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

**Information Document**

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## BACKGROUND

1. This information document is prepared following requests made during the Fifty-seventh session of the Regional Committee (RC) for Member States to be regularly updated on progress achieved in strengthening compliance with administrative rules, regulations, policies and procedures. Accordingly, an update is provided to the Regional Committee every year.
2. This information document builds on a substantive report submitted by the WHO Regional Office for Africa to the Sixty-eighth session of the Regional Committee in August 2018. The report alluded to accomplishments and challenges of the Accountability and Internal Control Strengthening initiative (AICS) that was launched in 2015 to drive progress towards the targets of the Transformation Agenda. The AICS project has achieved remarkable progress in promoting a culture of accountability and strengthening internal controls in the African Region, particularly in country offices. This is evidenced by the improved trends of audit report ratings in the African Region for the last four years, with no unsatisfactory audit reports received since 2016.
3. The aim of this document is to inform Members States about achievements and challenges in the areas of accountability, audit and risk management since the last Regional Committee in 2018. In addition, the report reviews the status of implementation of internal and external audit recommendations and provides information on overdue Direct Financial Cooperation (DFC) reports as of 31 March 2019.

## EXTERNAL AND INTERNAL AUDITS

4. Prompt and effective implementation of audits remains a management priority. Progress in implementing audit recommendations is reported quarterly to the Regional Compliance and Risk Management Committee (CRMC). A more holistic approach has been adopted to address control gaps in a comprehensive manner and to provide effective solutions to common problems in the Region. Based on this approach, all the internal audit reports issued during the reporting period were rated as either satisfactory or partially satisfactory with some or major improvements needed, which is a general improvement in the internal control environment in the African Region compared to 2015 and prior years as depicted in Annex 1A.
5. During the reporting period (April 2018 to March 2019), six internal audit reports were issued for the following budget centres: Chad; Ethiopia; Liberia; Nigeria; Family and Reproductive Health; and General Management and Coordination Clusters at the Regional Office for Africa. Additionally, four external audits were issued for the Country Offices (WCOs) in Angola, Kenya, Madagascar and United Republic of Tanzania. A total of 306 new audit recommendations were issued during this period.
6. Six internal and one external audit reports<sup>1</sup> were fully closed between April 2018 and March 2019. As of 31 March 2019, sixty-eight per cent of the total audit recommendations were implemented to the satisfaction of the auditors and were successfully closed, with 32% still outstanding. In total, 359 recommendations were closed during the reporting period. Annex 1B shows the detailed status of audit implementation for the Region.

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<sup>1</sup> Internal audits for the following Country offices: Comoros, Ghana, Kenya, Mali, Sierra Leone and United Republic of Tanzania; and external audit of the Central African Republic.

## MANAGERIAL KEY PERFORMANCE INDICATORS (KPIs)

7. The Regional Office continues to regularly monitor the performance of budget centres against the (17) established managerial Key Performance Indicators (KPIs) covering the enabling functions: finance, procurement, human resource management (HRM), security, information technology (IT), travel and asset management. The KPI results for 2018 show improvements in the areas of finance and accounts, and in security and fixed assets; but with mixed outcomes in other areas.

8. Performance has been regularly reported to the CRMC and shared with budget centres, and through KPI dashboards, so as to build on past performance results and implement recommended actions as needed. A ranking of budget centres was established for greater transparency. The top three performing WHO Country Offices in 2018 are shown in Annex 3.

## RISK MANAGEMENT

9. All the budget centres in the Region continue to manage their risks, using a corporate risk management tool. All budget centres have local risk registers that contain risks and related risk mitigation plans. During the mid-term review of programme budget implementation at the end of 2018, the local risk registers were updated, and 171 new risks were identified, and 97 mitigation plans developed, as shown in Annex 4.

## SUPPORT TO WHO COUNTRY OFFICES

10. The Compliance Unit coordinated programme and administration reviews and compliance missions to nine (9) Member States.<sup>2</sup> In addition, seven Country Offices were provided support before, during and after internal and external audits and donor reviews.<sup>3</sup>

## DIRECT FINANCIAL COOPERATION (DFC)

11. Monitoring the timely submission of DFC reports has received increased attention in recent years. During the reporting period, a significant improvement was achieved in reducing the number of outstanding reports compared to previous years. As at 31 March 2019, only 44 DFC reports, totalling US\$ 8.5 million remain overdue compared to 369 overdue DFC reports totalling US\$ 21 million in March 2018. Annex 2 presents a summary of the number of overdue DFC reports by country and respective amounts not yet justified.

12. The Regional Framework for Accountability and Assurance Activities continues to be implemented to provide guidance on managing inherent risks in the area of DFCs. The Framework operationalizes the relevant provisions on accountability and assurance activities described in the WHO policy. The DFC assurance team continues to provide DFC, Direct Implementation (DI) and Grant Letter of Agreement (LoA) assurance services throughout the Region and has visited 14 Member States<sup>4</sup> between April 2018 and March 2019.

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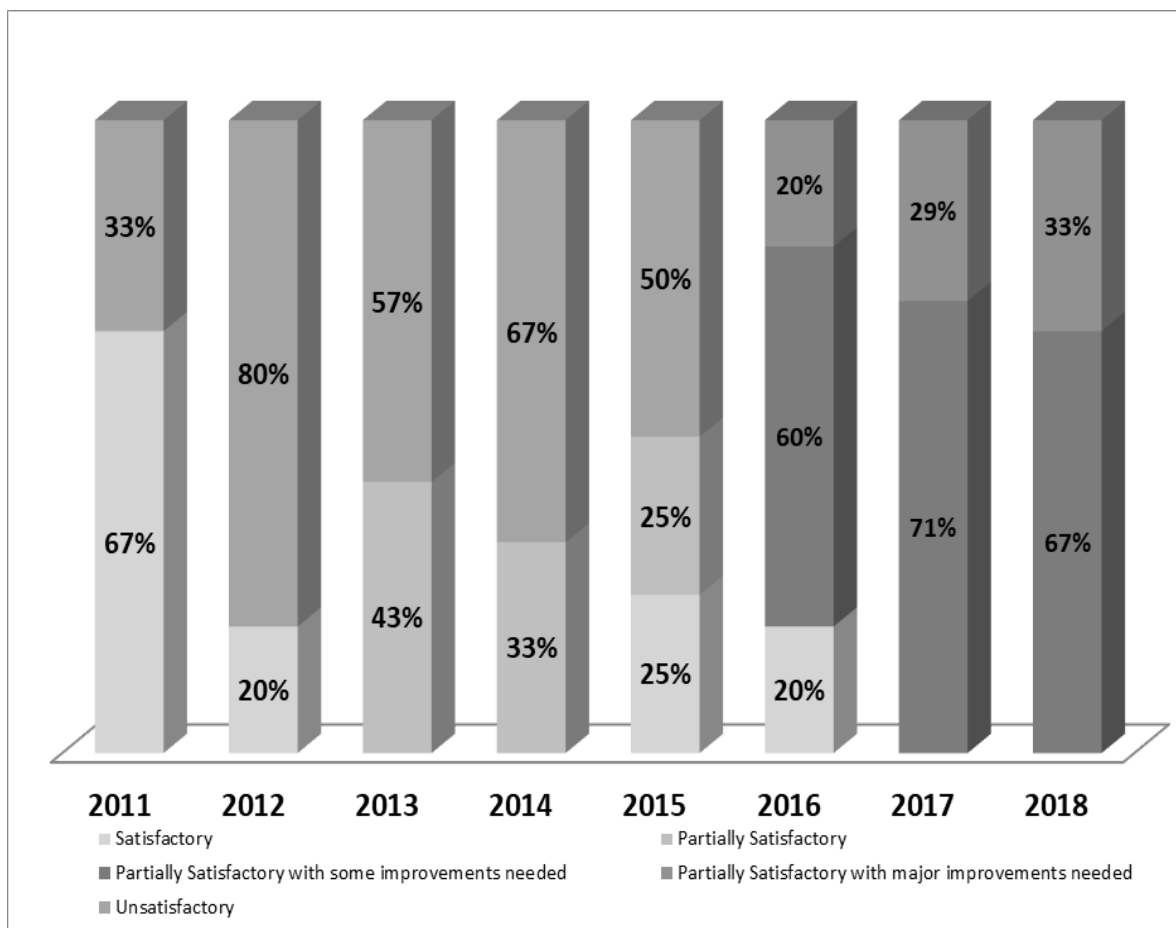
<sup>2</sup> Burundi, Central African Republic, Democratic Republic of the Congo, Mauritania, Senegal, Uganda, Togo, Zambia and Zimbabwe.

<sup>3</sup> Chad, Ethiopia, Kenya, Madagascar, Mozambique, Namibia and South Sudan.

<sup>4</sup> Benin; Central African Republic, Democratic Republic of the Congo, Ethiopia, The Gambia, Guinea, Guinea-Bissau, Kenya, Liberia, Mali, Mauritania, Sierra Leone, South Sudan and Uganda.

13. Member States are expected to collaborate with the WHO Regional 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.

14. The Regional Committee is requested to take note of this report.

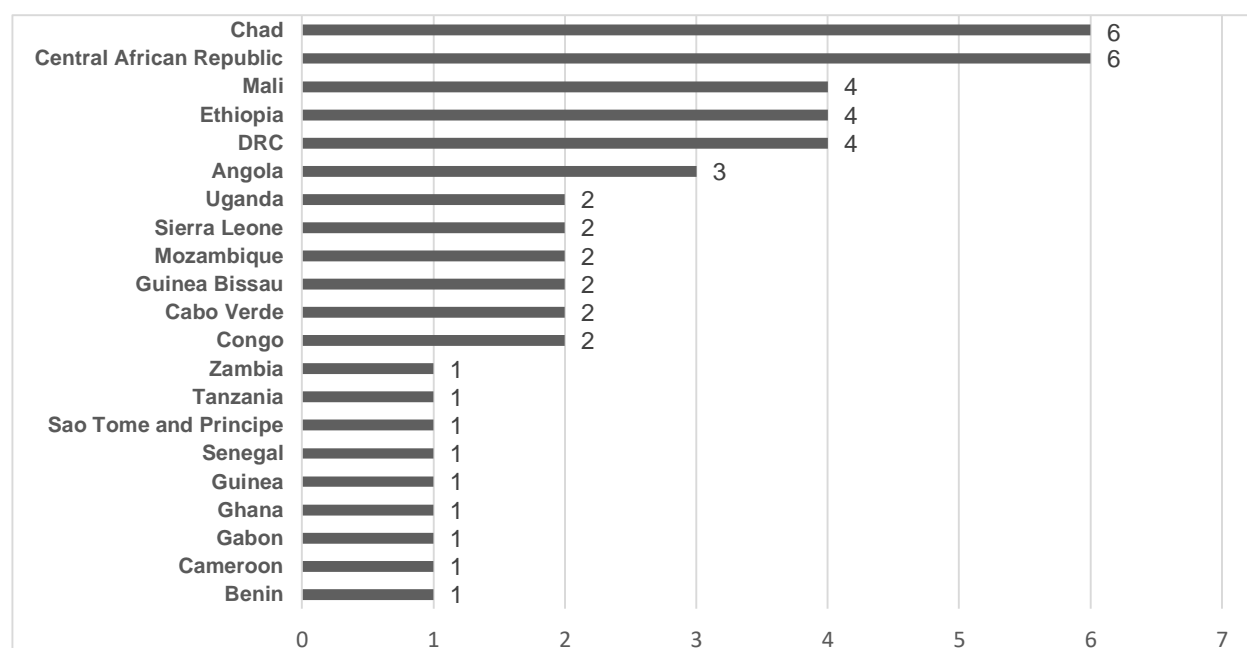
**ANNEX 1A: Summary of conclusions of internal audits issued between 2011 and 2018**

**ANNEX 1B: Implementation status of Audit Recommendations for the African Region (as at 31 March 2019)**

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 15 March 2018	16 March 2018 to 31 March 2019					
			(1)	(2)	(1) + (2)	(A)	(B)	(A) + (B)	
	Internal Audit								
15/986	WHO Country Office in Kenya	31	30	1	31	0	0	0	Audit report closed on 9 April 2018
15/1011	WHO Country Office in South Sudan	40	27	9	36	0	4	4	Implementation in progress
16/1021	Integrated audit of WHO in Tanzania	37	34	3	37	0	0	0	Audit report closed in June 2018
16/1043	Integrated Audit of the Communicable Diseases Cluster at the Regional Office for Africa	82	23	52	75	0	7	7	Implementation in progress
16/1049	WHO Country Office in Comoros	10	6	4	10	0	0	0	Audit closed January 2019
16/1059	WHO Country Office in Ghana	17	13	4	17	0	0	0	Audit closed May 2018
17/1082	WHO Country Office in Niger	36	0	20	20	2	14	16	Implementation in progress
17/1094	WHO Country Office in the Republic of Congo	27	0	13	13	0	14	14	
17/1095	WHO Country Office in Equatorial Guinea	40	0	28	28	7	5	12	
17/1096	WHO Country Office in Mali	36	10	26	36	0	0	0	Audit report closed July 2018
17/1097	AFRO Procurement of Goods and Selected Services Contracts	14	0	9	9	2	3	5	Implementation in progress
17/1106	WHO Country Office in Cameroon	34	0	19	19	0	15	15	Implementation in progress
17/1113	WHO Country Office in Sierra Leone	29	0	29	29	0	0	0	Audit closed on 20 February 2019

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 15 March 2018	16 March 2018 to 31 March 2019					
18/1126	WHO Country Office in Ethiopia	62	0	30	30	7	25	32	Implementation in progress
18/1127	WHO Country Office in Nigeria	32	0	15	15	1	16	17	
18/1129	WHO Country Office in Liberia	39	0	24	24	0	15	15	
18/1134	WHO Country Office in Chad	45	0	16	16	0	29	29	
18/1137	Integrated Audit of the Family and Reproductive Health Cluster at the Regional Office for Africa	28	0	11	11	12	5	17	
18/1155	Audit of the Regional Office for Africa	28	0	0	0	28	0	28	New audit issued March 2019
	<i><b>Total Internal Audit Recommendations</b></i>	<i><b>667</b></i>	<i><b>143</b></i>	<i><b>313</b></i>	<i><b>456</b></i>	<i><b>59</b></i>	<i><b>152</b></i>	<i><b>211</b></i>	
	<b>External Audit</b>								
<b>EA-17-AF-20</b>	<b>WHO Country Office in Central African Republic</b>	<b>15</b>	<b>12</b>	<b>3</b>	<b>15</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>Audit report closed on 3 October 2018</b>
EA-18-AF-33	Audit of the WHO Country Office in Angola	25	0	23	23	2	0	2	Implementation in progress
EA-18-AF-34	WHO Country Office in Kenya	12	0	10	10	2	0	2	Implementation in progress
EA-18-AF-38	WHO Country Office in Madagascar	22	0	0	0	14	8	22	New report issued in December 2018
EA-18-AF-40	Audit of the WHO Country Office in Tanzania	13	0	10	10	3	0	3	New report issued December 2018
	<i><b>Total External Audit Recommendations</b></i>	<i><b>87</b></i>	<i><b>12</b></i>	<i><b>46</b></i>	<i><b>58</b></i>	<i><b>21</b></i>	<i><b>8</b></i>	<i><b>29</b></i>	
	<b>GRAND TOTAL</b>	<b>754</b>	<b>155</b>	<b>359</b>	<b>514</b>	<b>80</b>	<b>160</b>	<b>240</b>	

**ANNEX 2A: Number of overdue Direct Financial Cooperation (DFC) reports by country  
(as at 31 March 2019)**



**ANNEX 2B: List of overdue DFC reports (15 March 2018 vs 31 March 2019)**

Country	No. of Overdue DFC Reports as at 15 March 2018	No. of Overdue DFC Reports as at 31 March 2019	Change in No. of DFCs overdue	Overdue DFC Amount in US\$ as at 15 March 2018	Overdue DFC Amounts in USD as at 31 March 2019	Change in Overdue DFC Amount US\$
Angola	8	3	(5)	380 189	96 407	(283 782)
Benin	4	1	(3)	49 000	7087	(41 913)
Botswana	0	0	No DFCs	-	-	No DFCs
Burkina Faso	9	0	No DFCs	126 459	-	No DFCs
Burundi	3	0	No DFCs	819 044	-	No DFCs
Cabo Verde	0	2	2	-	34 494	34 494
Cameroon	26	1	(25)	2 785 745	35 635	(2 750 110)
Central African Republic	13	6	(7)	155 321	131 621	(23 700)
Chad	8	6	(2)	306 649	1 005 121	698 472
Comoros	14	0	No DFCs	59 851	-	No DFCs
Congo, Republic	20	2	(18)	610 380	75 884	(534 496)
Côte d'Ivoire	1	0	No DFCs	2983	-	No DFCs
Democratic Republic of the Congo	4	3	(1)	156 722	906 646	749 924
Equatorial Guinea	7	0	No DFCs	283 037	-	No DFCs
Eritrea	0	0	No DFCs	-	-	No DFCs
Eswatini	0	0	No DFCs	-	-	No DFCs
Ethiopia	20	3	(17)	4 573 875	5 676 198	1 102 323
Gabon	13	1	(12)	115 734	138 674	22 940
Ghana	2	1	(1)	55 036	94 061	39 025
Guinea	0	0	No DFCs	-	-	No DFCs
Guinea-Bissau	38	2	(36)	640 651	8829	(631 822)
Kenya	6	0	No DFCs	1 660 215	-	No DFCs

Country	No. of Overdue DFC Reports as at 15 March 2018	No. of Overdue DFC Reports as at 31 March 2019	Change in No. of DFCs overdue	Overdue DFC Amount in US\$ as at 15 March 2018	Overdue DFC Amounts in USD as at 31 March 2019	Change in Overdue DFC Amount US\$
Lesotho	0	0	No DFCs	-	-	No DFCs
Liberia	1	0	No DFCs	404 915	-	No DFCs
Madagascar	42	0	No DFCs	832 539	-	No DFCs
Malawi	2	0	No DFCs	51 814	-	No DFCs
Mali	11	4	(7)	454 211	98 581	(355 630)
Mauritania	22	0	No DFCs	213 489	-	No DFCs
Mauritius	1	0	No DFCs	11 419	-	No DFCs
Mozambique	15	2	(13)	541 369	14 664	(526 705)
Namibia	0	0	No DFCs	-	-	No DFCs
Niger	3	0	No DFCs	53 177	-	No DFCs
Rwanda	21	0	No DFCs	381 010	-	No DFCs
Sao Tome and Principe	0	1	1	-	5000	5000
Senegal	5	1	(4)	34 586	6296	(28 290)
Seychelles	0	0	No DFCs	-	-	No DFCs
Sierra Leone	11	2	(9)	345 979	128 812	(217 167)
South Africa	0	0	No DFCs	-	-	No DFCs
South Sudan	1	0	No DFCs	469 613	-	No DFCs
Tanzania	1	1	-	52 152	25 493	(26 659)
The Gambia	0	0	No DFCs	-	-	No DFCs
Togo	9	0	No DFCs	1 295 610	-	No DFCs
Uganda	27	2	(25)	3 108 426	34 621	(3 073 805)
Zambia	1	0	No DFCs	6612	-	No DFCs
Zimbabwe	0	0	No DFCs	-	-	No DFCs
<b>TOTAL</b>	<b>369</b>	<b>44</b>	<b>(182)</b>	<b>21 037 812</b>	<b>8 524 123</b>	<b>(5 841 902)</b>

**ANNEX 3: Best performing country offices by size and emergency**

<b>SMALL COUNTRY OFFICES</b>	<b>MEDIUM COUNTRY OFFICES</b>	<b>LARGE COUNTRY OFFICES</b>	<b>EMERGENCY COUNTRY OFFICES</b>
1. Eswatini	1. Namibia	1. Ghana	1. Sao Tome and Principe
2. Mauritius	2. Lesotho and Senegal	2. Côte d'Ivoire	2. Cameroon
3. Seychelles	3. Benin	3. Tanzania	3. Niger

**ANNEX 4: Breakdown of risks reported by Country Offices and  
Regional Office Clusters**

<b>RISK AREA</b>	<b>REGIONAL OFFICE</b>	<b>COUNTRY OFFICES</b>	<b>TOTAL RISKS IDENTIFIED - MID TERM REPORT</b>	<b>NO. OF PROPOSED MITIGATION / RESPONSE ACTIONS</b>
Financial	10	25	35	20
Political/governance	7	51	58	28
Reputational	0	2	2	2
Staff, systems and structures	16	23	39	25
Strategic	6	5	11	7
Technical/public health	8	18	26	15
<b>Total number of issues/risk identified during MTR</b>	<b>47</b>	<b>124</b>	<b>171</b>	<b>97</b>