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WEATHER CLIMATE WATER

## ANNUAL ACCOUNTABILITY REPORT OF THE INTERNAL OVERSIGHT OFFICE

### EXECUTIVE SUMMARY

This report covers activities of the Internal Oversight Office (IOO) from January to December 2021. During 2021, the activities of the IOO were conducted with independence and objectivity as required by the professional standards of practices of oversight[1]. IOO continued to receive full cooperation from WMO management in conduct of its activities.

Assurance Work

The focus and thrust of assurance activities have remained as planned. In 2021, IOO conducted engagements and reported on related results as follows:

- Report on Fellowships Management carried over from 2020 (2021–01)

- Report on Regional Office Locations carried over from 2020 (2021–02)

- "Recruitment and Separation of Fixed Term Staff" (2021–03)

- "Home Leave Entitlement" (2021–04)

- "Cyber Security" (2021–05)

- "Strategic and Programmatic Framework" (2021–06)

- "Audit of Green Climate Fund (GCF) Grant" (2021–07)

- "Administrative Services Platform" (2022–01)

External Quality Assessment of IOO

The third external quality assessment of the IOO was carried out by PwC in the last qurter of 2021. This engagement was concluded in December and final report was received in January-2022.

The opinion of the assessors is given below:

*"After conducting our procedures, we conclude that IOO **generally conforms** to the relevant IIA Standards. "Generally conforms" is the highest achievable rating when assessing the compliance with the IIA Standards."*

The action plan to address the recommendations/enhancement opportunites identfied by the assessments is kept in Annex – III.

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[1] Applicable standards as per IOO Charter are:
International Professional Practices Framework of the IIA for Internal Audit Activity, UNEG Norms and Standards for evaluation and Uniform Guidelines for Investigators for investigation function

Implementation of TeamMate+ Audit Management System/TeamMate Analytics

During 2022, IOO implemented TeamMate+ Audit Management System (AMS). The system is state of the art cloud based AMS. It offers several enhancements over the previous system including integration with risk management processes. Being used by many other RIAS organizations there is increased potential of collaboration by way of exchange of methodologies, audit programs etc.

Implementation of TeamMate Anayltics will enhance data analytics and continuous audit capability in IOO.

Other Matters

During the period:

- Coordination between IOO and the External Auditor (Corte dei Conti, Italy) was ensured to increase audit process efficiency.

- IOO actively provided support to the Joint Inspection Unit (JIU), as the focal point for working arrangements between WMO and the JIU. A progress report with JIU recommendations has been separately submitted.

- IOO continued to be involved in a number of outreach / liaison activities with the oversight services of other international organizations and various oversight / governance stakeholders.

- During the year IOO received three (3) complaints, which were investigated and appropriate action was taken. The investigation report into the cybersecurity incidents in the last quarter of 2020 was completed and issued during 2021.

Opinion of D/IOO

D/IOO is required to provide an annual assessment on the adequacy and effectiveness of the Secretariat's processes for controlling its activities and managing its risks in the areas set forth under the mission and scope of work.

*On the basis of findings in the engagements from IOO's programme of work for 2021, and review of risks and assurances from other assurance providers, IOO can provide reasonable assurance on system of internal controls operating during 2021. The key issues that merit further attention are given in the succeeding paragraphs.*

The complete opinion is given in Annex-I.

Follow-up on Oversight Recommendations

IOO carried out the follow-up of its recommendations in February-March 2022. As a result of the follow-up the implementation rate was 68%. The list of recommendations which are open for more than 12 months is given in Annex – II.

**Assurance Activities in 2021**

1.  Two reports from 2020 were finalized and issued in 2021. The approved programme of work for 2021 had five planned engagements. Two engagements were added from the time kept aside as reported to the AOC-37. All the engagements were completed, and final reports issued (one in 2022). Following table summarizes the reports issued by the Internal Oversight Office since the last Annual Accountability Report.

| Engagement Code | Subject | Status | Report | Rating | Issue Date/Comments |
|---|---|---|---|---|---|
| **2020-IAS-05** | Fellowships Management | Issued | 2021–01 | Some Improvements Needed | January 2021 |
| **2020-IAS-06** | Regional Offices | Issued | 2021–02 | Some Improvements Needed | April 2021 |
| 2021-IAS-02 | Recruitment and Separation | Issued | 2021–03 | Major Improvement needed | July 2021 |
| 2021-IAS-03 | Strategic and Programmatic Framework of WMO | Issued | 2021–07 | Some Improvements Needed | December 2021 |
| **2021-IAS-04** | Platform Services | Issued | 2022–01 | Some Improvements Needed | January 2022 |
| **2021-IAS-05** | Cybersecurity | Issued | 2021–05 | Major Improvement needed | October 2021 |
| 2021-IAS-06 | Home Leave | Issued | 2021–04 | Some Improvement needed | July 2021 |
| 2021-IAS-07 | Green Climate Fund (GCF) Grant | Issued | 2021–06 | n/a | October 2021 |
| 2021-QAR-03 | Quality Assurance Review of IOO | Issued | 2022–02 | Generally Conforms | January 2022 |
| 2021-IAS-01 | Response to COVID Pandemic | – | – | – | Postponed – Ongoing reporting by Management to PAC/EC |

2.  **Changes to the plan of work.** The engagement on WMO response to COVID was postponed in view of close monitoring by the management and periodic reporting to the Policy Advisory Committee (PAC) and Executive Council (EC) by the management. Two engagements were included on management request**:**

    (a)  Review of Home Leave (HL) entitlements

    (b)  Financial audit for a GCF grant

3.  All the engagements have been completed.

**Results of Engagements**

## Standards of Practice

4.  Assurance engagements (Internal Audit, Performance Audit and Inspections) are conducted in conformance with the International Professional Practices Framework of the IIA. Investigations are performed as per the "Uniform Guidelines for International Investigators." Evaluations are conducted as per the UNEG Norms and Standards.

5.  The internal audits were rated in accordance with IOO's rating criteria which took into account the significance of results, including reportable deficiencies. The following ratings have been in effect during 2021:

| | |
|---|---|
| Effective/ Satisfactory | The assessed <<governance arrangements, risk management practices and controls>> were adequately << established and functioning well/ designed and operating effectively >> to provide reasonable assurance that the objectives of the audited entity/area should be achieved. Issue(s) identified by the audit, if any, do not affect the achievement of the objectives of the audited entity/area. |
| Some Improvement Needed | The assessed <<governance arrangements, risk management practices and controls>> were adequately << established and functioning well / designed and operating effectively >> but need some improvement to provide reasonable assurance that the objectives of the audited entity/area should be achieved. Issue(s) identified by the audit do not significantly affect the achievement of the objectives of the audited entity/area. Management action is recommended to ensure that identified risks are adequately mitigated. |
| Major Improvement Needed | The assessed <<governance arrangements, risk management practices and controls>> were generally << established and functioning / designed and operating >> but need major improvement to provide reasonable assurance that the objectives of the audited entity/area should be achieved. Issues identified by the audit could significantly affect the achievement of the objectives of the audited entity/area. Prompt management action is required to ensure that identified risks are adequately mitigated. |
| Ineffective/ Unsatisfactory | The assessed <<governance arrangements, risk management practices and controls>> were <<not adequately established and not functioning well / not adequately designed and not operating effectively>>to provide reasonable assurance that the objectives of the audited entity/area should be achieved. Issues identified by the audit could seriously compromise the achievement of the objectives of the audited entity/area. Urgent management action is required to ensure that the identified risks are adequately mitigated. |

## SUMMARY SCOPE AND FINDINGS OF ENGAGEMENTS

### Report 2021–01 – Fellowships – "Some Improvement Needed"

6.  The objective of the audit was to review the effectiveness of fellowships programme in meeting the capacity development goals of the organization (LTG 4 – Bridge the capacity gap).

7.  The support for fellowships has been declining over the period – from CHF 1.1 million in 2017 to CHF 674,000 in 2019. ETR has entered into agreements with institutes/countries – who provide indirect support through tuition fee waiver and/or subsidy in living expenses.

8.  Long-term fellowships are awarded to even those candidates who are not employees of the NMHS, because the idea of WMO fellowships is to build and develop expertise on weather, water and climate related areas in Member countries. As these fellows are not guaranteed employment with NMHS post-fellowships, the skills/expertise gained may not be utilized in building meteorological capacity in the NMHS.

9.  Nominations are received through PR in pdf documents and then entered in the system for further review in the Secretariat. Obtaining applications directly from fellows through a system like e-recruit can widen the candidate pool and make the process efficient. The approval process for fellowships in the Secretariat is lengthy and tedious considering the amount of financing involved.

10.  Eleven (11) fellows did not complete their courses in the period 2018 to 2020. Most of them failed because of language limitations. It appears that the extensive controls in place can still fail to ensure the capability of the candidates.

### Report 2021–02 – Regional Offices – "Some Improvement Needed"

11.  The Internal Oversight Office (IOO) conducted a review of the locations of the Regional Offices and Representative Offices. The objective of the review was to assess the appropriateness of the locations on criteria of economy, effectiveness and efficiency, and by doing so provide management with relevant information and analyses for consideration on potentially shifting some Offices.

12.  Overall, audit concluded that the Offices in Africa seem to be in the right locations. However, effectiveness could be increased, and greater economy could be achieved by bringing the two Offices in East Africa in one location. The locations for the Regional Office for Asia and the South-West Pacific (RAP), the Regional Office for the Americas (RAM) and the WMO Office for the South-West Pacific (SWP) do not appear to be optimal in their respective regions in order to be effective and should be reconsidered. WMO has no field presence in Region II except the Interregional Office in Bahrain, which is staffed by one employee. Further, there is a need to define a strategy and appropriate criteria for selecting a location for a WMO Office in the field.

### Report 2021–03 – Recruitment and Separation – "Major Improvement needed"

13.  IOO audited the recruitment and separation of staff as per its approved workplan for 2021. The objectives of the audit were to assess: (a) the adequacy of controls over the recruitment and separation processes; (b) compliance with established rules, policies and procedures; and (c) the accuracy of separation entitlements calculation. The period covered was the year 2020.

14.  WMO does not have a human resources management framework that should provide strategic direction for managing and developing human resources in line with

organizational needs and challenges. Such a strategic plan is of utmost importance within the context of restructuring.

15. Job classification was not done systematically as required by the Standing Instructions. HR explained that they used generic post descriptions of the United Nations for posts at the same levels to justify the absence of classification. However, such procedure is not laid out in WMO rules and policies and there was no straight correspondence between the posts being advertised in WMO and the generic posts descriptions used.

16. The steps in the recruitment are not standardized, some Vacancy Notices (VNs) involve a written test or a psychometry evaluation and others do not. A method for combining the results of a written test and the interview is yet to be designed to ensure a uniform, transparent and objective evaluation of the candidates.

17. There are other inconsistencies noted in the selection process, such as non-use of the e-recruit system for the support staff platform positions, which resulted in Audit being unable to confirm that all applications were received, considered, and processed appropriately. In four (16.7%) instances, the appointees did not meet the education, professional and/or language requirements of the positions, **even though other applicants met the required qualification.**

18. In one vacancy notice, the education requirements of the post were set at standards below the other VNs at the same level.

**Report 2021–04 – Internal Audit – Home Leave– "Some Improvement Needed"**

19. IOO conducted an audit of the Home Leave (HL) entitlement for the period of January 2018 to April 2021. The review sought to evaluate whether management oversight over HL entitlement was adequate to ensure that the rules and policies were being complied with and applied consistently to ensure homogeneity and integrity.

20. The audit found that three staff members who have Swiss citizenship, working at the WMO headquarters in Switzerland have been taking home leave, contrary to the rules (SI 4.14.2.1–2); hence, are being treated differently from other staff members.

21. The recognized country of nationality is not always well established in WMO for staff members who hold dual citizenship. As a result, the country of home leave seems to be based on the staff preferences and convenience rather than being clearly established according to the rules.

22. Determining a home leave location based on "strong residential ties" prior to joining WMO is not always supported by evidence; and in one instance, a staff member who has been promoted from the General Services category to Professionals appeared to have changed their permanent residence location to benefit from home leave entitlement.

23. Overall, the audit concluded that the designed controls in the management of home leave entitlement had a few but notable lapses. Due diligence in the determination of home country and home leave location, as well as a rigorous application of the rules and policies, are required to ensure full compliance and equal treatment of all staff.

**Report 2021–05 Internal Audit – Cybersecurity – "Major Improvement needed"**

24. IOO undertook and audit of Cybersecurity framework in WMO as per its plan of work for 2021. The need for strengthening the framework for cybersecurity was underscored as WMO had a series of attempts to divert funds following the compromise of a business email last year.

25. IOO used the guidance in ISO 27000 cybersecurity framework to assess cybersecurity in WMO. Assessment on each of the domains in the framework is described in the following paragraphs.

26. **Identification of risks** – IOO noted that a formal list of major information systems/assets with reference to which threats/risk can be identified does not exist. IOO recommended that the list of information assets be established and periodically reviewed.

27. With respect to risk assessments IOO recommended that the risk register should be regularly reviewed, and an escalation process established.

28. **Protection from Incidents** –The review noted that a process to review the audit logs of activities of privileged users was required. Furthermore, training of staff on cybersecurity needs to be done with periodic refreshers.

29. **Detection of events** – Anomalies in accesses are not monitored systematically. Service chiefs should be formally assigned the responsibility for monitoring events.

30. **Respond** –The Incident response procedure presently applicable is from 2007 and is obsolete. IOO noted that the draft policies prepared by CISO service does not cover this area.

31. **Recover** – With increasing proliferation of cloud applications and SaaS model some of the responsibility of "recovering" from incidents has moved to the providers. IOO recommends that the back-up and recovery plans of major systems should be documented in the operating procedures of ITD and be periodically reviewed.

32. **CISO as a service.** WMO has signed an agreement with UNICC for Information Security Services (CISO as a service) since 2015. However, it appears that all the services included in the SDA and the deliverables from the PA are not being received. There is a need for stronger contract management.

33. Overall, the review concluded that the Cybersecurity framework in WMO needs to be strengthened to keep pace with the evolving use of technology. Areas needing attention include – updating policies and procedures, assigning roles and responsibilities and monitoring activities.

**Report 2021–06 Internal Audit – Green Climate Fund Grant – "NA"**

34. IOO audited the financial statements of the Grant for the period of 1 January 2017 to 30 June 2021. The Grant's financial statements were prepared in accordance with the WMO's Financial Regulations and the International Public Sector Accounting Standards (IPSAS).

35. The audit was conducted in accordance with the International Standards on Auditing (ISAs) series 700. These standards require that IOO plans and performs the audit to obtain reasonable assurance that the financial statements are free of material misstatements whether due to fraud or error. IOO also paid attention to the Grant's compliance with matters of governance and compliance with the grant agreement.

36. The audit found that the accompanying financial statements present fairly, in all material respects, the financial performance of the Grant for the period under review. The review,

however, noted that the supporting documents to account for funds transferred to implementing partners are not always adequate.

**Report 2021–07 Internal Audit – Strategic and Financial Framework – "Some Improvement Needed"**

37. IOO undertook an audit of the coherence between WMO's Strategic, Programmatic and Financial Frameworks. The review focused on the strategic plan and its implementation in the process for the current financial period 2020–23.

38. WMO introduced Result-Based Budgeting in 2007 and transited from programme-based planning and budgeting to a framework focused on allocating resources by Expected Results (ER). The Strategic Plan 2020–2023 is organized by Long-Term Goals (LTG) and Strategic Objectives (SO).

39. With the de-linking of programmes from resource allocation, the relevance of programmes in the planning and budgeting processes in WMO has decreased. The findings highlighted the need to reduce/rationalize the programmes for greater coherence with the strategic planning framework.

40. The WMO financial systems and statements are capable of reporting financial information as per LTGs. For the Regular Budget, the linkages between the SP and OP are well established and the metrics have been created to measure and track results.

    - The apportioned administrative and common costs should be monitored and reported upon.

    - Audit noted that presently there are no outputs and milestones for Governance Services Department and Cabinet of the Secretary-General, which together account for about 40% of the regular resources.

    - Extra-budgetary expenditures are not reported by LTG in the Financial Statements.

    - WMO is yet to update the instructions on Result-Based Budgeting. A revised budget manual has been drafted and will be an annex to the Standing Instructions chapter 5.

41. Overall, the review concluded that the linkages between the strategic, programmatic, and financial frameworks are well established as far as regular budget is concerned. There is a need to rationalize programmes to increase coherence with the strategic planning. Transparency in the reporting of administrative support cost could be improved as well as reporting on extra-budgetary funds by LTGs.

**Report 2022–01 Internal Audit of Central Services Platform – "Some Improvement Needed"**

42. IOO undertook the audit of "Central Services Platform" as per its approved plan of work for 2021. In 2020, the Secretariat consolidated the provision of administrative support services, which was hitherto dispersed in various departments, in a central services platform within the Governance Services Department.

43. The purpose of the audit was to investigate the establishment of the central services and its functioning in the year of inception to document the cost-benefit of the initiative and identify opportunities for course correction.

44. Overall, the audit concluded that the establishment of central services platform has achieved financial savings through reduction of General Service Staff. Future efforts

should be directed at streamlining of processes and introducing efficient technology tools for "document approval", "task tracking" and "digital signatures".

45.   IOO underscores that to harness the potential benefits highlighted in this report will require a coordinated approach between the Governance Services Department, which is responsible for providing the services, and other departments who are responsible for processes and the requesting departments.

**Investigations/Fact Finding**

46.   The investigation report on the fraud attempts detected in 2020 through business email compromise was issued in 2021.

47.   During 2021, IOO received three (3) complaint/requests for fact finding. All cases were disposed of during the year. The complaint was not substantiated in two cases. In one case the allegation of unauthorized outside activity was substantiated and IOO made appropriate recommendations to management.

**FOLLOW-UP OF RECOMMENDATIONS**

48. The internal audit activity must establish a follow-up process[2] to monitor recommendations issued and ensure that management actions on them have been effectively implemented. IOO conducts a biennial follow-up of its recommendations and submits the results to the Audit Committee.

49. There are 101 recommendations in the follow-up database (as of March 2022). Based on the outcome of the follow-up 69 (68%) were implemented. Details are given in the table below:

| | Implemented | | Open | | Total |
|---|---|---|---|---|---|
| | # | % | # | % | |
| **2018** | **26** | **96.3%** | **1** | **3.7%** | **27** |
| 2018–01 – Information Technology Governance | 6 | 100.0% | | 0.0% | 6 |
| 2018–02 Project Coordination | 3 | 100.0% | | 0.0% | 3 |
| 2018–04 Travel Process | 4 | 100.0% | | 0.0% | 4 |
| 2018–06-Letter of Agreements | 2 | 100.0% | | 0.0% | 2 |
| 2018–07 – Post Implementation Review of Document Management System | 3 | 100% | | 0.0% | 3 |
| 2018–08 – Special Account for Building extraordinary Works | 3 | 100.0% | | 0.0% | 3 |
| 2018–09 Field Offices in Africa | 5 | 83.3% | 1 | 16.7% | 6 |
| **2019** | **16** | **84.2%** | **3** | **15.8%** | **19** |
| 2019–01-Gender Activities | 3 | 100.0% | | 0.0% | 3 |
| 2019–02-PIR of Oracle Enhancements | 2 | 100.0% | | 0.0% | 2 |
| 2019–03-Regional Office in Americas | 3 | 60.0% | 2 | 40.0% | 5 |
| 2019–04 USAID Projects (FFSG, Afghanistan Hydromet) | 2 | 100.0% | | 0.0% | 2 |
| 2019–05 Accounts Payable | 6 | 85.7% | 1 | 14.3% | 7 |
| **2020** | 18 | 85.7% | 3 | 14.3% | 21 |
| 2020 – 01 – Procurement Process | 3 | 75.0% | 1 | 25.0% | 4 |
| 2020–02 CPDB/Extranet | 3 | 100.0% | | 0.0% | 3 |
| 2020–12 – CREWS Project | 6 | 100.0% | | 0.0% | 6 |
| 2020–15 Administrative Reviews | 1 | 100.0% | | 0.0% | 1 |
| 2020–16 Trust Fund Management | 3 | 60.0% | 2 | 40.0% | 5 |

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[2] **2500 - Monitoring Progress**
The chief audit executive must establish and maintain a system to monitor the disposition of results communicated to management.
**2500.A1-** The chief audit executive must establish a follow-up process to monitor and ensure that management actions have been effectively implemented or that senior management has accepted the risk of not taking action.

| | Implemented | | Open | | Total |
|---|---|---|---|---|---|
| | # | % | # | % | |
| *2020–17-SSA* | 2 | 100.0% | | 0.0% | 2 |
| **2021** | **9** | **26.5%** | **25** | **73.5%** | **34** |
| *2021–01-Fellowships* | 3 | 50.0 | 3 | 50.0% | 6 |
| *2021–02 – Field Offices* | | 0.0% | 5 | 100.0% | 5 |
| *2021–03: Recruitment and Separation of Personnel* | 3 | 42.9% | 4 | 57.1% | 7 |
| *2021–04 Home Leave Management* | 3 | 100.0% | | 0.0% | 3 |
| *2021–05: Cyber Security* | | 0.0% | 8 | 100.0% | 8 |
| *2021–07 Strategic and Programmatic Framework* | | 0.0% | 5 | 100.0% | 5 |
| *Total* | 69 | 68.3% | 32 | 31.7% | 101 |

50. The recommendations in the IOO reports are classified as "High", "Medium" or "Low". Following table gives the details of implementation by year and priority.

| | High | % | Medium | % | Total |
|---|---|---|---|---|---|
| **2018** | **12** | | **15** | | **27** |
| Implemented | 12 | **100.0%** | 14 | **93.3%** | 26 |
| Open | | | 1 | **6.7%** | 1 |
| **2019** | **5** | | **14** | | **19** |
| Implemented | 5 | **100.0%** | 11 | **78.6%** | 16 |
| Open | | **0.0%** | 3 | **21.4%** | 3 |
| **2020** | **9** | | **12** | | **21** |
| Implemented | 8 | **88.9%** | 10 | **83.3%** | 18 |
| Open | 1 | **11.1%** | 2 | **16.7%** | 3 |
| **2021** | **9** | | **25** | | **34** |
| Implemented | 2 | **22.2%** | 7 | **28.0%** | 9 |
| Open | 7 | **77.8%** | 18 | **72.0%** | 25 |
| **Total** | **35** | | **66** | | **101** |

51. The following chart shows the trend of implementation as reported to the previous sessions of the Audit Committee.
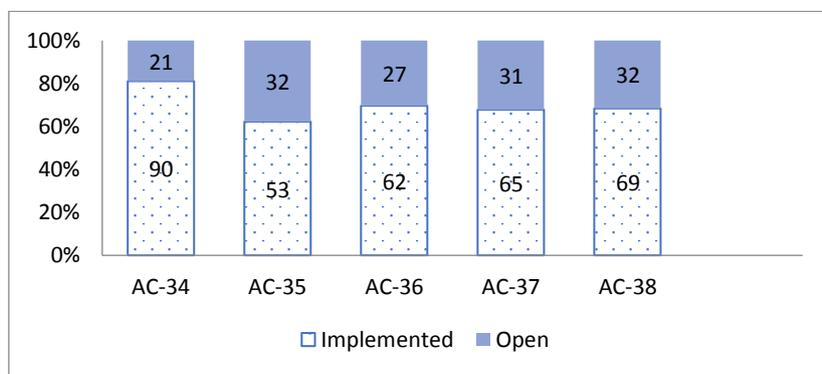


52. The overall implementation rate is 69% As of March 2022 there are 32 recommendations which are open. The age analysis of these recommendations is given in the chart below:
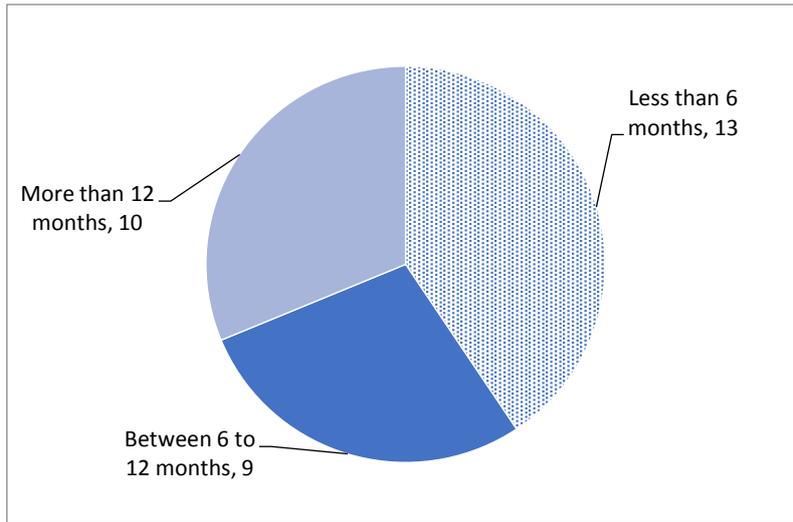
**Figure 1 – Ageing of Open Recommendations**

53.   It is noted that 69% of the recommendation are less than one year old. 10 recommendations which are open for more than one year old are given in Annex – II.

**QUALITY ASSURANCE AND IMPROVEMENT**

**Internal Assessments**

54. *Standard 1311 – The internal assessments must include: Ongoing monitoring of the performance of the internal audit activity; and periodic reviews performed though self-assessment.*

55. IOO has instituted a process by which an internal assessment is carried out by the Senior Internal Auditor, reviewed by D/IOO and submitted to the management/Audit Committee through the progress report. The assessment focuses on the areas of partial conformity to the standards noted by the previous external QAR.

56. IOO monitors the performance of engagement on an ongoing basis through automated tools in the Audit Management System, including monitoring of engagement resources and schedules, acceptance and implementation of recommendations and formal/informal client satisfaction surveys.

**External Assessment**

57. Standard *1312 – External assessments must be conducted at least once every five years by a qualified, independent reviewer or review team from outside the organization.*

58. The third external QAR of IOO was completed in December-2021. The assessment gave IOO a "Generally Conforms" rating. PwC was engaged to carry out the QAR.

59. The QAR concluded that IOO "Generally conforms" with the IIA Standards. Complete conclusion from the report is given below:

> *After conducting our procedures, we conclude that IOO **generally conforms** to the relevant IIA Standards. "Generally conforms" is the highest achievable rating when assessing the compliance with the IIA Standards. There are improvements needed in our view, and we recommend IOO develop an action plan, and have this endorsed by the Audit and Oversight Committee and the Secretary-General, in order to address the gaps identified.  In particular, we observed the following strengths of IOO:*
>
> *–The IOO Director and Staff is a dedicated team of experienced professionals with a deep understanding of the organization;*
>
> *–The IOO performs approximately 10 audits a year, plus investigation, with three staff members;*
>
> *–Stakeholder interviews noted a high level of satisfaction and respect for IOO and the work that they do.*

60. The QAR also identified areas of improvement which are summarized below:

> *We have identified the following areas of improvement. We note that some of the improvement areas may stem from the small size of the team (3 individuals: IOO Director, Senior Internal Auditor and Oversight Assistant). We have provided practical recommendations for WMO IOO to consider in addressing the gaps with the standards to ensure adherence going forward. In summary, our identified areas of improvement include:*
>
> *–Currently there is an imbalance in reporting, with IOO's reporting line going to the Secretary-General, and not to the Audit and Oversight Committee. We*

*understand this is common practice in UN organizations, however, this creates some risk for the independence of the function.*

*–The IOO Charter and the IOO Manual do not provide any guidance on the communication and actions to take in case any member of the IOO becomes aware of a current or potential impairment in independence or objectivity, in fact or appearance.*

*–There is limited usage of data analytics within the team, and this may provide opportunity for further coverage given the small size of the team.*

*–The documentation in place for each audit can be improved. In reviewing the audit files it was sometimes difficult to follow through the risks, controls, tests performed and findings.*

*–Further, review of audit files is limited to the Terms of Reference and Final Report, with no evidence of review of the work program.*

*–Internal audit reports provide a lot of information to assist readers in understanding the background and issues, however, to be most useful there is opportunity to provide more concise executive summaries to provide overview and key information as an overlay to the more detailed report.*

61. IOO's action plan to address the recommendations in the QAR report is given in Annex-III.

## Evaluation

62. Evaluations are conducted by several organizational units in WMO. IOO has the mandate for independent evaluations in WMO. Whenever, IOO plans to undertake an evaluation, it is included in the annual plan of work which is a combined plan for all IOO services.

63. Evaluations are also undertaken by other organizational units in WMO, e.g., MERP Unit may undertake evaluations which may be triggered by performance data collected in the M&E system. Evaluations may also be undertaken by departments following conditions in donor agreements. Evaluations may also be commissioned by Governing Bodies to look into specific activity area or intervention.

64. IOO and/or MERP Unit provide professional support to the evaluations which are conducted by other departments/units as requested. A joint evaluation repository has been developed to store the reports of different evaluations conducted in the organization. A summary of evaluations conducted/planned in the past two years is given in the table below:

|  | *Title* | *Status/Publication* | *Type (when)* |
|---|---|---|---|
| 1. | CREWS Initial Phase External Evaluation | In Progress | Mid-Term |
| 2. | External Evaluation of the WMO Constituent Body Reform | Inception Report | |
| 3. | VFDM Project 'Integrating Flood and Drought Management and Early warning for the Climate Change Adaptation in the Volta Basin' | In Progress | Mid-Term |
| 4. | CREWS Pacific | In Progress | Final |
| 5. | Global Framework for Climate Services Adaptation Programme in Africa (GFCS APA Phase II) | Mar-21 | Final |
| 6. | Impact of Training Programme on Climate Change Adaptation and Disaster Risk Reduction in Agriculture report (ETR-28) | 2021 | Final |
| 7. | CREWS Burkina Faso | Mar-21 | Final |

65. IOO along with MERP Unit is also developing an Evaluation Policy for WMO in line with UNEG Standards. The policy is aimed to be submitted to AOC in fall-2022 session.

## Audit Management System Implementation

66. IOO is in the process of implementing TeamMate+ Audit Management System. The system replaces previous MKInsight (PENTANA) Audit Management System. A survey within the RIAS community had shown that TeamMate/TeamMate+ is used by over 83% of the UN system organizations' internal audit offices.

67. Alongside, IOO is also implanting TeamMate Analytics – an excel based data analytic tool. The TeamMate Analytics test library includes 200 audit tests, fully documented to support analytics that can be applied to the audits and build audit programs.

68. Implementation of these tools will facilitate integration with risk management processes, improve collaboration with other organization and support enhanced used of data analytics.

**Training and Outreach**

69. Subject to the availability of budget, IOO endeavours to provide training for continuing professional education and up-gradation. The following trainings have been provided in 2021:

    (a) UN-RIS conference of international investigators (virtual), May – Director, IOO; Senior Auditor, Internal Oversight Assistant

    (b) Webinars on audit tools and methodologies (virtual) – Director, IOO; Senior Auditor; and Oversight Assistant

    (c) IFRC Fraud conference (virtual – November) – Director, IOO; Senior Auditor; and Oversight Assistant

    (d) Information Security Awareness UNDSS (virtual) - Director, IOO; Senior Auditor; and Oversight Assistant

    (e) Forensic Document Examination for UN internal investigations - Internal Oversight Assistant

**Coordination with the Other Assurance Providers**

70. IOO continues to coordinate the JIU and the external auditors for synergy in assurance provided to management and Governing Bodies.

71. Continued cooperation has been maintained with the Corte de Conti – the external auditor of WMO. IOO continues to routinely share the assurance reports with the external auditor.

**Joint Inspection Unit**

72. IOO is the focal point for the Joint Inspection Unit in WMO. IOO has continued to provide support to the JIU in conduct of its reviews – by coordinating responses to questionnaires/surveys, draft reports and follow-up of recommendations.

**Financial Disclosures**

73. D/IOO is responsible for receiving the financial declaration of staff members of WMO except the Executive Management. For the year 2020, IOO requested financial disclosures from 50 staff members by 31st March 2021. All the declarations have been received. The review of financial disclosures received did not disclose any case of potential conflict of interest.

**Access to Information**

74. The policy of disclosure of internal audit reports to the member states was approved by the EC in 2008. The policy was updated in 2012 based on the experience gained. No request for reports was received in period under reporting.

**Internal Oversight Resources**

75. As of the date of this report IOO has two professional staff (D/IOO and Senior Internal Auditor) and one General Service Staff (Internal Oversight Assistant). Details of IOO Staff are given in the table below:

| Title | Name | Grade Level | Qualifications | Entrance on Duty | Nationality |
|-------|------|-------------|----------------|------------------|-------------|
| D/IOO | Mr A. Ojha | D-1 | CIA/CISA/CRMA/CFE | 1 Mar 2013 | India |
| Sr. Internal Auditor | Ms P. Ralijemisa | P-5 | CIA, Accredited Quality Assessor | 14 February 2014 | Madagascar |
| IO Assistant | Mr L. Courtial | G-6 | CFE, Accredited Quality Assessor, Certified Cyber Crime Examiner | 14 Aug 2006 | France |

76. The total non-post resources allocated to the head "Internal Oversight and other Oversight Provisions" was CHF 206,403 in 2021. The utilization is shown in the table below:

| Item | Expenditure |
|------|-------------|
| External Audit & related expenses | 140,041 |
| IOO Quality Assessment | 19,403 |
| Investigation Outsourcing | 6,000 |
| Audit Tools (AMS) | 30,551 |
| Others | 10,408 |

**ANNEX-I**

**INTERNAL OVERSIGHT OFFICE'S OPINION ON INTERNAL CONTROLS – 2021**

1.  Management is responsible for ensuring a sound system of internal control that supports the achievement of the Organization's objectives and is responsible for putting in place arrangements for gaining assurance about the effectiveness of that overall system.

2.  Internal Oversight Office is responsible for providing an independent and objective assurance on the system of internal controls.

3.  The purpose of the annual opinion is to contribute to the assurances available to the Secretary-General to underpin the statement of internal control. The opinion expressed does not imply that IOO has reviewed all risks and assurances relating to the organization.

4.  This opinion presents an overall assessment of the systems of governance, risk management, and internal control, in WMO including a comparison with the prior year where applicable. It is based upon:

    •   The results of internal oversight engagements completed during the year and ongoing, including assessment of the framework and processes for the management of risk

    •   The results of external oversight exercises undertaken by the external auditor, Joint Inspection Unit etc.

    •   Prior audit results and corrective actions taken and reported by management

5.  The internal audit work in 2021 was conducted in conformity with the International Professional Practices Framework for Internal Audit of the IIA. There was no impairment to independence or objectivity in conduct of internal oversight activities during the year.

## Opinion

On the basis of findings in the engagements from IOO's programme of work for 2021, and review of risks and assurances from other assurance providers, IOO can provide reasonable assurance on system of internal controls operating during 2021. The key issues that merit further attention are given in the succeeding paragraphs.

## Assurance Engagements

6.  IOO uses a four-tier rating scale for the Internal Audit reports to classify them according to the observed risk levels in the processes reviewed, since 2016. Following chart depicts a trend of ratings and corresponding assurance from Internal Audit reports.
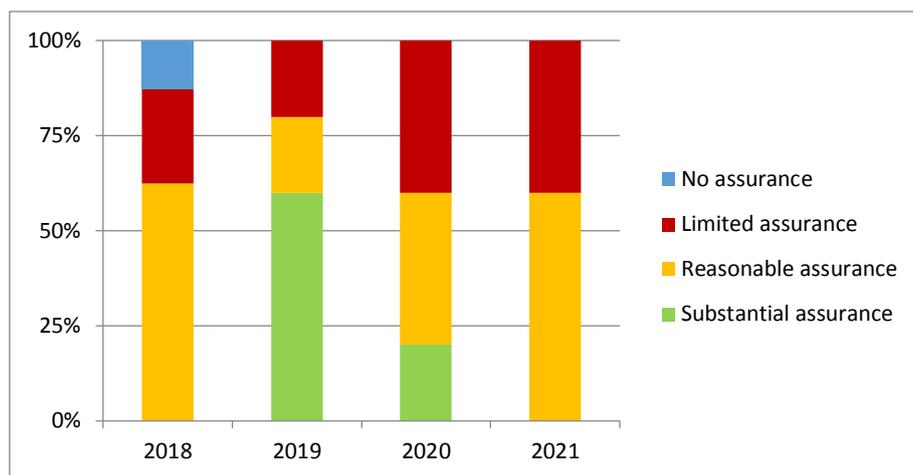
## Issues from Assurance Engagements

- **Fellowship operations.** IOO's engagement observed declining budgetary support for fellowships from CHF 1.1 million in 2017 to CHF 674,000 in 2019. Eleven (17%) fellows did not complete their courses in the period 2018 to 2020, mostly because of language limitations. The programme could benefit from review of selection criteria and process of nomination of candidates.

- **Regional Offices.** The review of locations of the WMO offices in the regions showed that several locations were not optimal. A strategic approach, starting from expectations from the offices could help optimize returns on the resources deployed to the field offices. The reform of the regional structures could be an opportunity to optimize the locations of the offices as well.

- **Recruitment.** WMO does not have a human resources management framework providing strategic direction for managing and developing human resources in line with organizational needs and challenges. The recruitment process had weaknesses and inconsistencies in several areas including job classification, grading of tests and interviews, qualifications of selected candidates, etc.

- **Home Leave.** The audit of Home Leave found instances of non-compliance with rules that establish eligibility of Home Leave. Due diligence in the determination of home country and home leave location, as well as a rigorous application of the rules and policies, are required to ensure full compliance and equal treatment of all staff.

- **Cybersecurity.** The Cybersecurity framework in WMO needs to be strengthened to keep pace with the evolving use of technology. Areas needing attention include – updating policies and procedures, assigning roles and responsibilities and monitoring activities.

- **Grant from Green Climate Fund.** In the audit of the financial statements of the GCF Grant for the period of 1 January 2017 to 30 June 2021, IOO concluded that the financial statements present fairly, in all material respects, the financial performance of the Grant for the period under review. The review, however, noted that the supporting documents to account for funds transferred to implementing partners are not always adequate.

- **Strategic and Financial Framework.** The review concluded that the linkages between the strategic, programmatic, and financial frameworks are well established as far as regular budget is concerned. There is a need to rationalize programmes to increase coherence with the strategic planning. Transparency in the reporting of administrative support cost could be improved as well as reporting on extra-budgetary funds by LTGs.

## Other Issues

7.  The Management and Administration Review of WMO done by the Joint Inspection Unit (Report 2021/1) highlighted several opportunities for improvement in the organization structure and processes. The AOC and the EC have taken note of the report and requested for prompt implementation of the recommendations.

8.  The COVID-19 crisis which caught WMO and the rest of the world off guard is continuing. It is having long reaching impacts on how the Secretariat liaises with the Members, conduct meeting etc. Continuing attention of the management is required to monitor emerging risks and issues.

## Investigations/Fact Finding

9.  The investigation report on the fraud attempts detected in 2020 through business email compromise was issued in 2021.

10. During 2021, IOO received three (3) complaint/requests for fact finding. All cases were disposed of during the year. The complaint was not substantiated in two cases. In one case the allegation of unauthorized outside activity was substantiated and IOO made appropriate recommendations to management.

## Quality Assurance Review (QAR) - External Assessment

11. Per Standard 1312 of the International Standards for the Professional Practice of Internal Auditing, *"External assessments must be conducted at least once every five years by a qualified, independent reviewer or review team from outside the organization."*

12. PwC was engaged to carry out the third external QAR of IOO and completed the review in December-2021. The assessment gave IOO a "Generally Conforms" rating, which is the highest achievable rating when assessing the compliance with the IIA Standards.

## Annex – II – Recommendations open for more than 12 months

| RECOMMENDATION | MANAGEMENT COMMENTS | IOO COMMENTS |
|---|---|---|
| 1. D/DRA should ensure that the Guidelines on the operations of the Regional / Subregional /Field offices are updated.<br>They should include management of official vehicles. | D/MS MARCH 2022<br>The independent review of the strategic location of WMO Regional and representative Offices started in January 2022. The report is expected in May 2022. | Keep open and assess in next review |
| 2. Payment Instructions are required to be countersigned by DSG/ASG for payments over CHF 40,000. For payments based on approved invoice and receipts this does not appear to add value and causes inefficiency.<br>While ensuring sufficient controls exist, C/FIN should explore and make a proposal to amend the SIs to do away the control of countersigning of payment instructions by DSG/ASG. | D/GS MARCH 2022<br>Chapter 5 review is progressing, with a draft being reviewed by D/GS and D/LCA currently. Expected implementation date of March 2022 remains valid.<br>Copy of the email transmitting an updated draft to D/GS and D/LCA is available upon request. | Keep open and assess in next review |
| 3. C/PCD should maintain a set of adequate KPIs to enable meaningful analysis and make improvement in the procurement process as necessary. | D/GS MARCH 2022<br>There is a list of KPI prepared for 2021 in the below link:<br>https://elios.wmo.int/share/page/document-details?nodeRef=workspace://SpacesStore/ecd2df9f-7e86–4fd3-bc17-dc301ba750cd<br>The list was updated in 2022 with reference to the KPI from UNOG in the below link:<br>https://elios.wmo.int/share/page/document-details?nodeRef=workspace://SpacesStore/22b33ccb-ba76–43bb-9c81-c38381fef7b2 | Keep open and assess in next review |
| 4. D/DRA should follow up with the RAM and Costa Rica Office on updating the Host Country Agreement with their respective host country. | D/MS MARCH 2022<br>The independent review of the strategic location of WMO Regional and Representatives Offices started in January 2022. The report is expected in May 2022. Appropriate action regarding updating of the Host Country Agreement will take place thereafter. | Keep open and assess in next review |
| 5. C/FIN should consider introducing a uniform tool to maintain petty cash for all offices in the field. | D/GS MARCH 2022<br>A new process has been developed to add efficiency to the expenditure certification and reporting process. This has resulted in reducing the number of requisitions per office from monthly to one.<br>Additional efforts for the development of the "uniform tool" are ongoing and expected to be implemented by March 2022.<br>A copy of the email will be sent in attachment. | Keep open and follow up in next review.<br>Target date for implementation December 2021 |

| RECOMMENDATION | MANAGEMENT COMMENTS | IOO COMMENTS |
|---|---|---|
| 6.  In consultation with PMB and CSG, D/LCA should lead the review of the policies and procedures on establishing, managing and closing trust funds and propose updates for the purpose of having all in one document (to the extent possible) to ensure completeness and clarity.<br><br>Additionally, ensure that the closing process distinguishes between "operationally closed" and "financially closed." The use of a trust fund completion checklist is recommended. D/LCA should monitor the progress in this regard. | D/GS MARCH 2022<br>Draft of Updated Chapter 13 has been developed by MS with additional guidance. Additionally, draft updated Chapter 5 (or potentially a separate chapter on Trust Fund Financial Management separated from Chapter 5) contains additional guidance on the closing process.<br>Draft of the revised Chapter 13 can be found here:<br>https://elios.wmo.int/share/page/document-details?nodeRef=workspace://SpacesStore/b248af35-fa4a-44fe-9468–3975a9647943 | Partially Implemented. Awaiting work on SI 13. |
| 7.  It appears that WMO is assuming the risk of foreign exchange fluctuation risk for TF activities. Approximately CHF 0.45 million have was the realized exchange rate loss in the financial statements in the last three years.<br><br>D/LCA in collaboration with management should prepare an analysis of key foreign exchange rate risks and propose and document relevant procedures for ensuring that these risks are clearly understood and mitigated. | D/GS MARCH 2022<br>Draft of Updated Chapter 13 has been developed by MS with additional guidance. Additionally, draft updated Chapter 5 (or potentially a separate chapter on Trust Fund Financial Management separated from Chapter 5) contains additional guidance on FX related risks.<br>Draft of the revised Chapter 13 can be found here:<br>https://elios.wmo.int/share/page/document-details?nodeRef=workspace://SpacesStore/b248af35-fa4a-44fe-9468–3975a9647943 | Keep open and assess in next review |
| 8.  D/ETR should ensure that an online solution for receiving the nominations/applications for fellowships is implemented expeditiously in a time-bound manner by adapting the existing solution/system of e-recruit or expert nominations through CPDB. | D/MS MARCH 2022<br>Implementation of ETAS is delayed because the company that was to be contracted was unavailable. A news assessment criteria is now being prepared by a consultant for putting in place an adequate facility | Keep open and assess in next review |
| 9.  D/ETR should propose in the nomination criteria that only NMHS employees can be considered for fellowships. | D/MS MARCH 2022<br>In principle, the awards are proposed for only staff of NMHSs, while those outside are considered on exceptional basis on the recommendation of the Permanent Representative. ETR is preparing a new comprehensive guideline on education and training awards for consideration by EC-76 | Keep open and assess in next review |
| 10. ETR should analyses the pros and cons of supporting courses for academic qualifications in consultation with the stakeholders and decide upon the targeted mix between skill-based trainings and academic fellowships. Award of fellowships and agreements with the partners should be based on such strategy. | D/MS MARCH 2022<br>The survey is being concluded. It is expected that the analysis will also be concluded and published in 2022, further to which recommendations will be made based on relevant extract data. | Keep open and assess in next review |

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## Annex – III– Recommendations from External QA of IA service in IOO & Action Plan

| RECOMMENDATIONS AND OBSERVATIONS | PROPOSED ACTION | TARGET DATE | CATEGORY |
|---|---|---|---|
| We recommend that the IOO Director reviews the Internal Oversight Office Charter on a regular basis, e.g., each year, and submits recommended changes for approval. | Next revision of the charter will be submitted to the fall session of AOC in 2022. Thereafter, the charter will be reviewed at least annually and AOC will be informed of the results of the review in the fall session, through the report on internal QAIP. | Q4–2022 | Charter Revision |
| In order to strengthen organizational independence, we recommend that WMO considers redefining the IOO Director's reporting relationships to have a dual reporting model. This would have the IOO Director reporting administratively to the Secretary-General, and functionally to the Audit and Oversight Committee.<br><br>Should the dual reporting model be not considered as adequate by WMO, we recommend that the current set up (and not the dual reporting model recommended by Standard 1110) is reviewed annually by the Audit and Oversight Committee, Secretary-General, and the Executive Council as a part of the Annual Accountability Report of the Internal Oversight Office. We recommend that the Audit and Oversight Committee annually reconfirms that it is comfortable that the current organizational reporting lines provides effective organizational independence of the IOO at WMO. | Following will be added to IOO Charter<br>***"The Director, IOO shall submit the Annual Plan of work for Approval to the AOC. Any changes in the Plan of Work will be informed and submitted to the AOC."*** | Q4–2022 | Charter Revision |
| We recommend that if there are any current and future responsibilities outside of internal auditing of the Head of Internal Audit, the consequences of such responsibilities are reviewed.<br>We recommend that any current and future responsibilities outside of internal auditing are either shifted to the relevant manager at WMO, or specific safeguards are documented to limit impairments to independence or objectivity. | The recommendation is with reference to the IOO being entrusted the responsibility of review of staff appeals, which has since been shifted out of IOO.<br>AOC will continue to be kept informed of current and future responsibilities of IOO. | Ongoing | Already included in TOR of the AOC |
| We recommend that IOO sets up a periodic confirmation process of the IOO Staff objectivity. This confirmation should be formally documented. Furthermore, we recommend the IOO consider expanding the confirmation process at engagement level, by requesting as an additional step in the planning stage of the engagement that | Annual and progress reports of IOO will confirm the objectivity and independence of IOO and its staff.<br>A section will be added to the engagement plan confirming staff | Ongoing. Formal Confirmation is documented in report to AOC-38 | Reporting to AOC |

| RECOMMENDATIONS AND OBSERVATIONS | PROPOSED ACTION | TARGET DATE | CATEGORY |
|---|---|---|---|
| the engagement team formally confirm its objectivity. | objectivity/disclosure of impairment. | | |
| The IOO Charter and/or IOO Manual should be updated to provide guidance on the communication and actions to take in case independence or objectivity is impaired in fact or appearance. | Relevant provisions will be included in the IOO Charter. ***"The Director, IOO shall report any significant impairment to independence and objectivity, including conflicts of interest, for due consideration of the AOC"*** | Q4–2022 | Charter Revision and Manual Update |
| The IOO Charter should provide rules on the provision of assurance services on operations for which any IOO Staff was previously responsible. | Relevant provisions will be included in the IOO Charter in the next revision. ***"IOO staff shall not perform Internal Audits in any area that they have had a management role in the preceding 2 years."*** | Q4–2022 | Charter Revision |
| We recommend that the IOO formally documents in the IOO Manual the rule that no consulting services will be provided where the IOO had performed consulting services within the previous two years. | Relevant provisions will be included in the IOO manual in the next revision. | Q4–2022 | Manual Update |
| We recommend that WMO strengthens the first and second lines of defence on IT and cybersecurity risks in order to avoid that the IOO Director has to provide significant assistance in this field in the future. | Similar recommendation has been made by IOO in its audit of Cybersecurity, which will continue to be followed up and results reported to the AOC in routine course. | Q4–2022 | Reporting to AOC |
| We recommend that IOO performs a formal, annual skillsets gap analysis to identify whether the existing talent mix has the required technical knowledge/skillsets for the current risk environment, audit plan, and stakeholder expectations and if there is a need to fill gaps through training or additional resourcing. We recommend the skills gap analysis is updated annually as a part of the internal audit planning process to ensure on going proficiency. We recommend this is reported to the Audit and Oversight Committee to provide an overview on resourcing and proficiency to complete the audit plan, alongside the more general resource limitations or requirements currently reported. See also Standard 1230 for further information. | The skill gap analysis will be included in the plan of work for 2023 to be submitted to the fall session of the AOC. Professional Staff in IOO have multiple professional certifications. IOO endeavours to provide them training at least to the maintain the CPE hours for the certification. | Q4–2022 | Reporting to AOC |

| RECOMMENDATIONS AND OBSERVATIONS | PROPOSED ACTION | TARGET DATE | CATEGORY |
|---|---|---|---|
| We recommend that IOO reviews the full end to end processes, both at engagement level from the planning phase to the reporting phase, and at the WMO level (e.g. for the definition of the Plan of Work), in order to identify if there are any further opportunities for using data analytics and technology based audit techniques. Interviews noted that technology based testing may provide opportunity for additional coverage given the small size of the team.<br><br>Furthermore, we recommend IOO consider relevant training opportunities on data analysis (e.g. Power BI) and other technology based audit techniques as required by the desired usage of such tools by the IOO. | IOO staff received training in TeamMate+ and TeamMate Analytics, and will start using them in 2022 to enhance data analytics and use more technology based auditing techniques. | Complete | Complete |
|  |  |  |  |
| We recommend that IOO takes a risk based approach to determine what controls are reviewed only for design testing, and which are tested for full testing of operating effectiveness, and where only design is reviewed the reason for this is clearly documented. This can then be specifically reviewed and challenged as a part of the review of the work program recommended in Standard number 2340. | IOO will start using TeamMate+ in 2022. This tool allows a more risk based approach for performing the audits. | Complete | The risk based approach to control testing has been incorporated in the TM+ System |
| We recommend IOO perform on a regular basis (to be defined, e.g. every two years) a full self-assessment of all IIA Standards to foster continuous improvement. An action plan should be put together based on the results of this internal assessment. This actions plan and the progress against the defined actions plan should be reported to the Secretary-General and the Audit and Oversight Committee on a regular basis.<br>We also recommend that all actions from the EQA are followed up those for standards that are partially conforms, as well as those for generally conforms.<br><br>We recommend that in its reporting on the internal assessment in the Annual Accountability Report or in the Progress Report, the IOO includes the actions defined as well as implementation due dates, responsibility and the status of progress of its implementation. The IOO should also outline the main insights obtained from the GAIN benchmarking exercise and track any | IOO will perform a full self-assessment every two years and a corresponding action plan will be prepared based on the results, and will be reported to the SG and AOC. | Ongoing | Reporting to AOC |

| RECOMMENDATIONS AND OBSERVATIONS | PROPOSED ACTION | TARGET DATE | CATEGORY |
|---|---|---|---|
| determined actions as a result of that review as well. | | | |
| | In. | | |
| We recommend that the IOO Charter specifies that it is IOO Director's responsibility to disclose any nonconformance with IIA Standards or the Code of Ethics, describing which Standard(s) are not complied with, the reason of nonconformance and what the impact is. The IOO Manual should describe the disclosure process. | Relevant provisions will be included in the IOO Charter and the Manual in the next revision. ***The Director, IOO shall report any significant impairment to independence and objectivity, including conflicts of interest, for due consideration of the IOC*** | Q4–2022 | Charter Revision |
| We recommend the IOO Manual be expanded to provide further details on policies, work procedures and relevant other guidelines to enable the Manual to be used as a guide for all processes in the department. We recommend this includes the improvement recommendations and enhancement opportunities noted within this report (once they are implemented). | The IOO Manual will be expanded to provide further details on policies, work procedures and relevant other guidelines to enable the Manual to be used as a guide for all processes in the department. To be done in the next revision. | Q4–2022 | Manual Update |
| We encourage the IOO Director to continue the project of creating a combined assurance mapping allowing to determine if the risk coverage is adequate and if there are any overlaps/gaps. We thus recommend that IOO performs a consolidation of audit findings across assurance providers in order to identify which risk areas require further audit work. From interviews we understand that IOO perceives the value add of such an exercise, but the team does not currently have the resource capacity to perform this activity. | IOO will continue to inform the stakeholders of assurance through the work of external audit. Joint Inspection Unit, Management led evaluations etc. | Implemented | Ongoing |
| We recommend that the IOO Manual is further expanded by providing guidelines for performing consulting engagements. We recommend that the IOO Manual is further expanded to provide guidelines and guidance on procedures for engagement planning for consulting/advisory engagements. We recommend this includes the required steps and documentation for consulting/advisory engagements. | Relevant provisions will be included in the Manual in the next revision. | Q4–2022 | Manual Update |

| RECOMMENDATIONS AND OBSERVATIONS | PROPOSED ACTION | TARGET DATE | CATEGORY |
|---|---|---|---|
| We recommend that the IOO considers aligning the way IOO communicates internal audit engagements to the auditee to ensure the required information is provided. The objectives and scope of the engagement should be clearly stated in the audit announcement email. | IOO is reviewing its reporting format in conjunction with implementation of TM+. The new report format will consider this suggestion. | Q3–2022 | Report Format |
| We recommend that IOO ensures to conduct a preliminary assessment of the risks relevant to each activity under review. The engagement objectives should reflect the results of this assessment. The expected controls to address these risks should also be identified and the related audit procedures determined based on those controls. | With the introduction of TeamMate+ this will be done systematically for each engagement. | Implemented | WP Documentation |
| We recommend that IOO systematically documents in the engagement work papers the expected controls to address the key risks identified by IOO for the activities under review to enable understanding of the gaps in controls identified, and to ensure full coverage of the risks and controls. | With the introduction of TeamMate+ this will be done systematically for each engagement. | Implemented | WP Documentation |
| The test plan should be based on a documented assessment of the risks for the activities under review. The controls to address these risks should be identified and related testing procedures determined and documented in the work program. | With the introduction of TeamMate+ this will be done systematically for each engagement. | Implemented | WP Documentation |
| We recommend that the description of the work performed is precisely described in the work papers to ensure that a reviewer can understand the extent of work procedures performed to cover the identified risks and that the review can understand the analyses and evaluations on which IOO bases its findings. | With the introduction of TeamMate+ this will be done systematically for each engagement. | Implemented | WP Documentation |
| We recommend that the document retention requirements are formally documented in the IOO Manual. The IOO should ensure that these document retention requirements are in line with the Service Note on WMO document and record management policy (Service Note No 14/2016). | The document retention requirements will be formally documented in the IOO Manual in the next revision. IOO will ensure that these document retention requirements are in line with the Service Note on WMO document and record management policy (Service Note No 14/2016). | Q3–2022 | Manual Update |

| RECOMMENDATIONS AND OBSERVATIONS | PROPOSED ACTION | TARGET DATE | CATEGORY |
|---|---|---|---|
| We recommend that the procedures for releasing reports and other IOO documentation with external parties are formally documented in the IOO Manual. | Relevant provision will be included in the Manual in its next revision. | Q3–2022 | Manual Update |
| We recommend that a second reviewer performs a review of the engagement Terms of Reference, work program and report. This review should be documented in the documents themselves. Alternatively, IOO can determine if review can be documented directly in the new audit system. | The comments of the second reviewer have always been included in the TOR and audit reports. IOO will ensure that the review of the work program is documented, preferably directly in TM+ | Implemented | WP Documentation |
| We recommend that a standard closing meeting template is used, reminding the scope, objectives of the engagement as well as first draft of the findings identified in order to ensure alignment on the audit observations with the auditee at the end of the fieldwork. | IOO will use a standard closing meeting template, reminding the scope, objectives of the engagement as well as first draft of the findings identified in order to ensure alignment on the audit observations with the auditee at the end of the fieldwork. | Q2–2022 | WP Documentation |
| We recommend the internal audit reports utilize a more concise executive summary to provide overview and key information as an overlay to the more detailed report. Furthermore, the description of the findings in the internal audit report should be more straightforward so that it directly describes the issue(s) identified in the course of the review in a concise way to easily enable understanding of the risks and issues. | IOO is reviewing its reporting format in conjunction with implementation of TM+. The new report format will consider this suggestion. | | Report Format |
| There have been no instances of significant errors or omissions that would require communication. However, there is no process for this documented in the Audit Manual, and therefore we recommend the Audit Manual is updated to include this. | Provision for issuing corrigendum to a report in case there are significant errors notices, will be included in the manual | Q4–2022 | Manual Update |
| We recommend that the internal audit report contains a distribution list that lists the recipients of the internal audit report. | The recipients of the report are indicated in the covering memo forwarding the report. The list will be included in the report as well. – ADJUSTMENT OF REPORT FORMAT | Q3–2022 | Report Format |
| We recommend that the IOO Manual is further expanded to include relevant guidelines and procedures on the monitoring and disposition of audit observations. | The manual will be revised to included further provisions on monitoring and disposition of audit observations. | Q4–2022 | Manual Update |

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