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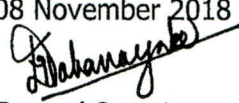
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Copy to : Secretary/Ministry of Health, Nutrition & Indigenous Medicine } 00/647  
(Attn. Director/International Health)

From : PRUN Geneva

Date : 08 November 2018

Signature :   
Second Secretary  
for PRUN

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**Appointment of External Auditor of the World Health Organization for Financial Years 2020-2023**

- 1 Please find annexed herewith a self-explanatory communication received from the Secretariat of the WHO, inviting Member States to nominate candidates for the post of External Auditor of the WHO for the term 2020-2023, to be considered by the 72<sup>nd</sup> World Health Assembly in 2019.
- 2 The term of office of the External Auditor is four years (two budgetary periods), and could be renewed for an additional term of four years.
- 3 Please note that nominations of suitable candidates for the above post should be submitted to the Secretariat by **14 December 2018** at the latest in accordance with paras (a), (b), (c) and (d) of the communication via e-mail to [Comptroller@who.int](mailto:Comptroller@who.int) in both pdf and Word formats.
- 4 Forwarded for your information and action as appropriate please.(ends)



Ref.: C.L.37.2018



### Appointment of External Auditor of the World Health Organization for financial years 2020 to 2023

The World Health Organization (WHO) presents its compliments to Member States and has the honour to invite Member States to nominate a candidate fulfilling the conditions of Regulation 14.1 of WHO's Financial Regulations, whom they may wish the World Health Assembly to consider for appointment as the External Auditor of WHO for the four-year period from 2020 to 2023.

Member States may recall that, in May 2015 the Sixty-eighth World Health Assembly, by resolution WHA68.14, re-appointed the holder of the Commission on Audit of the Republic of the Philippines to be the External Auditor of the WHO for the four-year period from 2016 to 2019. Pursuant to Regulation 14.1 of WHO's Financial Regulations, the term of office shall be four years, covering two budgetary periods, and can be renewed for an additional term of four years. It will be necessary for the Seventy-second World Health Assembly in May 2019 to appoint an External Auditor, who shall be the Auditor-General (or an officer holding equivalent title or otherwise qualified) of a Member State, for the four-year period from 2020 to 2023.

... The full text of Regulation XIV of the Financial Regulations and the Additional Terms of Reference governing the External Audit of WHO are enclosed herewith as Annex I. Annex II lists the External Auditors of WHO appointed during the period 1948 to present, and Annex III provides background information on WHO's financial operations. The 2017 Audited Financial Statements, (document A71/29) is available on WHO website:  
[http://www.who.int/about/finances-accountability/reports/A71\\_29-en.pdf?u](http://www.who.int/about/finances-accountability/reports/A71_29-en.pdf?u).

Should a Member State wish to propose a candidate, the name of the candidate should reach the Organization no later than **14 December 2018, 23:59 Central European Time**, to allow time for the preparation of the submission to the Seventy-second World Health Assembly.

The nomination should include, in respect of the proposed External Auditor:

- (a) curriculum vitae, without photographs, with details of the national and international activities of the nominee noting the range of audit specialties that can be of benefit to the Organization (not to exceed 500 words);
- (b) a summary description of the audit approach, procedures and standards that the nominee would apply, having regard to the Organization's accounting principles and

... ENCLS: (3)



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practices, its Financial Regulations and Financial Rules and following International Public Sector Accounting Standards (IPSAS) (not to exceed 500 words);

(c) estimates of the overall number of auditor-work-months which would be devoted to carrying out the audit for each financial year from 2020 to 2023; and

(d) for each financial year (2020 to 2023), a proposed audit fee expressed in US dollars (and summarized on a single page). This fee should cover the worldwide audit of WHO activities as well as activities of non-consolidated entities administered by WHO. In estimating the cost of the audit, all secretarial and other ancillary costs, and all travel costs and living expenses of the External Audit staff should be included in the audit fee proposed. Travel costs should include travel from the country of residence to Geneva and to other offices of the Organization, as required by the External Auditor for the purposes of the audit.

The Secretariat will undertake to translate the curriculum vitae mentioned in (a), the summary referred to in (b) and the one page summary of the fees mentioned in (d) in the six official languages for submission to the World Health Assembly.

The nomination, along with its accompanying documents, must be sent electronically to the mailbox [Comptroller@who.int](mailto:Comptroller@who.int) and submitted in both pdf and Word formats.

The World Health Organization avails itself of this opportunity to renew to the Member States the assurance of its highest consideration.

GENEVA, 30 October 2018

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**THE WORLD HEALTH ORGANIZATION**

**EXTRACT FROM FINANCIAL REGULATIONS**

**Regulation XIV – External Audit**

14.1 External Auditor(s), each of whom shall be the Auditor-General (or officer holding equivalent title or status) of a Member government, shall be appointed by the Health Assembly. The term of office shall be four years, covering two budgetary periods, and can be renewed once for an additional term of four years. External Auditor(s) appointed may be removed only by the Assembly.

14.2 Subject to any special direction of the Health Assembly, each audit which the External Auditor(s) performs/performs shall be conducted in conformity with generally accepted common auditing standards and in accordance with the Additional Terms of Reference set out in the Appendix to these Regulations.

14.3 The External Auditor(s) may make observations with respect to the efficiency of the financial procedures, the accounting system, the internal financial controls and, in general, the administration and management of the Organization.

14.4 The External Auditor(s) shall be completely independent and solely responsible for the conduct of the audit and, except as permitted under Regulation 14.7 below, any local or special examination.

14.5 The Health Assembly may request the External Auditor(s) to perform certain specific examinations and issue separate reports on the results.

14.6 The Director-General shall provide the External Auditor(s) with the facilities required for the performance of the audit.

14.7 For the purpose of making a local or special examination or for effecting economies of audit cost, the External Auditor(s) may engage the services of any national Auditor-General (or equivalent title) or commercial public auditors of known repute or any other person or firm that, in the opinion of the External Auditor(s), is technically qualified.

14.8 The External Auditor(s) shall issue a report on the audit of the annual financial statements prepared by the Director-General pursuant to Regulation XIII. The report shall include such information as he/she/they deem(s) necessary in regard to Regulation 14.3 and the Additional Terms of Reference.

14.9 The report(s) of the External Auditor(s) shall be transmitted through the Executive Board, together with the audited financial statements, to the Health Assembly not later than 1 May following the end of the financial year to which the final accounts relate. The Executive Board shall examine the annual financial statements and the audit report(s) and shall forward them to the Health Assembly with such comments as it deems necessary.



**APPENDIX****ADDITIONAL TERMS OF REFERENCE GOVERNING THE EXTERNAL AUDIT OF  
THE WORLD HEALTH ORGANIZATION**

1. The External Auditor(s) shall perform such audit of the accounts of the World Health Organization, including all Trust Funds and special accounts, as deemed necessary in order to satisfy himself/herself/themselves:

- (a) that the financial statements are in accord with the books and records of the Organization;
- (b) that the financial transactions reflected in the statements have been in accordance with the rules and regulations, the budgetary provisions, and other applicable directives;
- (c) that the securities and moneys on deposit and on hand have been verified by the certificates received direct from the Organization's depositories or by actual count;
- (d) that the internal controls, including the internal audit, are adequate in the light of the extent of reliance placed thereon;
- (e) that procedures satisfactory to the External Auditor(s) have been applied to the recording of all assets, liabilities, surpluses and deficits.

2. The External Auditor(s) shall be the sole judge as to the acceptance in whole or in part of certifications and representations by the Secretariat and may proceed to such detailed examination and verification as he/she/they choose(s) of all financial records including those relating to supplies and equipment.

3. The External Auditor(s) and staff shall have free access at all convenient times to all books, records and other documentation which are, in the opinion of the External Auditor(s), necessary for the performance of the audit. Information classified as privileged and which the Secretariat agrees is required by the External Auditor(s) for the purposes of the audit, and information classified as confidential, shall be made available on application. The External Auditor(s) and staff shall respect the privileged and confidential nature of any information so classified which has been made available and shall not make use of it except in direct connection with the performance of the audit. The External Auditor(s) may draw the attention of the Health Assembly to any denial of information classified as privileged which, in his/her/their opinion, was required for the purpose of the audit.

4. The External Auditor(s) shall have no power to disallow items in the accounts but shall draw to the attention of the Director-General for appropriate action any transaction that creates doubt as to legality or propriety. Audit objections, to these or any other transactions, arising during the examination of the accounts shall be immediately communicated to the Director-General.

5. The External Auditor(s) shall express and sign an opinion on the financial statements of the Organization. The opinion shall include the following basic elements:

- (a) identification of the financial statements audited;
- (b) a reference to the responsibility of the entity's management and responsibility of the External Auditor(s);
- (c) a reference to the audit standards followed;
- (d) a description of the work performed;

- (e) an expression of opinion on the financial statements as to whether:
  - (i) the financial statements present fairly the financial position as at the end of the period and the results of the operations for the period;
  - (ii) the financial statements were prepared in accordance with the stated accounting policies;
  - (iii) the accounting policies were applied on a basis consistent with that of the preceding financial period;
- (f) an expression of opinion on the compliance of transactions with the Financial Regulations and legislative authority;
- (g) the date of the opinion;
- (h) the External Auditor's(s') name and position;
- (i) the place where the report has been signed;
- (j) should it be necessary, a reference to the report of the External Auditor(s) on the financial statements.

6. The report of the External Auditor(s) to the Health Assembly on the financial operations of the period should mention:

- (a) the type and scope of examination;
- (b) matters affecting the completeness or accuracy of the accounts, including where appropriate:
  - (i) information necessary to the correct interpretation of the accounts;
  - (ii) any amounts that ought to have been received but which have not been brought to account;
  - (iii) any amounts for which a legal or contingent obligation exists and which have not been recorded or reflected in the financial statements;
  - (iv) expenditures not properly substantiated;
  - (v) whether proper books of accounts have been kept; where in the presentation of statements there are deviations of a material nature from a consistent application of generally accepted accounting principles, these should be disclosed;
- (c) other matters that should be brought to the notice of the Health Assembly such as:
  - (i) cases of fraud or presumptive fraud;
  - (ii) wasteful or improper expenditure of the Organization's money or other assets (notwithstanding that the accounting for the transaction may be correct);
  - (iii) expenditure likely to commit the Organization to further outlay on a large scale;
  - (iv) any defect in the general system or detailed regulations governing the control of receipts and disbursements, or of supplies and equipment;



- (v) expenditure not in accordance with the intention of the Health Assembly, after making allowance for duly authorized transfers within the budget;
- (vi) expenditure in excess of appropriations as amended by duly authorized transfers within the budget;
- (vii) expenditure not in conformity with the authority that governs it;
- (d) the accuracy or otherwise of the supplies and equipment records as determined by stocktaking and examination of the records.

In addition, the report may contain reference to:

- (e) transactions accounted for in a previous financial period, concerning which further information has been obtained, or transactions in a later financial period concerning which it seems desirable that the Health Assembly should have early knowledge.
7. The External Auditor(s) may make such observations with respect to his/her/their findings resulting from the audit and such comments on the financial report as he/she/they deem(s) appropriate to the Health Assembly or to the Director-General.
  8. Whenever the External Auditor's(s') scope of audit is restricted, or insufficient evidence is available, the External Auditor's(s') opinion shall refer to this matter, making clear in the report the reasons for the comments and the effect on the financial position and the financial transactions as recorded.
  9. In no case shall the External Auditor(s) include criticism in any report without first affording the Director-General an adequate opportunity of explanation on the matter under observation.
  10. The External Auditor(s) is/are not required to mention any matter referred to in the foregoing which is considered immaterial.

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Annex II  
C.L.37.2018**THE WORLD HEALTH ORGANIZATION****EXTERNAL AUDITORS 1948 TO 2019**

<b>Period</b>	<b>No. of years</b>	<b>Name</b>	<b>Nationality</b>
1.9.1948 to 31.12.1966	18	Mr Uno Brunskog	Swedish
1.1.1967 to 31.12.1973	7	Mr Lars Breie	Norwegian
1.1.1974 to 31.12.1977	4	Mr Lars Lindmark	Swedish
1.1.1978 to 31.12.1981	4	Sir Douglas Henley	British
1.1.1982 to 31.12.1995	14	Holder of the Office of Comptroller and Auditor-General of the United Kingdom of Great Britain and Northern Ireland	British
1.1.1996 to 31.12.2003	8	Holder of the Office of Auditor-General of the Republic of South Africa	South African
1.1.2004 to 31.12.2011	8	Holder of the Office of Comptroller and Auditor-General of India	Indian
1.1.2012 to 31.12.2019	8	Holder of the Commission on Audit of the Republic of the Philippines	Philippines



**THE WORLD HEALTH ORGANIZATION**  
**APPOINTMENT OF EXTERNAL AUDITOR**

**Background Information**

**1. General audit approach expected**

The World Health Organization seeks to obtain an effective audit carried out to a high technical standard. The audit should be directed at important questions of financial policy and practice, with appropriate importance being given to efficiency (value-for-money) audits.

**2. Nature of audit assignment**

2.1 An appreciation of the magnitude of the financial operations of the World Health Organization, and thus of the nature of the audit, may be obtained from the detailed financial report headed "Financial Report and Audited Financial Statements for the year ended 31 December 2017", available on request or via the World Health Organization (WHO) website on:

[http://www.who.int/about/finances\\_accountability/reports/en/](http://www.who.int/about/finances_accountability/reports/en/).

In addition, document A68/43 dated 8 May 2015, entitled "Appointment of the External Auditor", provides the bids submitted for the past periods 2016–2019. This is available on request or via the WHO website on:

[http://apps.who.int/gb/e/e\\_wha68.html](http://apps.who.int/gb/e/e_wha68.html).

2.2 The main centres of financial activity are the World Health Organization headquarters of Geneva, Switzerland, the six regional offices located at Cairo, Brazzaville, Copenhagen, Manila, New Delhi and Washington, DC (see also paragraph 8 below). The World Health Organization also has a presence in over one hundred and fifty countries through a representative or liaison office, as well as resident staff and projects in other locations, where expenditure is incurred locally.

2.3 A separate audit on IARC, ICC, SHI, UNAIDS and UNITAID is required, entities which are further described below.

**3. The International Agency for Research on Cancer (IARC)**

In accordance with Article VI, paragraph 6.2, of the IARC Financial Regulations, the External Auditor of the World Health Organization is required to act also as the External Auditor of IARC in Lyon, France. Therefore, the candidate nominated for appointment as External Auditor of WHO should be prepared to undertake also the audit of IARC. A copy of the latest audited financial statements for IARC is available on the IARC website as follows:

[https://www.iarc.fr/en/about/funding\\_financialframework\\_reporting.php](https://www.iarc.fr/en/about/funding_financialframework_reporting.php).

#### **4. The International Computing Centre (ICC)**

The External Auditor of the World Health Organization is required also to perform a separate audit on ICC. A copy of the latest available audited financial statements for ICC is available on the ICC website as follows:

<https://www.unicc.org/Pages/WhatWeDo/WhatWeDo.aspx>.

#### **5. Staff Health Insurance (SHI)**

The Staff Health Insurance is a self-funded and self-administered fund to provide for the reimbursement of a major portion of the expenses for medically recognized health care incurred by the staff member and other persons admitted as participants to the insurance. SHI covers insurance for WHO, IARC, ICC, PAHO, UNAIDS and UNITAID staff. In accordance with this principle, the External Auditor of the World Health Organization is required to act as the External Auditor of SHI. A copy of the latest audited financial statements for SHI is available on the WHO website as follows:

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

#### **6. Joint United Nations Programme on HIV/AIDS (UNAIDS)**

The Memorandum of Understanding that governs the establishment of UNAIDS notes that WHO shall provide administration for UNAIDS. In accordance with this principle, the External Auditor of the World Health Organization is required to act as the External Auditor of UNAIDS. A copy of the latest audited financial statements for UNAIDS is available on request.

#### **7. UNITAID**

In line with the Memorandum of Understanding signed between UNITAID and WHO, the operations of the UNITAID secretariat are administered in accordance with the Constitution of UNITAID and WHO rules. In accordance, the External Auditors of the World Health Organization is required to act as the External Auditor of the UNITAID. Furthermore, UNITAID applies supplemental internal guidance of the financial analysis and there are authorized adaptations or exceptions to the WHO administrative procedures and practices in order to meet UNITAID's specific needs. A copy of the latest auditors financial statements and the supplemental internal guidance for UNITAID is available on the UNITAID website and is available as follows:

<https://unitaid.org/publications/?cat=all&type=financial-statement&search=#en>.

#### **8. The Regional Office for the Americas**

The Pan American Health Organization (PAHO), whose headquarters are located in Washington, DC, also serves as the Regional Office for the World Health Organization in the Americas. PAHO appoints its own External Auditor who may be the same as that appointed by WHO, or who may be another, in which case close collaboration is required between the two auditors.

#### **9. Internal Oversight Services (IOS)**

The World Health Organization maintains an office of internal oversight services. The internal auditors are staff members of the World Health Organization and the director reports directly to the Director-General. The main responsibility of the unit, as stated in Regulation XII of the WHO Financial Regulations, is to provide an effective review, evaluation and monitoring of the adequacy and effectiveness of the Organization's overall systems for internal control. Various other types of reviews are carried out. The internal and external auditors are expected to coordinate their work to avoid duplication and promote efficiency in audit.



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## **10. Independent Expert Advisory and Oversight Committee (IEAOC)**

Please refer to the WHO website for further background:

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

The IEAOC meets three times per year and the external auditor is expected to participate in the regular meetings, provide updates on external audit status and also receive inputs to audit work from the IEAOC.

## **11. External audit fee**

The all-inclusive World Health Organization external annual audit fee for the 2016–2019 period was US\$ 428 180 per year for 2016 and 2017 and US\$ 433 680 per year for 2018 and 2019.

## **12. Project Audits**

The External Auditor could be requested to perform audits on certain projects for which an additional fee would be agreed upon with the Secretariat (including for example, the Pandemic Influenza Preparedness (PIP) audit).

In summary, this invitation to submit names of candidates for consideration for appointment as External Auditor relates only to the World Health Organization, IARC, ICC, SHI, UNAIDS and UNTAID.