

**REGIONAL COMMITTEE FOR AFRICA**

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Agenda item 18.10

**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 monitor the performance of budget centres on a monthly basis against the 17 established managerial key performance indicators (KPIs)<sup>1</sup> covering the enabling functions. Monthly performance results for the 2022 financial year were reported to senior management and shared with budget centres through KPI dashboards. Quarterly reports were also produced to assist budget centres in monitoring their performance, indicate the root causes of any downward trends in performance, and provide support as required. Management established a ranking of budget centres for greater transparency and provided learning and knowledge transfer opportunities.
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 a global inventory of identified risks, risk mitigation measures, ranking of risks by severity and detailed action plans and timelines to ensure that risks are identified and closely managed.
3. Considering that COVID-19 travel restrictions disrupted the conduct of assurance activities on direct financial cooperation (DFC) and direct implementation (DI) in 2022, the quality assurance team routinely carried out upfront quality checks as a pre-emptive control measure. Annual upfront quality check reports have been produced to support budget centres in addressing recurrent issues. The global assurance hub has approved and allocated resources for the 2023 quality assurance plan, and implementation is in progress.

## PROGRESS MADE/ACTIONS TAKEN

4. In 2022, three internal audit reports were issued for the planned audit of WHO in Sierra Leone, Cameroon, and Burkina Faso (partially satisfactory with some improvements required), and an advisory report<sup>2</sup> on the Mobile Payments Implementation Project in the African Region. The audit ratings reflect continued improvements in the internal control environment in the African Region<sup>3</sup> and the proactive approach in managing emerging risks from the implementation of digital payments.
5. No external audits were conducted in the financial year 2022 in the Region. However, management diligently followed up on the implementation of the 21 outstanding external audit recommendations<sup>4</sup> carried over from 2020 and 2021. As of 31 March 2023, management had implemented all the recommendations, and they are pending review and approval in the system by the external auditors.
6. Management continues to prioritize the timely implementation of audit recommendations issued from 2017 to 2022. Seven out of 16 internal audits<sup>5</sup> were closed as of 31 March 2023. Seventy-six per cent (429 out of 567) of internal audit recommendations were successfully closed, with 24 per cent

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<sup>1</sup> Seventeen KPIs on the following streams: awards, bank reconciliation, direct financial cooperation (DFC), direct implementation (DI), encumbrances, contract management, procurement, leave management, staff development and learning (SDL), asset management, fixed asset verification, travel and security.

<sup>2</sup> The objective of the review was to assess the effectiveness of risk management and control processes over the mobile payments implemented under the project

<sup>3</sup> The audits use a four-tier rating system: 'satisfactory', 'partially satisfactory with some improvements required', 'partially satisfactory with major improvements required' and 'unsatisfactory'.

<sup>4</sup> Previous external audits for the following budget centres: AFRO General Management Cluster (2020), Ethiopia (2021) and South Sudan (2020).

<sup>5</sup> Internal audits for the following Country Offices: Cameroon, Chad, Ethiopia, Guinea, Liberia, Mozambique, and South Sudan.

(138 out of 567) outstanding. Of the outstanding recommendations, 63 out of 138 relate to new audits finalized in 2022. (See Table 1 of the Annexes).

7. In terms of managerial key performance indicators (KPIs), budget centres achieved good results in the timely completion of bank reconciliations, clearance of bank items outstanding in imprest accounts, fixed asset verification and the payment of invoices. The three best performing<sup>6</sup> WHO country offices in the various KPI categories are presented in Table 2 in the Annexes.

8. The Regional Risk Management Committee took various actions to foster a regional risk management culture and enhance accountability and compliance. Risk discussions on significant and severe risks and monitoring of the implementation of risk mitigation actions have been at the centre of the Secretariat's meeting agendas. Engagement with the Global Risk Management Committee has also complemented the alignment of risk ownership and the development of appropriate risk responses across the three levels of the Organization.

9. The number of outstanding direct financial cooperation (DFC) reports has increased, compared to previous years. As of 31 March 2022, there were 89 overdue DFC reports totalling US\$ 9.1 million, compared to 113 on 31 March 2023 totalling US\$ 5.9 million (see Table 3 of the Annexes).

10. Progress has been made in implementing the digital payment systems through mobile money/bank transfers for field campaign health workers. The Regional Office has provided technical support for implementing these measures over the past two years and the number of participating countries has increased from 14 to 18 between 31 March 2022 and 31 March 2023. Similarly, the total number of registered polio campaign workers increased from 111 931 to 1, 032, 018. (See Table 4 of the Annexes).

11. The main challenges in 2022 were overdue DFC reports and implementing first-line assurance activities. Systematic and complementary efforts by the WHO country offices and the Regional Office are being implemented to strengthen these processes.

## **NEXT STEPS**

12. Member States should:

- (a) 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;
- (b) expedite the submission of outstanding DFC reports;
- (c) continue supporting the implementation of electronic payment systems.

13. The WHO Secretariat should:

- (a) continue to effectively support country offices and implementing partners with capacity building activities and provide opportunities for knowledge transfer;
- (b) ensure that DFC implementation is closely monitored and reported in a timely manner.

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<sup>6</sup> 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.

## ANNEXES

Table 1: Implementation status of audit recommendations for the African Region (as of 31 March 2023)

Audit No.	Audit title	Number of Audit recommendations	Closed recommendations			Outstanding recommendations			Remarks
			No. of recommendations "closed" "Closed" Audit recs at 02/28/2022 (1)	Recs 'closed' during the reporting period (2)	Total no. of 'closed' recs at end of the reporting period (1) + (2)	No. of 'open' recs (A)	No. of 'in progress' recs (B)	Total no. of outstanding recs (A) + (B)	
<b>Internal Audit</b>									
17/1106	Country Office in Cameroon	34	21	13	34	0	0	0	Audit closed during the reporting period
18/1126	WHO in Ethiopia	62	57	5	62	0	0	0	Audit closed during the reporting period
18/1129	WHO in Liberia	39	36	3	39	0	0	0	Audit closed during the reporting period
18/1134	Country Office in Chad	45	36	9	45	0	0	0	Audit closed during the reporting period
19/1161	WHO in South Sudan	54	50	4	54	0	0	0	Audit closed during the reporting period
19/1164-1	Country office in the Democratic Republic of the Congo	45	29	3	32	0	13	13	Implementation in progress
19/1167	WHO in Mozambique	52	49	3	52	0	0	0	Audit closed during the reporting period
20/1186	WHO in Kenya	31	6	13	19	0	12	12	Implementation in progress
20/1178	WHO Country Office in Guinea	10	3	7	10	0	0	0	Audit closed during the reporting period
21/1201	WHO in Angola	37	9	9	18	3	16	19	Implementation in progress
21/1206	WHO in Zimbabwe	32	5	10	15	0	17	17	Implementation in progress
21/1208	General Management and Coordination Cluster at the WHO Regional Office for Africa	24	0	8	8	0	16	16	Implementation in progress

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 (1) + (2)	No. of 'open' recs (A)	No. of 'in progress' recs (B)	Total no. of outstanding recs (A) + (B)	
			"Closed" Audit recs at 02/28/2022 (1)	Recs 'closed' during the reporting period (2)					
21/1210	WHO in Nigeria	39	0	20	0	2	17	19	Implementation in progress
22/1229	WHO in Burkina Faso	28	0	21	21	0	7	7	New audit- Implementation in progress
22/1240	WHO in Cameroon	24	0	0	0	21	3	24	New audit- Implementation in progress
22/1241	WHO in Sierra Leone	11	0	0	0	10	1	11	New audit- Implementation in progress
	<b>Total Internal Audit Recommendations</b>	<b>567</b>	<b>301</b>	<b>128</b>	<b>429</b>	<b>36</b>	<b>102</b>	<b>138</b>	
<b>External Audit</b>									
	Management letter on the audit of the WHO Country Office in Ethiopia	<b>5</b>	4	1*	<b>5</b>	0	0	<b>0</b>	Implemented and awaiting review and approval by the External Auditors
	Management letter on the audit of the WHO Country Office in South Sudan	<b>16</b>	12	4*	<b>16</b>	0	0	<b>0</b>	
	Management letter on the audit of the WHO Regional Office for Africa	14	0	14*	<b>14</b>	0	0	<b>0</b>	
	<b>Total External Audit Recommendations</b>	<b>35</b>	<b>16</b>	<b>19</b>	<b>35</b>	<b>0</b>	<b>0</b>	<b>0</b>	
	<b>GRAND TOTAL (Internal and External Audits)</b>	<b>602</b>	<b>317</b>	<b>147</b>	<b>464</b>	<b>36</b>	<b>102</b>	<b>138</b>	

*\*19 recommendations were implemented, however they are still pending review by the external auditors*

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

Small country offices	Medium country offices	Large country offices
Gabon	South Africa	Burkina Faso
Benin	Guinea	Ghana
Equatorial Guinea	Libera	Kenya

**Table 3: Number of overdue DFC reports by country (as of 31 March 2023)**

#	Country	Number of Purchase Orders	Amount in US\$
1	AF/FRH - Family and Reproductive Health	1	3 976
2	AF_AGO Angola	2	387 155
3	AF_BDI Burundi	1	14 861
4	AF_COG Congo, Republic of	1	2 009
5	AF_ETH Ethiopia	1	14 980
6	AF_GHA Ghana	3	160 608
7	AF_GNB Guinea Bissau	25	938 996
8	AF_LBR Liberia	3	191 000
9	AF_LSO Lesotho	1	136 959
10	AF_MLI Mali	14	357 363
11	AF_MOZ Mozambique	1	135 121
12	AF_MRT Mauritania	3	1 013 847
13	AF_NAM Namibia	2	271 310
14	AF_NER Niger	5	576 573
15	AF_RWA Rwanda	2	99 418
16	AF_SEN Senegal	23	329 453
17	AF_SLE Sierra Leone	1	107 768
18	AF_STP Sao Tome & Principe	3	55 075
19	AF_UGA Uganda	6	128 365
20	AF_ZMB Zambia	15	1 039 290
	<b>Total</b>	<b>113</b>	<b>5 964 129</b>

**Table 4: Polio workers paid through mobile money between January to December 2022**

<b>Countries</b>	<b>Beneficiaries paid via Mobile Money</b>	<b>Scope of payments</b>
Botswana	3 274	27 Districts
Burkina Faso	-	-
Cameroon	-	-
Congo	4 573	2 Regions
Côte d'Ivoire	60 930	Nationwide
DR Congo	28 630	14 Provinces
Gambia	3 930	Nationwide
Ghana	1 100	5 Districts
Kenya	-	-
Liberia	13 449	Nationwide
Malawi	57 192	57 Districts
Mali	79 604	94 Districts
Nigeria	159 472	18 States
Sierra Leone	9 686	8 Districts
South Sudan	3 444	9 Districts
Tanzania	150 013	Nationwide
Uganda	-	-
Zambia	1 224	Nationwide
<b>Total</b>	<b>576 521</b>	