

# **Report of the External Auditor**

## **Report by the Director-General**

The Director-General has the honour to transmit to the Seventy-second World Health Assembly the report of the External Auditor on the financial operations of the World Health Organization for the financial year ended 31 December 2018 (see Annex).



ANNEX

**Republic of the Philippines  
COMMISSION ON AUDIT  
Quezon City**



**Report of the External Auditor  
to the Seventy-second World Health Assembly  
on the Financial Operations of the  
World Health Organization**

**For the Financial Year Ended  
31 December 2018**

## Contents

EXECUTIVE SUMMARY .....	8
A. MANDATE, SCOPE, OBJECTIVES AND METHODOLOGY .....	15
B. RESULTS OF AUDIT .....	17
1. GOOD PRACTICES IMPLEMENTED BY WHO MANAGEMENT .....	17
1.1 WHO Transformation Plan .....	17
1.2 Establishment of Financial Management Council .....	17
1.3 Significant Reduction in Delay of Direct Financial Cooperation Reports .....	18
1.4 Initiatives in improving travel management .....	18
1.5 Measures to strengthen reporting of fixed assets .....	18
2. FINANCIAL MATTERS .....	19
2.1 Audit of Financial Statements .....	19
2.2 Prepayments .....	20
2.2.1 Error in Recording Payments .....	20
2.2.2 Delay of Deliverables on Service Contracts .....	20
2.3 Receivables – Voluntary Contributions .....	21
2.4 Travel Expense .....	21
2.5 Global Service Centre .....	22
2.5.1 Improvement Opportunities for GSC Processes .....	22
2.5.2 Compliance and Reporting Functions Across GSC Services .....	23
3. GOVERNANCE MATTERS .....	24
3.1 WHO Resource Mobilization .....	24
3.1.1 High-Level Resource Mobilization Strategy Framework and Organizational Structure ...	25
3.1.2 Implementation Plan for the Redesigned Process Of Resource Mobilization Functions ...	26
3.1.3 Change Management Strategy in Resource Management .....	27
3.1.4 Resource Mobilization for Polio .....	27
3.2 WHO Health Emergencies Programme (WHE) .....	28
3.2.1 Formulation of Clear Policies, Processes and Guidelines For the WHE .....	28
3.2.2 Institutionalization of an Effective Fleet Management .....	29
3.2.3 Enhancement of Policies on Emergency Procurement .....	32
3.2.4 Emergency Travel Requests Not Within the Context Of Emergency .....	34
3.2.5 Late Approvals of TRs Flagged Under Emergency Travel .....	35
3.2.6 Need for WHO eManual Provisions and for an Updated SOP on Emergency Travel Under WHE .....	35
3.2.7 Enhancement of WHE Policies on Human Resource Management – Selection and Recruitment .....	36
3.2.8 Financing the Contingency Fund for Emergencies (CFE) .....	38

3.3	WHO Framework Convention on Tobacco Control .....	40
3.3.1	Corporate governance and hosting agreement.....	40
3.3.2	Convention implementation reporting .....	41
3.3.3	Workplan and Budget.....	42
3.4	Review of Management Controls.....	42
3.4.1	Project/Programme Management.....	43
3.4.2	Award Management .....	43
3.4.3	Direct Implementation .....	43
3.4.4	Direct Financial Cooperation.....	44
3.4.5	Procurement Management.....	44
3.4.6	Travel Management.....	44
3.4.7	Human Resource Management .....	45
3.4.8	Asset Management .....	45
3.4.9	Cash Management – Imprest System.....	45
3.4.10	Internal Control Self-Assessment.....	45
3.5	Risk Management .....	46
C.	DISCLOSURES BY MANAGEMENT .....	48
D.	IMPLEMENTATION OF EXTERNAL AUDIT RECOMMENDATIONS.....	49
E.	ACKNOWLEDGEMENT .....	49
Appendix	Status of Implementation of Prior Years’ External Audit Recommendations.....	50

## LIST OF ABBREVIATIONS

ACT	Accounts
ADG	Assistant Director-General
AMG	Asset Management Group
AMRO	Regional Office for the Americas
APW	Agreements for Performance of Work
AR	Adjudication Report
BC	Budget Centre
CFE	Contingency Fund for Emergencies
COP	Conference of the Parties to the WHO Framework Convention on Tobacco Control
CRC	Contract Review Committee
CRE	Office of Compliance, Risk Management and Ethics
CRM	Coordinated Resource Mobilization
DAF	Director of Administration and Finance
DDG	Deputy Director-General
DG	Director-General
DFC	Direct Financial Cooperation
DI	Direct Implementation
DoA	Delegation of Authority
DRC	Democratic Republic of the Congo
EMRO	Regional Office for the Eastern Mediterranean
ERF	Emergency Response Framework
EURO	Regional Office for Europe
ePMDS	Electronic Performance Management and Development System
FCTC	Framework Convention of Tobacco Control
FMC	Financial Management Council
FNM	Department of Finance
GHR	Global Human Resource, Global Service Centre
GM	Grant Management
GMG	General Management Cluster
GOC	Global Oversight Committee
GPEI	Global Polio Eradication Initiative
GPR	Global Progress Report
GPW	General Programme of Work
GSC	Global Service Centre
GSM	Global Management System
HQ	Headquarters
HR	Human Resource
HRD	Human Resource Department
HSR	WHO Alliance for Health Policy and Systems Research
IARC	International Agency for Research in Cancer
ICC	United Nations International Computing Centre
ICF	Internal Control Framework
IHR	International Health Regulations
IMT	Department of Information Management and Technology
IMS	Incident Management System
IOS	Office of Internal Oversight Services
IPSAS	International Public Sector Accounting Standards
ISA	International Standards on Auditing
KPI	Key Performance Indicator

LEG	Office of the Legal Counsel
LOA	Letters of Agreement
MDA	Mass Drug Administration
MGA	Management and Administration department
OCR	Outbreak and Crisis Response
ODG/DGO	Office of the Director General
OSL	Operations Support and Logistics
PAHO	Pan American Health Organization
PSC	Property Survey Committee
PMNCH	Partnership for Material, Newborn and Child Health
PO	Purchase Order
POL	Polio Eradication Department
PR	Purchase Requisition
PRP	Planning, Resource Coordination and Performance Monitoring Department
RBM	Results Based Management
RM	Resource Mobilization
RMS	Resource Mobilization Strategy
RMT	Risk Management Tool
RPE	Request for Price Estimates
SCM	Supply Chain Management
SDGs	Sustainable Development Goals
SEARO	Regional Office for South-East Asia
SHI	Staff Health Insurance
SOP	Standard Operating Procedure
SR	Selection Report
SQL	Structured Query Language
TDR	UNICEF/UNDP/World Bank/WHO Special Programme for Research and Training in Tropical Diseases
TMS	Transport Management System
TR	Travel Request
TOR	Terms of Reference
TQS	Travel Quality Specialist
UN	United Nations
UNAIDS	Joint United Nations Programme on HIV/AIDS
USD	United States dollar
VN	Vacancy Notice
WCO	WHO Country Office
WFS	WHO Fleet Services
WHA	World Health Assembly
WHE	WHO Health Emergencies Programme
WHO	World Health Organization
WPRO	Regional Office for the Western Pacific

## EXECUTIVE SUMMARY

### Introduction

1. The report of the External Auditor on the audit of the financial statements and operations of the **World Health Organization (WHO)** is issued pursuant to Regulation XIV of the Financial Regulations of WHO and is transmitted through the Executive Board to the Seventy-second World Health Assembly (WHA).
2. This is the third report to the World Health Assembly by the Chairperson of the Commission on Audit of the Republic of the Philippines, under a new mandate as the External Auditor of the WHO for the four-year period from 2016 to 2019, granted by the Sixty-eighth World Health Assembly under resolution WHA68.14.
3. The objective of the audit is to provide independent assurance to Member States, increase transparency and accountability, as well as operational efficiency and effectiveness in the Organization, and support the objectives of the Organization's work through the external audit process. We have detailed in this Report the financial and governance matters that we believe should be brought to the attention of the World Health Assembly.

### Overall result of the audit

4. In line with our mandate, we audited the financial statements of WHO in accordance with the Financial Regulations and in conformity with the International Standards on Auditing (ISA) issued by the International Auditing and Assurance Standards Board.
5. We concluded that the financial statements present fairly, in all material respects, the financial position of WHO for the financial year ended 31 December 2018, and its financial performance, the changes in net assets/equity, the cash flows, and the comparison of budget and actual amounts in accordance with the International Public Sector Accounting Standards (IPSAS). Based on our conclusion, we issued an unmodified audit opinion on the Organization's financial statements for the financial year ended 31 December 2018.
6. We also concluded that the accounting policies were applied on a basis consistent with that of the preceding year, and the transactions of WHO that have come to our notice during the audit or that have been tested as part of the audit of the financial statements were, in all significant respects, compliant with the Financial Regulations and legislative authority of WHO.

预览已结束，完整报告链接和二维码如下：

[https://www.yunbaogao.cn/report/index/report?reportId=5\\_25252](https://www.yunbaogao.cn/report/index/report?reportId=5_25252)

