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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 improve accountability and transparency through enhanced compliance, risk management, adherence to ethical principles and internal control frameworks.

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Background

1. The WHO Regional Office for Europe is committed to 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 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.
5. The annual Delegation of Authority¹ from the Director-General of WHO to the Regional Director for Europe and the Letter of Representation² from the Regional Director of Europe to the Director-General of WHO, publicly available on the WHO website, provide assurances on the functioning of internal controls within management responsibilities of the Regional Director.

Compliance and assurance

6. An Internal Control Self-assessment was completed for all budget centres of the European Region for 2016. 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 score³ was 3.65 and the average functional control score⁴ was 3.71. The 2016 scores are relatively close to the 2015 data, indicating that managers consider that the most important internal controls are firmly in place.

¹ http://www.who.int/dg/regional_directors/jakab/en/.

² http://www.who.int/dg/regional_directors/jakab/en/.

³ 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.

⁴ The functional control score is used to assess and monitor the status of internal controls within a budget centre across key functional areas, such as: planning and budgeting; human resources; security; procurement; travel; asset management; accounting; and financial management.

7. 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 –dashboards are regularly discussed in executive and programme management meetings and are available to staff in the Regional Office and in the country offices;
- extensive reports are submitted to the Standing Committee of the Regional Committee for Europe; and
- regular inductions and trainings on tools, applications, standard procedures and updates on rules and regulations are offered to new and existing staff.

8. Several visits to country offices are conducted to review managerial and administrative processes and actions are recommended to strengthen functional areas. Declarations of interest for 2017 were filed by all relevant staff. Key performance indicators with compliance targets have been regularly monitored.

Risk management

9. All budget centres have updated the risk register for 2016–2017. The top critical risks identified include:

- misalignment of resources;
- lack of sustainable financing;
- political instability; and
- commitments and capacities at the country level.

10. The exercise is part of the corporate risk management cycle to ensure that risks are identified, updated and adequately mitigated. 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.⁵

Internal accountability and audits

11. 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,

⁵. <http://www.who.int/about/finances-accountability/accountability/en/>.

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.

12. 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 formal audit reports will be available shortly.

The way forward

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

14. Risk management must be an integral part of programme budget planning and monitoring. For the risk register to yield added value, these two processes should 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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