Plan of work of the Internal Auditor

INTRODUCTION

1. The plan of work of the Office of Internal Audit and Oversight for the year 2003 is set out below for the information of the Audit Committee of the Executive Board.

2. The Office performs an independent, objective, assurance and advisory activity designed to add value to and to improve, the Organization’s operations. Using a systematic and disciplined approach, it helps the Organization to accomplish its objectives by evaluating and improving the effectiveness of risk management, control, and governance processes.

3. The scope of work of the Office is to evaluate whether the network of risk management, control, and governance processes, as designed and implemented by the Organization’s management, is adequate and functioning in a manner to ensure that (a) risks are identified and managed; (b) financial, managerial, and operating information is accurate, reliable, and timely; (c) staff actions comply with policies, standards, procedures, and applicable laws and regulations; (d) resources are acquired economically, used efficiently, and adequately protected; (e) programmes, plans, and objectives are achieved; and (f) the Organization’s control process fosters quality and continuous improvement.

4. The Office conducts its work in accordance with the Code of Ethics and the Standards for the Professional Practice of Internal Auditing promulgated by the Institute of Internal Auditors. This guidance was adopted in June 2002 for use in organizations of the United Nations system by the 33rd Meeting of Representatives of Internal Audit Services of the United Nations Organizations and Multilateral Financial Institutions.

5. In the course of its work, the Office routinely provides suggestions for savings and improvements in operations which will add value to the Organization. The Office views its role as aiding the process of instilling accountability in the use of WHO’s resources, not only through compliance, but also in terms of achieving results.

GENERAL AUDIT PLAN

6. Organizationally, the audit universe comprises discrete units and includes the programmes, services and functions at WHO headquarters; the regional offices; offices of WHO Representatives and liaison offices; the secretariats of UNAIDS, the International Computing Centre and the Global Fund to Fight AIDS, Tuberculosis and Malaria; the Onchocerciasis Control Programme and the
African Programme on Onchocerciasis Control; and IARC. Additionally, the Office also includes Organization-wide functions as a part of the audit universe.

7. Using the structure of the audit universe as a guide, a risk assessment is conducted annually to ensure that the priorities of the Office are consistent with the Organization’s risks and goals. At the same time, the risk-profile for fraud is updated. The results of these assessments, which also include the input of senior management, are then used to develop a specific allocation of available resources. The allocation exercise must also be responsive to the requirements of the new professional standards.

8. The plan of work for 2003 assumes full staffing during the year. The staffing complement includes six professional auditor posts and sufficient funds have been allocated for travel and other costs. The results of the risk assessment determine the priorities of the Office. However, this work can only be absorbed to the extent of the staffing available, thus some priorities may have to be deferred. Additionally, high-risk, irregular situations which develop periodically may also, by necessity, divert staffing resources away from identified priorities.

9. The annual risk assessment has historically indicated that the Office’s work should be split on a percentage basis between headquarters (35%), regional offices (30%), country offices (20%) and all others (15%). A degree of flexibility is also necessary and regularly scheduled work may be interrupted or deferred in response to developing situations. The following summary plan is presented under the major functional or organizational headings of the audit universe.

10. **Headquarters programmes, services and functions.** Increasing emphasis will be placed on the managerial review of technical programmes based on identified risk, and on request of senior management. In general, work focuses on the achievement of objectives through a process of accountability, efficiency and reporting. Further, under this category, work will also be carried out on financial and administrative functions, which is more narrowly focused and attempts to evaluate compliance with established controls over specific accounts, processes or functions. Any activity planned will be closely coordinated with the External Auditor to ensure that there is no avoidable duplication of effort. The management support units are also included under this heading, although there is less need of attention because of the decreasing risk associated with this function. Lastly, audit risk relating to new or modified information systems will be addressed, in addition to the work planned on existing systems.

11. **Regional offices.** In general, the scope of regional office audits is determined by the level of risk existing in the planning, implementation, processing and accounting functions, and the offices’ role as the accountability centres for country offices. The work will seek to provide assurance that risks in achieving the stated objectives have been recognized and mitigated. Further, the operations of each regional office will be reviewed in the context of evaluating the internal control structure for its programme of work. Because of differences in operations and specific risks, audits of the regional offices are not only high priority but are also tailored to suit local circumstances.

12. **Offices of WHO Representatives.** The Office continues to review country offices in the context of their significance in the collaboration between the Organization and Member States. Work is adjusted for differences in risk between the various types of offices and operations. The scope of the audits will focus on assessing whether objectives set out in the plan of action have been achieved. Work in this area entails a review of all aspects of the offices’ activities and is categorized by issues related to programme delivery, managerial process, and administration and finance. Work is also expected to centre on several areas where large amounts of cash relating to programme delivery have passed through specific offices.
13. **UNAIDS, IARC, the Global Fund to Fight AIDS, Tuberculosis and Malaria, Onchocerciasis Control Programme and the African Programme on Onchocerciasis Control, the International Computing Centre.** All of the respective secretariats are obliged to operate administratively within WHO’s control structure and are audited by the Office on a reimbursable basis. Audit work will be coordinated with, and the results reported to, the respective Executive Directors.

14. **Investigation and Oversight.** Resources are reserved for investigation of irregular activity which is largely addressed on an ad hoc basis as specific situations develop. Pro-active investigative work may be conducted where assessment discloses high-risk situations. If necessary, regularly scheduled audit work is interrupted or deferred to provide necessary human resources for response to investigative needs.

**FOLLOW-UP AND IMPLEMENTATION**

15. The Office monitors responses received from the auditees on implementation of all its audit recommendations until final disposition; this in turn forms a part of audit planning. During 2002, most of the audit recommendations issued have been, or are being, implemented. However, an increasing delay in the response to some audit recommendations has been noted. In six areas, all of them complex, responses are still awaited more than a year after the audit. A further report on this matter will be submitted to the Fifty-sixth World Health Assembly.

**EXTERNAL AUDITOR**

16. The Office maintains contact with the Organization’s External Auditor. Periodic meetings are planned to coordinate audit work and to avoid duplication of effort.

**MATTERS FOR THE ATTENTION OF THE AUDIT COMMITTEE**

17. The committee is invited to take note of the plan of work.