
Organizational Oversight Reports

Management Response
Agenda 8

UNAIDS

50th PCB Meeting



Internal Audit

Proactive management – internal audit comments

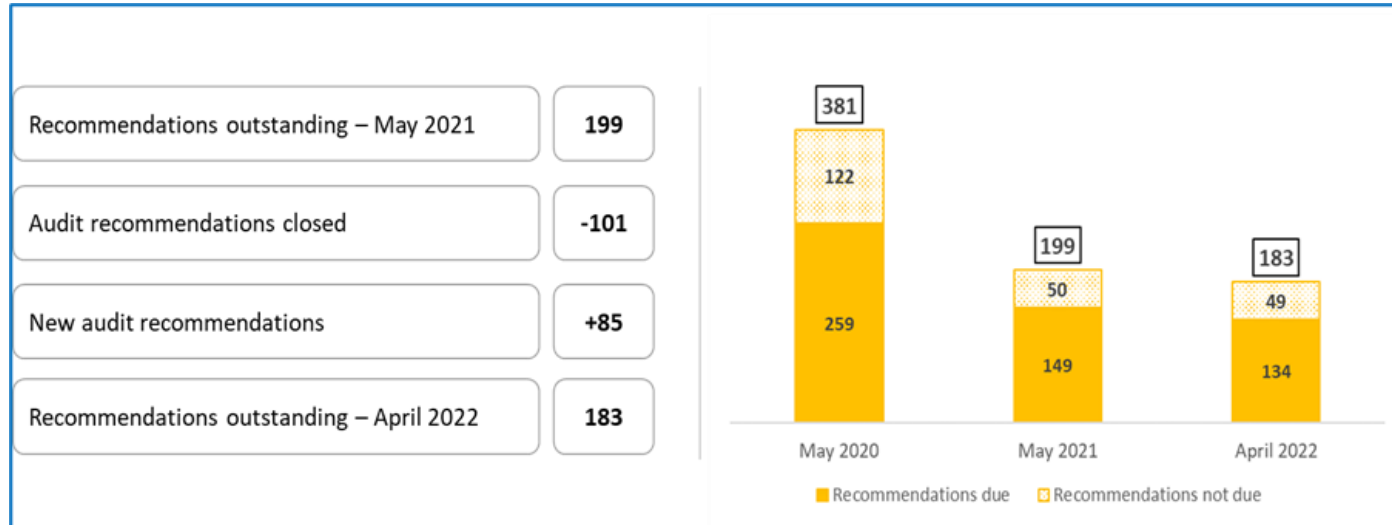
2021 audits

- 5 audit reports issued
 - Increase in the overall effectiveness of individual internal controls, up to 70% in 2021, compared to 68% in 2020 and 50% in 2019
- **Focused actions on recommendations with high residual risk for timely implementation**

Past audit recommendations

- 69% closure rate: 7 reports closed (one advisory report and 6 audit reports, 101 recommendations closed)
 - Decreased number of audit recommendations outstanding compared to prior years
- **Long outstanding recommendations: dedicated support to audited entities for closure by end Q3 2022**

Continued improvement of internal audit recommendation closures



- Closure rate as of April 2022 is 69%, compared with 72% in May 2021 and 54% in May 2020 (IOS report annex 1)
- Between May 2021 and April 2022, IOS issued 85 new recommendations and closed a total number of 101
- Resulting current balance of 183 recommendations

Recurring issues

Actions already taken

Risk Management

Annual update of risk register with strengthened QA review and guidance material

Online platforms updated and new dashboards

Procurement

Updated QA checklists and automated alerts

Sessions on operational efficiency to all Country Directors

Assurance activities

QA of mandatory requirements reinforced

Enhanced contract monitoring data

Alignment: new oversight and compliance team to

Declaration of interests

Updated templates and online process finalized (in coordination with Ethics Office)

Forthcoming actions

Full integration/automation with new ERP

Refresher trainings

Managers to ensure greater staff involvement

Focused training on internal controls and processes

Compliance indicators in performance appraisals

Consultancy recruitment to be managed by HR

SOPs - developing and verifying assurance activities

New contract assurance officer position

Targeted follow up on overdue reports

DOI to be required prior to approval of travel

E-signatures to collect DOIs efficiently (incl for all individual contractors)

2021 Reports of concern received by IOS



- 12 reports of concern received in 2021 (compared to 11 in 2020), of which 8 reports of concern related to fraud
- 1 case was unsubstantiated (1 closed already, 10 are pending closure)
- More information: Refer to Agenda item 6: CRP: Corrective administrative actions, including disciplinary measures imposed in 2021

➤ **MOU with WHO IOS finalized**

External Audit

2021 External Audit – Recommendations and Responses

- **Unmodified opinion** on the UNAIDS Financial statements on 31 December 2021.
- **7 audit recommendations** related to UBRAF ethics , non-commercial agreements, assets and the Operating Reserve Fund (ORF) .

Area	UNAIDS response and action
UBRAF Reporting of performance indicators in PMR	Actions to improve reporting already in progress
Ethics - Further disaggregation of allegation data - Timelines for addressing complaints and advice requests	- Will be implemented as highlighted in the Ethics Office report - Target timelines to be developed and presented in future reports
Assets - Update ERP with necessary controls to prevent delays	Request for inclusion in new ERP will be submitted to WHO
Programme Funding Agreements - Strengthen regulations (FENSA, unspent balances and assurance activities), and proposal selection methodology	Will be implemented according and note that quality check for new PFAs has already been strengthened
Direct Financial Contributions - Controls related to final payments to partners	In progress – quality check reinforced and follow up ongoing
Status of ORF to be presented to the PCB	Implemented in line with rules and procedures

Past external audit recommendations

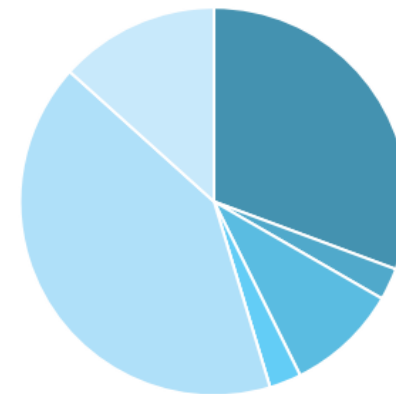
13 past external audit recommendations. As of 31 December 2021: 5 were implemented, 4 overtaken by new recommendations, and 4 being implemented.

Performance indicator reporting	UNAIDS response and action
Adherence to UBRAF performance indicator guidance	Expanded 2020-2021 PMR with explanations when data on indicators is unavailable and/or not fully comparable.
Myanmar Country Office (UCO)	
UCO Myanmar may continue to closely monitor the progress on the targets to prevent any slippage in the significant gains made so far and to improve on some of the high-risk areas where the progress was slow.	Actions have been taken to closely monitor on targets and take actions where required. UNAIDS will continue to strengthen coordination, community-led monitoring and reporting, and district-level health system.
Country data consistency	
Ensure country data on key parameters, disclosed in various reports, should be consistent, complete, accurate and comparable	Due-diligence has been reinforced to enhance data available for countries reports.
Contractors' performance evaluation	
Evaluating the performance of contractors diligently and in a timely manner, including new organization-wide online platform.	New online tool implemented to (i) ensure that all mandatory information is entered correctly and completely; and (ii) improve timeliness of the process

Ethics Office

Report of the Ethics Office

- ✓ New Head of Ethics Office appointed, independence of the Ethics Office strengthened.
- ✓ Decrease in the number of requests for advice received by the Ethics Office in 2021 compared to 2020
- ✓ New policy on preventing and addressing abusive conduct issued
- ✓ Global communications campaign #Respect
- ✓ Training activities
- ✓ Enhanced collaboration with WHO IOS
- ✓ Staff declaration of interests - broadened framework of eligibility requirements



Independent External Oversight Advisory Committee

IEOAC – UNAIDS actions related to the key observations

Funding	Ethics and staff concerns
<ul style="list-style-type: none">– UNAIDS shares the IEOAC’s concern on the need to ensure sustainable funding for UNAIDS’ core programme.– In view of the difficult financial outlook for 2022 and 2023, management will implement cost containment measures.	<p>Management takes note and will support</p> <ul style="list-style-type: none">– The request to strengthen the Ethics office– The recommendation for a survey to gauge staff satisfaction and comfort in relation to the services provide by the Ethics office– Concerns on the potential impact of the ongoing alignment process

IEOAC – UNAIDS actions related to the key observations

Risk Management	Audits and recommendations
<ul style="list-style-type: none"> – Management takes note of the committee’s plan to consider risk management and the appropriateness of the audit coverage at its September 2022 meeting, – Is supportive of the plan to analyse potential opportunities and actions that would add value. 	<ul style="list-style-type: none"> – Management will ensure the mutual relationship with WHO is strengthened – Swift and targeted action to close long-outstanding internal audit recommendations – We will coordinate with WHO IOS regarding the following <ul style="list-style-type: none"> – Inclusion of timelines related to investigation cases – revision of its annual report title,. – Inclusion of information on WHO cross-cutting audits that cover UNAIDS activities and – Investigate the feasibility of publicly disclosing summaries of internal audit reports.

Thank you