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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 ensuring accountability,¹ transparency and adherence to ethical principles across its offices in order to fulfil its mission. 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. 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.

3. The Delegation of Authority from the Director-General of WHO to the Regional Director for Europe and the Letter of Representation from the Regional Director for Europe to the Director-General of WHO, both publicly available on the WHO website, provide assurances on the functioning of internal controls within the management responsibilities of the Regional Director.

Compliance and assurance

4. The annual Internal Control Self-assessment for 2018 was conducted by all budget centres of the WHO European Region. The average score was strong at 3.64 out of 4.00, compared with 3.63 for the previous year. Risk management and graded emergencies were the only operational areas scored adequate. Risk management showed a decline in the score from the previous year, which is evidence of improved maturity in the understanding of the area and a better understanding of the improvements required.

5. Functional areas continue to be strengthened or further elaborated through assurance and compliance measures, which include:

- in-depth analysis of financial and procurement operations for all country offices;
- compliance checks for non-staff contracts;
- detailed analysis for areas within finance, human resources, programme implementation and procurement – regularly discussed in executive and programme management meetings and distributed to staff in the Regional Office and in country offices;
- regular reporting to the Standing Committee of the Regional Committee for Europe;

¹ 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 are expected to be carried out in an ethical and transparent manner.

- regular inductions and training courses on tools, applications, standard procedures and updates on rules and regulations offered to new and existing staff;
- regular administrative and compliance reviews of country offices.

6. During 2018, several visits to country offices were conducted to review managerial and administrative processes, including pre- and post-audit reviews, and action was recommended to strengthen relevant areas.

7. Declarations of interest for 2019 were filed by all relevant staff, including those at P5 level and above, as well as general service and professional staff involved in procurement and other sensitive functions. The criteria for the procurement function were expanded to include all staff with the roles of procurement requestor or workplan approver in the system.

Risk management

8. All budget centres have updated their respective risk registers for 2018–2019. The top significant risks identified include:

- lack of sustainable funding for programmes;
- insufficient budget allocation;
- lack of evidence-based technical advice or guidelines, and shortcomings in research processes.

9. The executive management committee, chaired by the Regional Director, also acts as the regional compliance and risk management committee. Upon completion of the risk register for the next biennium, a proposal will be shared with senior management for the establishment of a regular agenda for the committee for the future.

10. In the course of operational planning for the 2020–2021 biennium, risks were identified which will guide completion of the risk register for 2020.

11. In 2019, a tool to streamline business continuity planning for all offices was developed; it will be rolled out by the end of the biennium.

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.

13. During 2018, two internal audits and one external audit were conducted. Internal audits included an operational audit of the WHO Country Office in Ukraine (audit no. 18/1136) and an integrated audit of the Division of Health Emergencies and Communicable Diseases at the Regional Office for Europe (audit no. 18/1148). The results were, respectively, Satisfactory and Partially Satisfactory.

14. The external auditors visited the Regional Office and the WHO Country Office in Kazakhstan; the overall outcome was Satisfactory. The auditors concluded that the financial statements had been presented fairly in all material respects. The internal controls were found to be effective in both the Regional Office and the Country Office. Recommendations were made for improvements in the management of workplans and awards, donor reporting, performance appraisals and fixed assets.

The way forward

15. The compliance function will prioritize the benchmarking of key compliance indicators and integrate these with existing management dashboards. Further training for all relevant staff and development of business intelligence for compliance and assurance will enhance staff capacity to monitor progress and manage resources for achieving results. Further work will continue to strengthen systemic embedding of risk management within planning, implementation, monitoring and reporting processes.

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