

REPORT OF THE EXTERNAL AUDITOR

Organizational Oversight Reports

Additional documents for this item: UNAIDS/PCB (48)/21.4; UNAIDS (48)/21.6; UNAIDS/PCB (48)/21.7

Action required at this meeting—the Programme Coordinating Board is invited to:

Accept the External Auditor Report for the financial year ended 31 December 2020

Cost implications for the implementation of the decisions: none



**OFFICE OF THE COMPTROLLER
AND AUDITOR GENERAL OF
INDIA**

Our audit aims to provide independent assurance and to add value to the Management of Joint United Nations Programme on HIV/AIDS (UNAIDS) by making constructive recommendations.

For further information please contact:

Mr. K Subramaniam
Director External Audit
L 23, WHO, Geneva
E-mail:
ksubramaniam@who.int

**Audit of
Joint United Nations
Programme on
HIV/AIDS (UNAIDS)
For the Financial Year
ended 31st December 2020**

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Chapter I

Report of the External Auditor on the financial statements: Audit opinion

Opinion

We have audited the financial statements of the Joint United Nations Programme on HIV/AIDS (UNAIDS), which comprise the statement of financial position (statement I) as at 31 December 2020, the statement of financial performance (statement II), the statement of changes in net assets/equity (statement III), the statement of cash flow (statement IV) and the statement of comparison of budget and actual amount (statement V) for the year then ended, as well as the notes to the financial statements, including summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of UNAIDS as at 31 December 2020 and its financial performance and cash flows for the year then ended in accordance with the International Public Sector Accounting Standards (IPSAS).

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing. Our responsibilities under those standards are described in the section below entitled "Auditor's responsibilities for the audit of the financial statements". We are independent of UNAIDS in accordance with the ethical requirements relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial statements and the auditor's report thereon

The Management is responsible for the other information, which comprises the Management Information for the year ended 31 December 2020, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, on the basis of the work that we have performed, we conclude that there is a material misstatement in the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

The Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS and for such internal control as the Management

determines to be necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management is responsible for assessing the ability of UNAIDS to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going-concern basis of accounting unless the Management intends either to liquidate UNAIDS or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of UNAIDS.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation or the overriding of internal control;
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of UNAIDS;
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Director;
- (d) Draw conclusions as to the appropriateness of the Management's use of the going-concern basis of accounting and, on the basis of the audit evidence obtained, whether a material uncertainty exists in relation to events or conditions that may cast significant doubt on the ability of UNAIDS to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to

the date of our auditor's report. However, future events or conditions may cause UNAIDS to cease to continue as a going concern;

- (e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

Furthermore, in our opinion, the transactions of UNAIDS that have come to our notice or that we have tested as part of our audit have, in all significant respects, been in accordance with the WHO Financial Regulations.

In accordance with Regulation XIV of the WHO Financial Regulations, we have also issued a long-form report on our audit of UNAIDS.

Girish Chandra Murmu
Comptroller and Auditor General of India

20 May 2021

Chapter II

Long –form report of the Board of Auditors

Summary

Introduction

We audited the financial statements and reviewed the operations of the Joint United Nations Programme on HIV/AIDS (UNAIDS) for the year ended 31 December 2020. The audit of financial statements and a review of operations at Headquarters in Geneva and Country office at Myanmar were carried out through a remote audit from India owing to travel and related restrictions due to the COVID-19 pandemic.

Overall result of the audit

Audit Opinion

We have issued an unqualified audit opinion on the financial statements for the period under review as reflected in chapter I.

We noticed some areas for improvement in the functioning of UNAIDS in terms of Unified Budget, Results and Accountability Framework, Ethics, Consultancy contract, Award Management, Country Office Myanmar, Strategic Result Areas targets and Procurement and Contract Management. We have made suitable recommendations to have these areas addressed.

Key audit findings

- (i). UBRAF indicator measurements were not adhered to in performance reporting of Secretariat functions. Problems in data quality and consistency was also noted. UNAIDS has a complex reporting system wherein it is required to produce complementary performance reports with overlapping reporting cycles and catering to the different needs of the different users.*

- (ii). Low level of staff satisfaction was observed in the survey assessed in respect of four parameters – quality of Senior Leadership, UNAIDS Value, Respectful Workplace; and Diversity and Inclusion. The situation was further compounded due to delay in investigation and delay in taking disciplinary action. Survey also showed that staff were reluctant to report abuse, harassment and discrimination due to fear of non-action or retaliation.*

(iii). *With regard to the situation in Myanmar, we note that commendable progress has been made in halting the number of people living with HIV since 2017, with significant decline in AIDS related deaths and reduction in new infections. However, progress on some of the 'five 90s' targets like reduction in discrimination, suppression of viral load and access to condoms was slower. Low awareness about their HIV status, among high risk groups remains a matter of concern.*

Main Recommendations

- i. We recommend that UNAIDS should adhere to the UBRAF performance indicator guidance in reporting its performance and ensure better data quality, consistency and comparability.**
- ii. While appreciating the different reporting needs of the different stakeholders, we recommend that UNAIDS should consider improving the performance reporting system by balancing the need for concise reporting with the need for a more simplified and integrated report with enhanced visibility and readability.**
- iii. We recommend that UNAIDS should continue monitoring its action plan closely and enhance its efforts to achieve the goal of making UNAIDS a healthy, equitable and enabling workplace for all staff, free of any form of harassment or discrimination.**
- iv. UNAIDS should continue to undertake concerted steps to encourage and enable staff to report misconduct, discrimination or harassment without any fear of retaliation.**
- v. Country Office Myanmar may continue to closely monitor the progress on the targets to prevent any slippage in the significant gains made so far on several indicators and to improve on some of the high-risk areas where the progress was slow. UNAIDS should ensure that the data on key parameters, disclosed in various reports should be consistent, complete, accurate and comparable.**

Key facts	
USD 268.10 million	Total revenue in 2020
USD 272.10 million	Total expenses in 2020
USD 334.35 million	Total assets in 2020
USD 229.20 million	Total liability in 2020
USD 105.15 million	Net assets in 2020

A. Mandate, scope and methodology

1. The Joint United Nations Programme on HIV/AIDS (UNAIDS) is leading the global effort to end AIDS as a public health threat. UNAIDS is the main advocate for accelerated, comprehensive and coordinated global action on the HIV/AIDS pandemic.
2. The Comptroller and Auditor General of India has been appointed external auditor of the Joint United Nations Programme on HIV/AIDS (UNAIDS) for a term of four years from 2020 to 2023. The audit was conducted in accordance with Financial and regulatory frameworks governing the various activities of the UNAIDS primarily including *inter alia* the WHO Financial Regulations and Rules, UNAIDS Rules, recommendations/ guidelines of Global Oversight Committee, Advisory Investment Committee etc. from time to time, as well as with the International Standards on Auditing. The latter standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.
3. The audit was conducted primarily to enable us to form an opinion as to whether the financial statements present fairly the financial position of UNAIDS as at 31 December 2020 and its financial performance and cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (IPSAS). This included an assessment as to whether the expenditure recorded in the financial statements had been incurred for the purposes approved by the governing bodies and whether revenue and expenses had been properly classified and recorded in accordance with the Financial Regulations and Rules. The audit included a general review of financial systems and internal controls and a test examination of the accounting records and other supporting evidence to the extent that we considered necessary to form an opinion on the financial statements.
4. Owing to the prevailing coronavirus (COVID-19) pandemic and the consequent ban on international travel, we conducted audit of UNAIDS headquarters in Geneva and Country office in Myanmar, remotely from India.

5. The present report covers matter that, in our opinion, should be brought to the attention of the Programme Coordinating Board. We discussed the report with UNAIDS Management, whose views have been appropriately reflected.

B. Audit Findings and recommendations

I. Follow-up of previous recommendations

6. There were 5 outstanding recommendations up to the period ending 31 December 2019, of which 3 (60 per cent) are under implementation, and 2 (40 per cent) have not been implemented.

II. Financial Overview

7. We reviewed the financial management of UNAIDS over the last five years (2016 – 2020) using common size analysis and ratio analysis of the financial statements. We noted the following.
8. UNAIDS's revenue in 2020 saw an increase of 20.12 percent as compared to the revenue of 2019.
9. Total Expense in 2020 (US\$ 272. 10 million) was higher than that of 2019 (US\$ 230.77 million), however expense as a percentage of revenue saw a slight decline from 103.40 % in 2019 to 101.49 % in 2020. Staff cost at 56% of the revenue was the largest item of expense in 2020 which was also the highest in the last five years. This was primarily due to the loss in actuarial valuation of the after-service health insurance liabilities in 2020 which was US\$ 37.59 million. Transfer of grants to counterparts (UN entities, non-profit non-governmental organizations and academic institutions) was the second highest item of expense at 29% of the total revenue. Contractual Services which is the third highest item of expense, has seen an increase in 2020 and 2019 (10 to 11% of revenue) as compared to the 2016 – 2018 period when it used to be 7 to 8% of the total revenue.
10. UNAIDS has been having a deficit over the last two years, with the deficit in 2020 being lower (0.98%) than the deficit in 2019 (1.49%).
11. As at 31 December 2020, the total assets of UNAIDS were \$ 319.747 million, an increase of \$ 26.732 million as compared to 31 Dec 2019. Cash & Cash equivalents which is the highest item of assets was 59% of the total assets as compared to 49% of the total assets in 2019.

12. Accrued staff liability was the largest item of liability with Long term Accrued Staff Liabilities constituting 49% of the total liability as compared to 14 % in 2019. This was primarily due to the increased actuarial valuation of the staff health benefits in 2020.

Short term Solvency

13. We analysed the liquidity position of UNAIDS to assess its ability to meet its short-term commitments or operating needs and observed that it has been sound in the last five years. The quick ratio and current ratios for the five years indicate that the current assets, cash and cash equivalents had always been more than six times its current liabilities. The liquidity position was stronger at 8 % in 2020 as compared to 6% in 2019.

Table 1 Solvency Ratios

	2020	2019	2018	2017	2016
Net Working Capital (MUSD)	273.342	234.936	232.491	216.606	201.438
Current Ratio	8.20	6.33	9.59	6.16	6.56
Quick Ratio	8.17	6.32	9.57	6.15	6.47

III. Audit of UNAIDS Financial Statements for the year 2020

14. During the audit, we made 16 recommendations to enhance the accuracy, completeness and transparency of the disclosures in the financial statements. These were accepted by the management and necessary adjustments were made in the financial statements and accordingly we have issued an unqualified opinion.

IV. Performance Reporting - Results and Accountability Framework

15. The Unified Budget, Results and Accountability Framework (UBRAF) is UNAIDS instrument to maximize the coherence, coordination and impact of the UN’s response to AIDS by combining the efforts of the UN Cosponsors and UNAIDS Secretariat. The UBRAF aims at achieving UNAIDS long term vision of zero new HIV infections, zero AIDS-related deaths, and zero discrimination by catalyzing and leveraging resources for the AIDS response. Tracking progress against the UBRAF is the cornerstone in measuring and monitoring the contribution of the UN towards global AIDS targets.
16. The UBRAF indicators (2016-2021) were developed through a consultative process led by UNAIDS Secretariat and Cosponsors. For measuring UNAIDS performance eight Strategic Result Areas have been identified wherein performance is measured using indicators at impact, outcome and output levels. According to the UBRAF indicator guidance (2016-2021), there are 20 performance output indicators to measure 8 Strategic Result Areas.

17. We examined the performance reporting of UNAIDS with reference to the UBRAF framework and the basic principles of performance reporting which are – accuracy, consistency and usability.

i. Performance report on Secretariat functions

18. The UBRAF framework includes indicators to measure UNAIDS Secretariat performance and its contribution in achievement of the results. The method used to assess performance includes external stakeholders' perceptions survey and country level assessments.

19. We observed that, in the report on Secretariat functions 2018-19, the performance of the Secretariat was not presented in accordance with the UBRAF 2016-21 performance indicator guidance. We observed that many of the prescribed indicators were not assessed, as shown in the Table below:

Table 2– UBRAF Indicators

Indicator		Audit observation
S1a	Commitment to ending AIDS is reflected in the outcome documents of High Level political meetings for the year	These indicators were not assessed in the report
S1b	Percentage of stakeholders rating in the work of the UNAIDS Secretariat at least "Good (4 /5)"	
S1c	Percentage of countries with HIV Strategies that reflect Fast-Track.	
S2a	Percentage of stakeholders believing that the UNAIDS secretariat enhances partnerships (rating at least "Good")	Evaluation on the indicators S2 a, b, c was not done/ not presented.
S2b	The UNAIDS Secretariat mobilized financial resources to support civil society action	
S2c	The UNAIDS Secretariat provides high quality technical inputs into the preparation of Global Fund Concept Notes.	
S3	Percentage of countries with a complete set of GAM data	The status of milestone achieved for 2019 has not been provided
S4a	Percentage of countries that have a functioning Joint Team	Annual assessment was not done to comprehend its achievement against the set target for 2019
S4b	Percentage of Fast-Track countries that have undertaken a Joint Team and Joint Programme assessment reaching a high score (to be determined)	
S5a	Degree of UNAIDS Secretariat compliance with efficiency criteria.	The Performance Monitoring Report

S5b	Gender balance at P5 and above levels and among UNAIDS Country Directors (UCD) achieved and maintained	has not furnished any details about cost control measures, QCPR, UN System Wide Action Plan (UN-SWAP) annual report, risk mitigation plan.
S5c	Degree of implementation of the risk mitigation plan	
S5d	Degree of implementation of the Evaluation plan	

Source: - UBRAF Indicator Guidance

20. Management replied that the reporting on Secretariat’s functions and performance indicators is done at different levels and captured in different performance monitoring reports, even if not in a consolidated manner. This was because of the different reporting cycles of the different reports and to avoid duplication therefore. Also, the PCB had requested for concise reporting.
21. While we respect the PCBs need for a concise report, we also note that scattered reporting runs counter to the basic principles of performance reporting. It hampers visibility and usability as it is difficult for all stake holders to read each of these reports to comprehend the functions of secretariat as a whole.
22. UNAIDS management stated that this issue would be carefully reviewed for the new UBRAF 2022 to ensure more systematic consolidated reporting against Secretariat targets and indicators.

ii. Inconsistency in reporting

23. The 2016-2021 UBRAF indicator guidance require the capture of credible and high-quality data against each of the UBRAF outputs. It further requires that the Joint Teams should review data submitted by countries, for quality assurance, internal consistency and completeness.
24. We noted that, for eight out of the 15 selected countries, the progress of fast-track targets reported in the Performance Monitoring Report 2020 was different from what was reported in the UNAIDS transparency portal. Details are given below:

Table 3 - Status of progress towards fast-track targets

Country	Country priority/target (by end-2019)	Status shown in Performance Monitoring Report 2020	Status shown in UNAIDS transparency portal (March 2020)
Papua New Guinea	By 2021, Papua New Guinea will have a HIV sustainability plan developed and up-to-date HIV investment case that will be in use.	Achieved	Within reach
Vietnam	New infections through blood transmission reduced by 20% compared to 2015 level; new infections through sexual	Within reach	Achieved

	transmission reduced by 16% compared to 2015 level.		
Cameroon	HIV combination prevention, condom promotion, HIV/Sexually Transmitted Infections (STI) diagnosis and treatment, gender-based violence prevention, post-exposure prophylaxis and Pre-Exposure Prophylaxis (PrEP) strengthened through new policy/programmatic guidance with focus on young people, adolescent girls and young women, as well as on sex workers and their clients in the 5 Fast-Track cities and generation and use of data at subnational level.	Achieved	Within reach
Mozambique	At least 74% Antiretroviral Therapy (ART) coverage for adults living with HIV and 67% coverage for children <15 years living (baseline 2016: adults 55% and children 38%).	Within reach	Slow progress
Nigeria	90% of key populations have access to combination prevention in the 7+1 states. 90% of adolescents and young people at risk of HIV infection have access to comprehensive HIV prevention services. 50% reduction in new infections in the 7+1 states.	Not on track	Slow progress
Republic of Sudan	60% of key populations (including Male to Male Sex (MSM) and female sex workers) have access to comprehensive combination prevention services.	Slow progress	Achieved [target mentions 25% of key population, (not 60%)]
Rwanda	Fast-Track Cities (Kigali): Achieve the first "90" in Kigali.	Within reach	Achieved
Venezuela	Increase Prevention of Mother To Child Transmission (PMTCT) coverage by 60%.	Within reach	Slow progress: official data not available

Source: UBRAF Performance Monitoring Regional and Country Report 2020

25. We observed that the status of achievement of targets for some of the counties was shown as 'Achieved' in the report, while it was shown as 'Within reach' in the portal and vice a versa.
26. Based on audit observation, management checked the data and found that the reason for the error was that the link to the Performance Monitoring Report that appeared on the portal had been incorrectly configured by the UNAIDS website administrator. Management corrected the error and stated that better due diligence will be done in

future to ensure systematic reconciliation of data between the Project Monitoring Report and Results & Transparency portal and these issues would be looked into carefully for the development of the new UBRAF beyond 2022.

iii. Performance Evaluation done on year-old data

27. We also noted that in the Regional and Country report of UBRAF Project Monitoring Report 2018-19, there were few instances where data of 2018 was used to measure results of 2019. To assess the progress on the fast track targets of countries during the year, the target/result set for 2019 need to be evaluated against the 2019 data.
28. While justifying the use of 2018 data to measure targets for 2019, management stated that, while improving strategic information remains an essential commitment and continued efforts will be made for more timely data collection, it is however not realistic to expect that all country data will be available on annual basis every year.

iv. Complexity of performance reporting

29. We also noted that UNAIDS has a complex reporting system wherein it is required to produce complementary performance reports with overlapping reporting cycles and catering to the different needs of the different users including the broader UN system reporting like Quadrennial Comprehensive Policy Review (QCPR), UN System-wide Action Plan (UN SWAP), UN SDG funding compact etc. We also note that these requirements and their reporting cycles and format are beyond UNAIDS control.
30. While appreciate the different reporting needs of the different stakeholders we are of the view that there was scope for improving the performance reporting system by balancing the need for concise reporting with the need for a more simplified and integrated report with enhanced visibility and readability.
31. **Recommendation 1: We recommend that UNAIDS should adhere to the UBRAF performance indicator guidance in reporting its performance and ensure better data quality, consistency and comparability.**
32. **Recommendation 2: While appreciating the different reporting needs of the different stakeholders, we recommend that UNAIDS should consider improving the performance reporting system by balancing the need for concise reporting with the need for a more simplified and integrated report with enhanced visibility and readability.**

V. Ethics

i. Management Action Plan to improve ethics

33. In order to fulfill its commitment given to the Programme Coordinating Board, of eliminating all forms of harassment and fostering a healthy, equitable and enabling workplace for all staff, UNAIDS in March 2019 rolled out a Management Action

Plan. Milestones were set for various key areas. We noted that in the update on implementation of Management Action Plan, submitted to the Programme Coordinating Board in June 2020, UNAIDS has shown the status of majority of the action points as 'on track' or 'implemented', with very few areas where work was shown to be under progress.

34. In November 2020, UNAIDS conducted its first ever full global staff survey. About 64 percent of the staff had responded to the survey. The survey also elicited response on the Management Action Plan. The survey assessed four parameters – quality of Senior Leadership, UNAIDS Value, Respectful Workplace; and Diversity and Inclusion. This was done using 16 indicators.
35. We noted that, for 75% of the indicators, less than 50% of the staff gave a positive feedback as shown below:

Table 4 - Analysis of Global Staff Survey Report

Parameters assessed	Positive Response %
Senior Leadership	
UNAIDS manages change effectively	37
The leadership Group leads by example	40
The leadership Group understands and values the views and opinions of staff	40
UNAIDS Value	
Staffing decisions are made in a fair and transparent manner	30
Managers take action in response to the concerns about alleged misconduct	40
UNAIDS learns from its mistakes	46
Managers consistently uphold the rules and policies of the organisation	47
Different parts of UNAIDS work well together	51
Respectful workplace	
I feel confident that reporting a case of discrimination, abuse of authority, ill treatment, and sexual harassment would not have an adverse impact of me	37
I would feel safe reporting a case of discrimination, abuse of authority, ill treatment, sexual harassment in this organisation	47
I feel comfortable to speak up and address colleagues about incivility or exclusionary behaviours	50
I have experience discrimination, abuse of authority, ill treatment and harassment or sexual harassment in the last 12 months	66
Diversity and inclusion	
I feel that there are as many opportunities for me to succeed in this organisation as there are for my peers	39
Staff at UNAIDS are treated equally irrespective of ethnicity and race	48
Staff at UNAIDS are treated equally irrespective of age	53
Staff at UNAIDS are treated equally irrespective of gender and gender identity	58

Source: - Global Staff Survey Report 2020

36. Importantly, for the assessment of 'Respectful Workplace' the survey disclosed that, 113 staff (22%) had experienced discrimination, abuse or harassment in the last 12 months. We noted that 61% of these respondents had stated they had faced harassment or discrimination from Senior manager or Director and 34% staff had responded that the preparator was their manager.
37. A more serious finding of the survey was that 63% of staff who experienced this kind of ill treatment did not report it and 46% of staff had not reported the ill treatment/abuse as they felt that their report would not be taken seriously. Further, 44% of the staff felt that the organisation would not support them and 43% staff were concerned about other forms of retaliation. 41% staff felt that reporting the abuse would make things worse for them. The above responses of the staff needs to be viewed in the light of the fact that 84 % of the survey respondents stated that they fully understood the procedures followed in UNAIDS for reporting discrimination, abuse of authority, ill treatment, and sexual harassment. This shows that staff in UNAIDS were reluctant to report abuse, harassment and discrimination and a significant number of them feared retaliation. UNAIDS needs to take credible action to encourage staff to report misconduct without any fear. Until this is achieved UNAIDS cannot achieve its objective of fostering a healthy and enabling workplace.
38. Only 50 % of the respondents assessed the organizational value in positive terms. We find it to be a matter of concern that for the parameter – 'staffing decisions are made in a fair and transparent manner', there was only 30% positive feedback. Similarly, only 40% of the respondents felt that managers took action in response to the concerns about alleged misconduct.
39. The results of the survey which shows a predominantly unsatisfactory situation needs to be seen in the context that UNAIDS in its update of June 2020 had stated that much of the Management Action Plan was 'on track' or 'implemented'. In view of the staff survey results, UNAIDS may need to review the MAP and take necessary corrective measures.
40. In response to this audit finding, management stated that it had formulated a new policy on preventing and addressing abusive conduct and that steps were taken for mental health and well-being of staff. Besides they stated that the senior management had already realized and demonstrated its intention to prioritize its action with respect to senior management.

ii. Investigation and Disciplinary Action

41. Office of Internal Oversight Services (IOS) of WHO provides investigation services to all the five hosted entities including UNAIDS. IOS receives complaints directly from the staff and various other sources. Complaints from whistle blowers, complaints alleging retaliation and complaints against sexual misconduct may also

be initially received by the Ethics office and after review, cases which require investigation are forwarded to the IOS (WHO) for consideration.

42. The IOS conducts an independent investigation on behalf of UNAIDS. The IOS report along with its recommendations is forwarded to UNAIDS to take suitable disciplinary action in cases where the allegations are substantiated. The final decision-maker in such matters is normally the UNAIDS Executive Director.

iii. Delay in investigation

43. Timely investigation accompanied by prompt and proportionate disciplinary action provides credible deterrence against misconduct. Delay in investigation is unfair to both the innocent as well as the guilty because it prolongs the ignominy of the innocent and delays punishment to the guilty. In the last three years, the number of complaints pertaining to UNAIDS, received for investigation by the IOS is shown below:

Table 5. Summary of reports of concern, by type, for the period 2018–2020

Types of reports of concern	2018	2019	2020
Fraud	5	9	
Failure to comply with professional standards	4	1	
Recruitment irregularity	0	3	
Harassment	1	2	
Sexual harassment	1	1	
Sexual exploitation and abuse	0	0	
Retaliation	1	1	
Other	5	2	
Total	17	19	11 *

Source: IOS supplied data

** Details for 2020 yet to be provided by OIOS*

44. The number of complaints received by IOS needs to be seen in the light of the fact that a significant proportion of the staff is reluctant to report cases of misconduct due to fear of inaction and retaliation (refer para 30).
45. As highlighted in our Audit Report of WHO 2020, there has been overall delays in investigation of cases by the IOS because of the shortage of investigators. Investigation into ‘High Priority’ cases were also delayed. Of the 19 cases reported during 2019, five were still at the preliminary review stage and six were currently under investigation.
46. Timely investigation into complaints, especially pertaining to sexual harassment was one of the key deliverables of the Management Action Plan wherein, the intake and preliminary review was to be completed in 30 days; and investigation was to be normally completed within 6 months. Investigation into ‘High priority’ cases was to be fast- tracked to be completed within 90 days. As seen from the data supplied by IOS these goals remained unachieved.

iv. Delay in disciplinary action

47. Failure to impose proportionate and prompt punishment on the guilty, not only denies justice but also fails to provide the needed deterrence. From the information provided by IOS, we noted that investigations into four 'special' cases of sexual misconduct against senior officials of UNAIDS were completed in 2019 and allegations of misconduct were substantiated in these cases. However, no disciplinary action has been started till date.
48. We were informed by the management in 2020, one disciplinary measure was imposed on a staff member for misconduct (fraud).

v. Issues raised with the Ombudsman

49. The Office of the Ombudsman and Mediation Services (OMB) provide services to all hosted entities including UNAIDS. It is another key component of the ethics framework and provides confidential assistance to staff members who voluntarily approach the office. Based on those confidential conversations, the Ombudsman monitors the trends to enable the early detection of issues of potential relevance, provides feedback to management, and advises top leadership on appropriate remedial and preventive action. Ultimately, the Ombudsman aims to foster a better working environment and ethical culture.
50. The number of staff utilising the services of OMB or the number of issues raised by the staff is a reflection of the issues faced or perceived by them at the workplace. Analysis of the number of cases and issues handled by the OMB, for UNAIDS, in the last three years, as provided by OMB, is tabulated below:

Table 6: Number of cases and issues handled by the OMB

	2020	2019	2018
Number of cases/visitors	29	19	24
Number of issues raised	81	37	56
Utilization rate	3.8 %	2.7 %	2.6%
Reports under the category 'Legal, regulatory, financial and compliance'	10%	6%	9%
Percentage of Female staff utilising services	72%	63%	70%

51. In 2020 the number of staff who approached the OMB was the highest in the last three years, both in terms of number of visits and number of issues raised. Majority of the staff availing the OMB services were females, who constituted 72% to 63 % of the visitors. Similarly, International Professionals constituted the largest staff category, with 69 to 50%. The number of staff availing OMB services was almost equal between the HQ and field staff, both constituting about 50% each.

52. The issues raised by the staff are classified according to the categories developed by the International Ombudsman Association (IOA). The categories- 'Evaluative Relationships' and 'Peer and Colleague Relationship' together constituted about 40% to 64% of the cases. 'Team climate and morale' and 'respect and treatment' were two important issues raised under both the categories. The category, 'Legal, regulatory, financial and compliance issues' also includes issues of harassment (both sexual and non-sexual), discrimination and retaliation. We noted that cases under this category was 10% in 2020 as compared to 6% in 2019 and 9% in 2018. Unlike in the case of WHO, OMB did not provide the breakup of this category.
53. **Recommendation 3: We recommend that UNAIDS should continue monitoring its action plan closely and enhance its efforts to achieve the goal of making UNAIDS a healthy, equitable and enabling workplace for all staff, free of any form of harassment or discrimination.**
54. **Recommendation 4: UNAIDS should continue to undertake concerted steps to encourage and enable staff to report misconduct, discrimination or harassment without any fear of retaliation.**

VI. Country Office Myanmar

55. UNAIDS has 79 country offices and six regional offices which had not been subjected to external audit for more than a decade¹. Country Office Myanmar was therefore selected for audit as it has the highest expenditure. External audit was conducted through remote access from 16 to 25 November 2020.
- a. Assessment of UNAIDS Programme**
56. In October 2015, UNAIDS released its Strategy for 2016–2021 on the Fast-Track to End AIDS with an aim to end the AIDS epidemic by 2030 with “Zero new infections, Zero discrimination and Zero AIDS-related deaths”. UNAIDS has identified Myanmar as a Fast-Track Country for its higher burden of HIV and Yangon as a key city within the Asia-Pacific region.
57. Based on the UNAIDS fast track strategy, Ministry of Health and Sports (MOHS) of Myanmar developed the National Strategic Plan on HIV/AIDS (NSP-III), 2016–2020, with the support of the UNAIDS Country Office Myanmar. The NSP-III aims at achieving the five 90s target:
- *90 % of priority populations have access to HIV prevention services*
 - *90 % of people living with HIV know their status*
 - *90 % of people living with HIV who know their status receive treatment*
 - *90 % of people living with HIV on treatment have suppressed viral loads*
 - *90 % of people living with HIV are free from discrimination*
58. Myanmar is the third highest country in Asia and Pacific region in terms of HIV infections. From 2017 till 2020, about 23 Million USD have been committed for

¹ Country Office Myanmar underwent an internal audit in 2016

the efforts undertaken by Country Office Myanmar and around 19 Million USD was spent till 2019².

i. People living with HIV

59. Globally, from 2017 to 2019, the number of people living with HIV increased by 2.98 %. However, in Myanmar the number of people living with HIV increased by 9 % during the same period (from 220000 in 2017 to 240000 in 2019), almost three times increase as compared to the global increase. Details are shown in table below:

Table 6- Global HIV results and status of Myanmar

Area	Global Status (Year)		Percentage change	Status of Myanmar
	2017	2019		
People living with HIV (All Ages)	36,900,000	38,000,000	2.98	9.09
People know about their HIV status (in percent)		81		27.9 to 41 %

Source: UNAIDS Data 2018 and 2020, Country Data, Key Population. UNAIDS/ AIDSinfo Country Factsheets, Myanmar

60. Comparative analysis of people living with HIV under various categories during the period 2005 to 2019 is shown in table 7 below:

Table 7- Group wise details of PLHIV

Area	Year			
	2005	2010	2017	2019
People living with HIV (All Ages)	210,000	230,000	220,000	240,000
People living with HIV (0–14)	5100	10,000	11,000	11,000
People living with HIV (women, 15+)	58,000	83,000	88,000	88,000
People living with HIV (men, 15+)	150,000	140,000	140,000	140,000
Change in AIDS related deaths since 2010 (%)	NA	NA	(-) 19	(-) 30

Source: UNAIDS Data 2018 and 2020, Country Data, Key Population. UNAIDS/ AIDSinfo Country Factsheets, Myanmar

61. We observed that in year 2005, people living with HIV were 210,000 which increased to 240,000 in 2019, an increase of 14.29 percent³ during this period. During 2005-2017, people living with HIV in the age group of 0 to 14 years and women above 15 years living with HIV increased by 115.69 percent⁴ and 51.72 percent⁵ respectively.

62. However, it is encouraging to note that during the period 2017 to 2019, there has been no increase in people living with HIV in the age group 0 to 14 years, women above 15 years and men above 15 years. However the overall increase in the number of people living with HIV remains to be monitored closely.

² 2017 - US \$ 5.652 million, 2018 - US \$ 3.799 million and 2019 - US \$ 9.338 million

³ 30000/210000 X100= 14.29 percent

⁴ 5900/5100 X 100 = 115.69 percent

⁵ 30000/58000 X 100 = 51.72 percent

63. Decline (11%) in the number of AIDS related deaths is another important achievement.
64. Management stated that the spending of 19 million USD from 2017 to 2019 cannot be directly proportional to the achievement in HIV epidemic control as this money is spent on supportive functions, including legislative reforms to protect the rights of people living with HIV. It further added that, the indicator “number of PLHIV” is not an indicator expected to decrease in short periods of time. A decrease in this indicator could also mean poor programming on treatment, care and support. The decline can only happen slowly and over a long period of time due to natural mortality and not to AIDS-related mortality.

ii. Target of - 90 % of people living with HIV know their status

65. , In 2019, the number of people living with HIV who knew their HIV status ranged between 27.9 to 41% for different groups. Globally, 81% of the people living with HIV, knew their HIV status. Of the number of people living with HIV, the percentage of people who were aware of their HIV status, under various categories, during the period 2005 to 2019 is tabulated below:

Table 8: Awareness of HIV status among different categories (%)

Category	2005	2010	2017	2019
Female Sex Workers	NA	NA	44.6	41
Men Who Have Sex With Men	NA	NA	52.4	31.3
Persons Who Inject Drugs	NA	NA	27.9	27.9

Source: UNAIDS Data 2018 and 2020, Country Data, Key Population. UNAIDS/ AIDSinfo Country Factsheets, Myanmar

66. We observed that awareness about HIV status among PLHIV in high risk groups had declined during 2017 to 2019. In the case of Female Sex Workers and Men who have Sex with Men, the decline was 3.6 % and 21.10 % respectively. The awareness of HIV status among drug users (PWID) remained low at 27.9 percent.
67. Management stated that the data of 2017 and 2019 were not comparable because the source of this data which was the Integrated HIV Bio-behavioral Surveillance (IBBS) of 2015 and 2019 respectively, had different sample size and geographical representation. IBBS 2015 was conducted in 5 sites, whereas IBBS 2019 was conducted in 11 sites covering a broader geographic area with a much larger sample size. Management further added that the data for 2017 might be overreported as it was conducted only in sites situated in urban and program areas.
68. With regard to the awareness of HIV status among drug users (PWID) remaining the same (27.9 percent) in 2017 and 2019, management stated that, no IBBS was conducted among PWID in 2019, therefore 2017 data was shown as 2019 data. Management added that according to the Program data HIV testing among PWID increased by 25% between 2017 and 2019, indicating that this would lead to increase in the level of awareness of HIV status.

69. Besides management’s contention, on the decline of awareness levels in 2019, the fact remains that the knowledge of HIV status among the three high risk groups remains low at 50 to 41 %.
70. UNAIDS management stated that, according to the Annual progress report 2018, as at the end of 2018, 80% of people living with HIV in Myanmar, knew their HIV status.
71. The analysis presented by audit in Table 8 was based on the statistics published in the UNAIDS annual data where there is no mention of the fact that 80 % of PLHIV knew their HIV status. We also noted that the UNAIDS/AIDSinfo Country Factsheet for Myanmar did not report any data for ‘People living with HIV who knew their status’ or ‘Percent of people living with HIV who knew their status’. Audit could not access the Annual progress report mentioned by management. The above facts and the contention of management (in para 59,60 and 61) indicates that some of the data disclosed by the various reports of UNAIDS are inconsistent, incomplete and not comparable. Tracking progress would be difficult if data across various years is not comparable.

iii. Target - 90 % of people living with HIV on treatment have suppressed viral loads

72. UNAIDS management stated that, according to the annual progress report 2018, 70% of those who knew their status, were on ART treatment and 64% experienced viral load suppression. In 2019, 77% of the people who knew their status were on treatment and 72% experienced viral load suppression (ref. Annual progress report 2019).
73. We observed that against the target of ‘90% of people living with HIV on treatment have suppressed viral loads’ which was to be achieved by 2020, the achievement as of 2019 was 72%. While there has been an increase in 2018 and 2019, progress seems to have been slow.

iv. Target - 90 % of priority populations have access to HIV prevention services

74. Use of condoms plays a major role in reducing the spread of HIV. Therefore easy availability and awareness about the use of condoms, especially among the vulnerable population is one of the goals of prevention service. We noted that while, use of condoms had increased among female sex workers between 2017 to 2019, it had declined among Men who have Sex with Men for the same period. The decline was 20.30 % and therefore significant. Among people injecting drugs there was no improvement and the use of condoms remained low at 21.9 percent as shown below:

Table 9: Use of condoms among people injecting drugs

Category	2005	2010	2017	2019
Female Sex Workers	NA	NA	81.1	89.9
Men Who Have Sex with Men	NA	NA	77.1	56.8
Persons Who Inject Drugs	NA	NA	21.9	21.9

Source: UNAIDS Data 2018 and 2020, Country Data, Key Population. UNAIDS/AIDSinfo Country Factsheets, Myanmar

75. Management stated that UNAIDS core area of work is not direct HIV service provisions which is the responsibility of the Myanmar government. It technically assisted the development and coordination of National Strategic Plan on AIDS 2016-2020.

v. **Target - 90 % of people living with HIV are free from discrimination**

76. We observed that against the target for elimination of HIV-related discrimination by 2020, discrimination existed in 63 % cases in 2018-19. Management agreed that the elimination of HIV-related discrimination needs to be closely pursued to increase impact within the work plan.

77. In conclusion, we note that commendable progress has been made in halting the number of people living with HIV since 2017, with significant decline in AIDS related deaths and reduction in new infections. However, progress on some of the ‘five 90s’ targets like reduction in discrimination, suppression of viral load and access to condoms was slower. Low awareness about their HIV status, among high risk groups remains a matter of concern.

78. **Recommendation 5: We recommend that Country Office Myanmar may continue to closely monitor the progress on the targets to prevent any slippage in the significant gains made so far on several indicators and to improve on some of the high-risk areas where the progress was slow.**

79. **Recommendation 6: UNAIDS should ensure that the country data on key parameters, disclosed in various reports should be consistent, complete, accurate and comparable.**

b. **Award Management**

80. We observed unutilized funds lying under the following awards:

Table 12 - Expiry of awards and unutilized funds

Sl.no	Award start date	Award value in USD	Expiry date	Utilised funds in USD	Unutilised funds in USD	Management Comments
1.	01/06/ 2015	1,466,388	30/06/2020	1,397,135	69,253	Balance to be refunded to donor
2.	01/04/2017	30,720	30/09/2020	29,191	1,529	Pending finalization of extension process
3.	30/09/2019	81,848	29/09/2020	31,522	50,326	Pending finalization of extension process

81. The unutilized amount was significant in the case of Sl.no 3 where 61% of the funds remained unutilized. The reasons for non-utilization of award budget in full were:
- (a) delayed approval of the project from Government
 - (b) delay in extension of consultant contract
 - (c) delay in finalizing and signing of contract
 - (d) delay in staff recruitment
 - (e) COVID pandemic and other unforeseen reasons

82. Recommendation 7: We recommend that the Award Manager/ Project Manager may periodically review projects to ensure that a plan is available for utilization of funds and should take timely action in case total amount is not expected to be spent by the end date.

c. Performance Evaluation of Contracts

83. As per WHO procurement eManual, an important input for selection or extension of contractors is timely Performance Evaluation of contractors for goods as well as services. We test checked 16 Performance Evaluation Forms completed by Country Office Myanmar and observed following shortcomings:

- (a) In three cases⁶, the performance of the contractors was not rated and in remaining 13 cases there was inconsistency in rating. In two cases, 5 marks was treated as highest grading and in remaining 11 cases, 1 mark was treated as outstanding grading and 4 marks was treated as unsatisfactory grading.
- (b) In eight cases, the actual date of completion of PEF was not mentioned.
- (c) In one case, PEF was not approved by the approver.
- (d) In two cases, contract value was not mentioned in PEF.
- (e) In one case performance evaluation of the contractor was done 56 days after the date of completion of the contract.
- (f) In three cases, schedule completion date of contract was not mentioned in PEF.
- (g) In one case, performance of contractor was rated unsatisfactory and it was recommended (25 June 2020) not to consider him for re-engagement in the future. According to procedure, this recommendation was to be promptly forwarded to HQ for timely action. However, we observed that this feedback was not sent to HQ till the date of audit (November 2020).

84. Country Office Myanmar admitted the lapses in PEF. It also accepted the shortcomings with respect to key dates and attributed it to oversight by the staff who were unfamiliar with new system. CO accepted that improvements can be made but feels that the recommendation should be rephrased so that the responses implemented can benefit the organization as a whole

85. Recommendation 8: We recommend that UNAIDS may consider evaluating the performance of contractors diligently and in a timely manner. As suggested by

⁶ (PO NO. 202516900, 202517242 and 202535039)

the Country Office, UNAIDS could develop an organization wide online platform for contractors' performance evaluation.

C. Acknowledgement

86. We wish to express our appreciation for the cooperation and assistance extended by the staff and management of UNAIDS to us.

**Girish Chandra Murmu
Comptroller and Auditor General of India**

20 May 2021