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## **Report on accountability and compliance of the WHO Regional Office for Europe**

This report presents information on the WHO Regional Office for Europe's commitment to improving accountability and transparency through enhanced compliance, risk management, adherence to ethical principles and internal control frameworks.

## Background

1. The WHO Regional Office for Europe is committed to continuously improving accountability and transparency by enhancing compliance, risk management and adherence to ethical principles across its offices. Internal controls in the Regional Office consist of three lines of defence:

- operational management;
- provision of advice on control issues; and
- audit and evaluation functions.

2. The compliance functions of the Regional Office are an essential part of the second line of defence.

3. WHO defines accountability as the obligation of every member of the Organization to be answerable for his or her actions and decisions and to accept responsibility for the actions taken and the decisions made. Staff members in general and managers in particular play significant roles in the achievement of expected results and the stewardship of human and financial resources, which must be carried out in an ethical and transparent manner.

4. Effective enterprise risk management provides reasonable assurances for the achievement of expected results. This is made possible by assigning accountability in areas of control, by using applications of risk assessment in planning, monitoring and implementation of the programme budget, and by capturing risks through the corporate risk register.

## Compliance and assurance

5. Reorganization of the compliance function in the Division of Administration and Finance was completed in October 2017. More attention is now given to benchmarking key compliance indicators and developing guidelines for an ongoing schedule of programmatic and administrative reviews of the budget centres in order to better identify vulnerabilities and build on strengths. Visits to country offices are regularly conducted to review managerial and administrative processes, and actions are recommended to strengthen functional areas.

6. An Internal Control Self-assessment was completed for all budget centres of the European Region for 2017. A review of the aggregated data shows that the awareness of internal controls is strong. On a scale from 1 to 4, the average assessment control score<sup>1</sup> was 3.63, only slightly below that of the previous year. The scores indicate that managers consider that the most important internal controls are firmly in place. Improvements since 2016 were found in the risk management and travel areas, although risk management was the only operational area that scored adequate, rather than strong, indicating the need for further improvement. In all other operational areas, the budget centres lowered their self-assessment compared to 2016, which shows a more critical analysis on the part of budget centre managers.

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<sup>1</sup> The assessment control score is used to assess and monitor the overall status of internal controls across a budget centre, such as a country office or a division.

7. Functional areas – including programme management, human resource management, budget and resource management, finance, procurement, asset management, travel, infrastructure and technology – are continuously strengthened and further elaborated through assurance and compliance measures, which include the following:

- detailed analysis for areas within finance, human resource management, programme management and procurement – dashboards are regularly discussed in executive and programme management meetings and are available to staff in the Regional Office and in country offices;
- in-depth analysis of financial and procurement operations for all country offices;
- compliance checks for non-staff contracts;
- extensive reports submitted to the Standing Committee of the Regional Committee for Europe; and
- regular inductions and training courses on tools, applications, standard procedures and updates on rules and regulations offered to new and existing staff.

8. All relevant staff completed declarations of interest for 2018, and the criteria for inclusion were expanded to cover all staff involved in procurement.

## **Risk management**

9. All budget centres have updated the risk register for 2017 and 2018. The top principal risks identified by budget centres include: insufficient budget allocation; lack of sustainable financing; commitments and capacities at the country level; evidence-based technical advice; and staff performance.

10. The exercise is part of the corporate risk management cycle to ensure that risks are identified, updated and adequately mitigated. It is also a critical part of planning and monitoring exercises. The information provided contributes to the bottom-up planning process and is supplemented by a top-down assessment of risks, which are subject to regular review by the Global Policy Group.<sup>2</sup>

11. In 2018 the Regional Office has embarked on a project to develop and/or update business continuity plans for all offices. This work is conducted jointly with the WHO Health Emergencies Programme as part of its contingency planning work. The templates were developed in close collaboration with the WHO Country Office in Kyrgyzstan and will be expanded to cover all budget centres in the European Region.

## **Internal accountability and audits**

12. In the past five years several internal and external audits have been performed in the European Region. The results show an overall effectiveness of risk management and internal control processes. Key systematic issues were identified in the areas of procurement, fixed assets, compliance and donor agreements. Corrective actions are being taken. The audits also identified several good practices, which have been documented and shared with other offices.

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<sup>2</sup> See: <http://www.who.int/about/finances-accountability/accountability/en/>.

13. Two internal audits were performed in the European Region in 2017: an integrated audit of the WHO Country Office in Turkey and an operational audit of the Division of Administration and Finance in the Regional Office in Copenhagen, Denmark. The results were, respectively, Partially Satisfactory and Satisfactory.

14. Two audits have been scheduled for 2018, in July and October respectively: a desk review of the WHO Country Office in Ukraine and an operational audit of the Division of Health Emergencies and Communicable Diseases in the Regional Office. The formal reports of these audits will be available later in 2018.

## **The way forward**

15. The WHO risk management training programme to ensure a common understanding of methodology and ownership is delivered to all relevant staff, particularly those in country offices. Further development of business intelligence for compliance and assurance will enhance staff capacity to monitor progress and manage resources to achieve results.

16. Risk management is an integral part of programme budget planning and monitoring. These two processes will be further synergized to increase the sense of ownership and to support the generation of systematic mitigation plans and organization-wide best practices.

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