting period |
| 19/1167 | WHO in Mozambique | 52 | 46 | 3 | 49 | 1 | 2 | 3 | Implementation in progress |
| 20/1186 | WHO in Kenya | 31 | 0 | 6 | 6 | 2 | 23 | 25 | Implementation in progress |
| 20/1178 | WHO Country Office in Guinea | 10 | 0 | 3 | 3 | 0 | 7 | 7 | Implementation in progress |
| 20/1193 | WHO Country Office in Burundi | 6 | 0 | 6 | 6 | N/A | N/A | N/A | Audit closed during the reporting period |

| Audit No. | Audit title | Number of Audit recommendations | Closed recommendations | | | Outstanding recommendations | | | Remarks |
|-----------------------|---|---------------------------------|----------------------------------|---|---|-----------------------------|---------------------------|-------------------------------|--|
| | | | No. of recommendations "closed" | | Total no. of 'closed' recs at end of the reporting period | No. of 'open' recs | No. of 'in progress' recs | Total no. of outstanding recs | |
| | | | "Closed" Audit recs at 1/19/2021 | Recs 'closed' during the reporting period | | | | | |
| | | | (1) | (2) | | | | | |
| 21/1201 | WHO in Angola | 37 | 0 | 9 | 9 | 16 | 12 | 28 | New audit - Implementation in progress |
| 21/1206 | WHO in Zimbabwe | 32 | 0 | 5 | 5 | 4 | 23 | 27 | New audit - Implementation in progress |
| 21/1208 | General Management and Coordination Cluster at the WHO Regional Office for Africa | 24 | 0 | 0 | 0 | 24 | 0 | 24 | New audit - Implementation in progress |
| 21/1210 | WHO in Nigeria | 35 | 0 | 0 | 0 | 35 | 0 | 35 | New audit - Not yet due |
| 21/1219 | WHO Country Office in Gabon ** | 11 | N/A | N/A | N/A | N/A | N/A | N/A | New audit - Final report not yet issued. |
| | Total Internal Audit Recommendations | 664 | 377 | 76 | 453 | 90 | 102 | 192 | |
| External Audit | | | | | | | | | |
| | Management letter on the audit of the WHO Country Office in Ethiopia | 5 | 0 | 0 | 0 | 5 | 0 | 5 | Implementation in progress |
| | Management letter on the audit of the WHO Country Office in South Sudan | 12 | 0 | 0 | 0 | 12 | 0 | 12 | Implementation in progress |
| | Total External Audit Recommendations | 17 | 0 | 0 | 0 | 17 | 0 | 17 | |
| | GRAND TOTAL (Internal and External Audits) | 681 | 377 | 76 | 453 | 107 | 102 | 209 | |

*8 recommendations were not fully implemented but were superseded by new recommendations issued in Audit Report 21/1208 (GMC/AFRO)

**Report is still in draft.

Table 2: List of best performing WHO country offices by size

| Small country offices | Medium country offices | Large country offices |
|-----------------------|------------------------|-----------------------|
| Algeria | Benin | Ghana |
| Cabo Verde | Burkina Faso | Sierra Leone |
| Mauritius | Eritrea | Liberia |

Table 3: Number of overdue DFC reports by country (as of 28 February 2022)

| # | Country | Number of purchase orders | Expenditure (in US\$) |
|----|----------------------------------|---------------------------|-----------------------|
| 1 | Angola | 1 | 72 888 |
| 2 | Benin | 2 | 33 264 |
| 3 | Burkina Faso | 7 | 120 727 |
| 4 | Central African Republic | 2 | 440 722 |
| 5 | Cameroon | 10 | 336 714 |
| 6 | Democratic Republic of the Congo | 2 | 99 160 |
| 7 | Cape Verde | 1 | 37 428 |
| 8 | Ethiopia | 2 | 4 260 944 |
| 9 | Guinea | 8 | 136 350 |
| 10 | Guinea-Bissau | 3 | 82 924 |
| 11 | Liberia | 2 | 63 000 |
| 12 | Lesotho | 1 | 218 042 |
| 13 | Mali | 3 | 71 220 |
| 14 | Mozambique | 1 | 35 231 |
| 15 | Niger | 1 | 22 246 |
| 16 | Rwanda | 2 | 54 205 |
| 17 | Senegal | 11 | 482 688 |
| 18 | Sierra Leone | 2 | 176 515 |
| 19 | Sao Tome and Principe | 1 | 8 042 |
| 20 | Togo | 2 | 278 782 |
| 21 | Zambia | 2 | 100 827 |
| | Total | 66 | 7 131 918 |

Table 4: Polio workers paid via mobile money

| Country | Scope of payments | Target workers within scope | No. of workers paid |
|---------------|---------------------------------|-----------------------------|---------------------|
| Côte d'Ivoire | Nationwide | 44 980 | 44 816 |
| Liberia | Nationwide | 13 439 | 14 662 |
| Sierra Leone | Pilot in 8 out of 16 districts | 14 409 | 11 527 |
| South Sudan | Pilot in 9 out of 85 counties | 3 539 | 3 444 |
| Mali | Nationwide | 28 000 | 27 840 |
| Ghana | Pilot in 5 out of 228 districts | 1 100 | 1 095 |
| Congo | Pilot in 2 regions | 4 573 | 4 480 |
| Gambia | Nationwide | 1 891 | 1 831 |
| Total | | 111 931 | 109 695 |
| % Paid | | 98% | |