



ANNUAL ACCOUNTABILITY REPORT OF THE INTERNAL OVERSIGHT OFFICE (IOO) FOR 2022

EXECUTIVE SUMMARY

This report focuses on the activities of the Internal Oversight Office (IOO) during 2022, and any subsequent events of significance. The report also considers information discussed and suggestions made at the fortieth session of the Audit Committee.

Oversight Activities in the eighteenth financial period.

The Internal Oversight Office continued to deliver an independent assessment of financial, regulatory, and operational risks and control effectiveness to the organization's management. IOO has provided control expertise to minimize risks, improve process quality, and enhance operational effectiveness in furtherance of WMO strategic goals.

The list of engagements conducted by the Internal Oversight Office during the period 2019–2022 is given in [annex](#). The final Assurance Reports issued by the IOO are available upon request to members of the Executive Council and authorized representatives of WMO Members in accordance with [Resolution 23 \(EC-64\)](#).

IOO has continued its commitment to provide value added services through an enhanced oversight function. Full cooperation from management was received. Continuing support of the Secretary-General is acknowledged.

During 2022, IOO continued to receive full cooperation from WMO management. D/IOO confirms during the year, the internal oversight activities were free from interference in determining the scope of internal, performing work, and communicating results.

Regular and substantive support from the management is also acknowledged. Further there was no instance of impairment to independence or objectivity during the period.

Annual Opinion

D/IOO provides 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.

Based on the findings in the engagements reports issued in 2022, and review of risks and assurances from other oversight bodies, IOO can provide reasonable assurance on system of internal controls operating during 2022 in the areas reviewed. It was noted that allocation of roles and responsibilities post restructuring was still a work in progress which resulted in Control Environmental vulnerabilities which the management needs to be cognizant of. Management should also consider continuing risk of cybersecurity emanating from external environment and vulnerabilities in the IT system and services. Expectations from WMO have risen with it being charged with spearheading Early Warning Services for all initiative of the UN. Leadership should consider the risk of potential risk due to gap in capacity to deliver.

D/IOO, however, has drawn attention to some weaknesses in the design and/or inconsistent application of some controls linked to recommendations. The opinion of D/IOO complements the SIC,¹ issued by the SG together with the financial statements.

Orientation and Scope of Activities of IOO

The focus and thrust of assurance activities remained as per the approved Plan of Work (PoW) for 2022.² One unscheduled engagement requested by Intergovernmental Panel on Climate Change (IPCC) was also undertaken during the year. Two reports from the plan of work were issued in 2023.

Internal Audit

In all, IOO conducted the following engagements and reported on its results to the SG:

- (1) Report 2022-01: Internal Audit of Central Services Platform;
- (2) Report 2022-02: External Quality Assurance Review of Internal Audit (IA) Service of IOO;
- (3) Report 2022-03: Audit of European Commission Grant to IPCC;
- (4) Report 2022-04: Internal Audit of Procurement Activity;
- (5) Report 2022-05: Performance Audit of Climate Risk Management Project in South Asia;
- (6) Report 2022-06: Internal Audit of Payroll Operations.

IOO, in addition to its assurance / evaluation activities, is also responsible, as focal point, for internal coordination and support activities relating to the oversight arrangement between WMO and the Joint Inspection Unit (JIU). IOO reports separately to governance on the subject of JIU activities.

Investigations

During 2022, IOO received six (6) complaints/requests for fact-finding. All cases were disposed of during the year.

Evaluation and Performance Audit

During the reporting period IOO conducted and issued one performance audit report (Report 2022-05). Other evaluation reports issued during the period were:

- Constituent Body Reforms – (Independent Evaluation)
- Volta Flood and Drought Management (VFDM) Project – (Decentralized)

IOO developed an Evaluation Policy, outlining the evaluation mandate and activities in WMO. The Evaluation Policy was reviewed by the Audit and Oversight Committee (AOC) in its thirty-ninth session and has been approved.

¹ Statement on Internal Control

² The PoW of IOO is approved by the AOC.

Implementation of recommendations

As of March-2023 68 (sixty-eight), out of a total of 96 (ninety-six) recommendations, are considered "implemented". Twenty-eight (28) recommendations remained "open" or "partly implemented". IOO considers the implementation rate as of the last follow-up date to be 71%.

Quality Assurance & Improvement

In December 2021, IOO was the subject of an external quality assurance review (QAR). The QAR was entrusted to the PricewaterhouseCoopers (PwC) following a competitive bidding process. The QAR found the internal audit activity of WMO to be in conformity with the international professional practices framework. The report was submitted to AOC-38. Following the recommendations of the QAR certain provisions of the Charter of the Internal Oversight Office was amended. The new charter came into effect from 2023.

Coordination. Coordination between IOO and the External Auditor (Corte dei Conti) was continued at the level of risk assessment, planning and individual engagements and issues. IOO also consulted relevant JIU engagements in its engagement planning to ensure completeness of risk coverage.

JIU Focal Point. IOO actively provided support to the JIU, as the focal point for working arrangements between WMO and the JIU. Management response to the recommendations from JIU reports are reviewed by the AOC, before submission to the Governing Bodies. A report on JIU recommendations being submitted to the Congress-19 separately.

Financial Disclosures. Financial Disclosure Programme of the WMO was entrusted to IOO. All financial disclosure forms for 2022 were received in IOO. From 2023, filing of Financial Disclosures has been outsourced to UN Ethics Office in New York.

- 1. Plan of Work for 2022.** The following table summarizes the progress in implementation of the plan of work for 2022:

| Code | Subject | Status | Report# | Rating |
|-------------|---------------------------------|----------------|---------|--------------------------|
| 2021-IAS-06 | Platform Services | Issued | 2022-01 | Some Improvement Needed |
| 2021-QAR-03 | IOO External QAR | Issued | 2022-02 | Generally Conforms |
| 2022-IAS-06 | IPCC Grant Audit | Issued | 2022-03 | NA |
| 2022-IAS-05 | Procurement | Issued | 2022-04 | Major Improvement Needed |
| 2022-IAS-02 | Climate Risk Management Project | Issued | 2022-05 | Some Improvement Needed |
| 2022-IAS-04 | Payroll | Issued | 2022-06 | Some Improvement Needed |
| 2022-IAS-03 | Enterprise Risk Management | Issued in 2023 | 2023-02 | Some Improvement Needed |
| 2022-IAS-01 | IT Services | Issued in 2023 | 2023-01 | Some Improvement Needed |

- 2. Changes to the Plan of Work.** An engagement on certification of a grant from EC to IPCC was included in the plan of work and completed following a request by the management. All engagements from the Plan of Work have been completed.
- 3.** IOO continued to provide support to JIU in conducting its reviews and coordinated responses on their reports to the JIU and Chief Executives' Board (CEB). JIU recommendations were followed up and reports submitted to the Audit Committee and the Executive Council. D/IOO also handled the administration of financial disclosure scheme in WMO as assigned.

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 United Nations Evaluation Group (UNEG) Norms and Standards.
- 5.** The internal audits were rated in accordance with IOO's rating criteria which considered the significance of results, including reportable deficiencies. The following ratings have been in effect during 2022:

| | |
|------------------------|--|
| Effective/Satisfactory | <p>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.</p> <p>Issue(s) identified by the audit, if any, do not affect the achievement of the objectives of the audited entity/area.</p> |
|------------------------|--|

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|-----------------------------------|---|
| <p>Some Improvement Needed</p> | <p>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.</p> <p>Issue(s) identified by the audit do not significantly affect the achievement of the objectives of the audited entity/area.</p> <p>Management action is recommended to ensure that identified risks are adequately mitigated.</p> |
| <p>Major Improvement Needed</p> | <p>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.</p> <p>Issues identified by the audit could significantly affect the achievement of the objectives of the audited entity/area.</p> <p>Prompt management action is required to ensure that identified risks are adequately mitigated.</p> |
| <p>Ineffective/Unsatisfactory</p> | <p>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.</p> <p>Issues identified by the audit could seriously compromise the achievement of the objectives of the audited entity/area.</p> <p>Urgent management action is required to ensure that the identified risks are adequately mitigated.</p> |

| | |
|---|--|
| <p>6. Ineffective/Unsatisfactory</p> | <p>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.</p> <p>Issues identified by the audit could seriously compromise the achievement of the objectives of the audited entity/area.</p> <p>Urgent management action is required to ensure that the identified risks are adequately mitigated.</p> |
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Internal Oversight Office’s Opinion on Internal Controls – 2022

- 7.** Management is responsible for ensuring a sound system of internal control that supports the achievement of the WMO’s objectives and is responsible for putting in place arrangements for gaining assurance about the effectiveness of that overall system.
- 8.** Internal Oversight Office is responsible for providing an independent and objective assurance on the system of internal controls.
- 9.** 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 WMO.
- 10.** 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 follow-up of recommendations of IOO and other oversight bodies
 - The results of external oversight exercises undertaken by the external auditor, JIU etc.
 - Prior audit results and corrective actions taken and reported by management
- 11.** The internal audit work in 2022 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.
- 12.** External Quality Assurance of Internal Oversight Office was completed and report issued in 2022. The review was done by PwC. It concluded that IOO “Generally conforms” with the Institute of Internal Auditors (IIA) Standards, which is the highest achievable rating when assessing the compliance with the IIA Standards. Some of the strengths that the reviewer observed included a dedicated team of experienced professionals in IOO with a

deep understanding of the organization, and stakeholder's high level of satisfaction for IOO's work. The review made recommendations to address IOO's reporting line, to improve the IOO Charter and the Audit Manual and to strengthen documentation of work done.

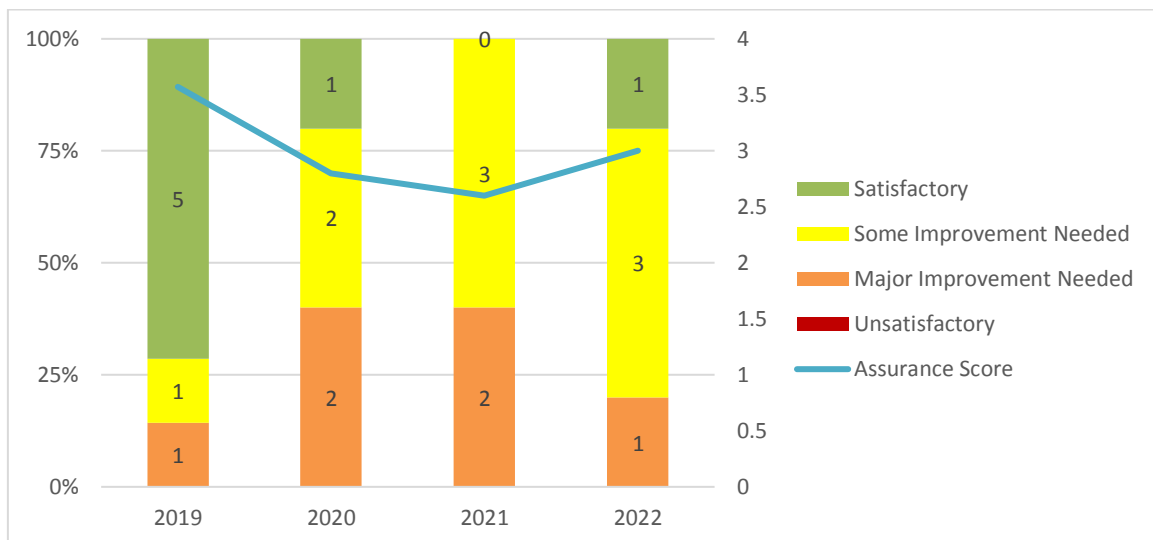
13. To the stakeholders this means that the assurance provided by the Internal Audit Activity of the IOO is found to be of high quality and reliable.

Opinion

Based on the findings in the engagements reports issued in 2022, and review of risks and assurances from other oversight bodies, IOO can provide reasonable assurance on system of internal controls operating during 2022 in the areas reviewed. It was noted that allocation of roles and responsibilities post restructuring was still a work in progress which resulted in Control Environmental vulnerabilities which the management needs to be cognizant of. Management should also consider continuing risk of cybersecurity emanating from external environment and vulnerabilities in the IT system and services. Expectations from WMO have risen with it being charged with spearheading Early Warning Services for all initiative of the UN. Leadership should consider the risk of potential risk due to gap in capacity to deliver. Other key issues that merit further attention are given in the succeeding paragraphs.

Assurance Engagements

14. 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. Following chart depicts a trend of ratings given to the reports and overall assurance from Internal Audit reports.



Issues from Assurance Engagements

- **Central Services Platform.** The establishment of the central services platform 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". Harnessing the potential benefits highlighted in the report will require a coordinated approach between the Governance Services Department, as the provider, and other departments who are consumer of those services.

- **IPCC Financial Statements of Grant.** IOO carried out the procedures agreed with IPCC regarding the costs declared in the Financial Statement(s) of the grant agreement 777358 with the European Commission. The review noted that there is a need to establish a system to account for time that WMO personnel spends on EC projects so that they can be claimed as direct personnel costs.
- **Procurement.** In 2021, 70% of cases submitted to the Procurement and Contracts Committee (PCC) are exceptions to the competitive selection procedure. This high proportion of percentage of exceptions in competition process is a cause for concern. 92% of clients in the survey stated that procurement took too long and believe that the whole process should take four months or less.
- **Climate Risk Management Project in Asia.** The project implementation was impacted by the COVID-19 situation, which prevented travels, and the military coup in Myanmar and consequent sanctions imposed on Myanmar. Weak areas for WMO are lack of a process for capacity assessment of the Implementing Partners, limited oversight of the IPs operations, sustainability issues, and exposure to foreign currency exchange risks.
- **Payroll Operations.** The payroll expenditure (regular payroll) showed an increasing trend. The allocation to post resources is now at approximately 74% of the assessed contribution – as against 70.4% contained in the budget estimates for the eighteenth financial period. Payroll disbursement in Euros is done from the current account in CHF, resulting in avoidable currency conversion charges. The payroll of staff funded from XB is loaded with an extra 3% charge, on top of the standard 4% charge on all staff position costs, to fund the After Service Health Insurance Liabilities (ASHI). Separate accounting for the extra charge is required to assess the efficacy of this measure.

Other Issues

15. The COVID-19 crisis tested business continuity, agility, and resilience of the organization. Documenting the Business Continuity Plans in different business areas, incorporating the lessons learned is needed.
16. The world is in the middle of an evolving financial crisis, fuelled by unprecedented inflation and interest rate hikes. Management should keep a close watch to safeguard assets and adjust strategies as appropriate.
17. WMO ERP System E-Business Suite is now on extended support. It is imperative to upgrade the WMO ERP to new platform, expeditiously.
18. WMO has taken on large initiatives such as the Systematic Observations Financing Facility (SOFF) and EWS for all. Organization needs to make all efforts to ensure it is able to deliver on these promises.

I. INTERNAL AUDIT ACTIVITIES

REPORT 2022-01 INTERNAL AUDIT OF CENTRAL SERVICES PLATFORM – “SOME IMPROVEMENT NEEDED”

- 1.** 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.
- 2.** 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.
- 3.** 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”.
- 4.** IOO underscores that harnessing the potential benefits highlighted in the 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.

REPORT 2022-02 – EXTERNAL QUALITY ASSURANCE OF INTERNAL OVERSIGHT OFFICE – “GENERALLY CONFORMS”

- 5.** The third external QAR of IOO was completed in December-2021. PwC was engaged to carry out the QAR. The review concluded that IOO “Generally conforms” with the IIA Standards. Complete conclusion from the report is given below:
- 6.** 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.
- 7.** The QAR noted 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).
- 8.** The QAR provided practical recommendations for WMO IOO to consider in addressing the gaps with the standards to ensure adherence going forward. In summary, the 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.
9. Action plan to address the recommendations in the QAR report was submitted to the AOC-38 and EC-75.

REPORT 2022-03 – IPCC FINANCIAL STATEMENTS OF GRANT 777358 – “NA”

10. IOO carried out the procedures agreed with IPCC regarding the costs declared in the Financial Statement(s) of the grant agreement 777358, Support to IPCC to facilitate preparation of Sixth AR, IPCCAR6 (“the Agreement”), with a total cost declared of € 1 053 051, and a total of actual costs and “direct personnel costs declared as unit costs calculated in accordance with the IPCC usual cost accounting practices” declared of € 842 439 and provided Independent Report of Factual Findings (“the Report”) using the compulsory report format agreed.
11. The Report included the agreed-upon procedures (“the Procedures”) carried out and the standard factual findings (“the Findings”) examined.
12. The Procedures were carried out solely to assist the European Commission in evaluating whether the IPCC’s costs in the Financial Statement(s) were declared in accordance with the Agreement. The Commission draws its own conclusions from the Report.

REPORT 2022-04 – PROCUREMENT ACTIVITY IN WMO – “MAJOR IMPROVEMENT NEEDED”

13. Audit reviewed the procurement process and contract award and sampled 21 cases totaling CHF 13.6 million.
14. The main findings of the review are as follows:
- Majority of clients appear to be satisfied with the procurement process.
 - Audit noted that in 2021, 70% of cases submitted to PCC are exceptions to the competitive selection procedure. Low level of competition can adversely affect economy of procurement.

- Ninety-two percent of survey respondents stated that procurement took too long and believe that the whole process should take four months or less.
- Supplier performance evaluations were not systematically prepared on IT contracts.
- Last review and clean-up of the supplier database was done in 2020 for FY19 which is not consistent with instructions on supplier database maintenance and good practice. The supplier database should be reviewed and cleaned regularly every year.
- The set of Key Performance Indicators (KPIs) developed by Procurement and Contract Management (PCM) are incomplete and have not been maintained and analysed properly.

REPORT 2022-05 – CLIMATE RISK MANAGEMENT PROJECT IN ASIA – “SOME IMPROVEMENT NEEDED”

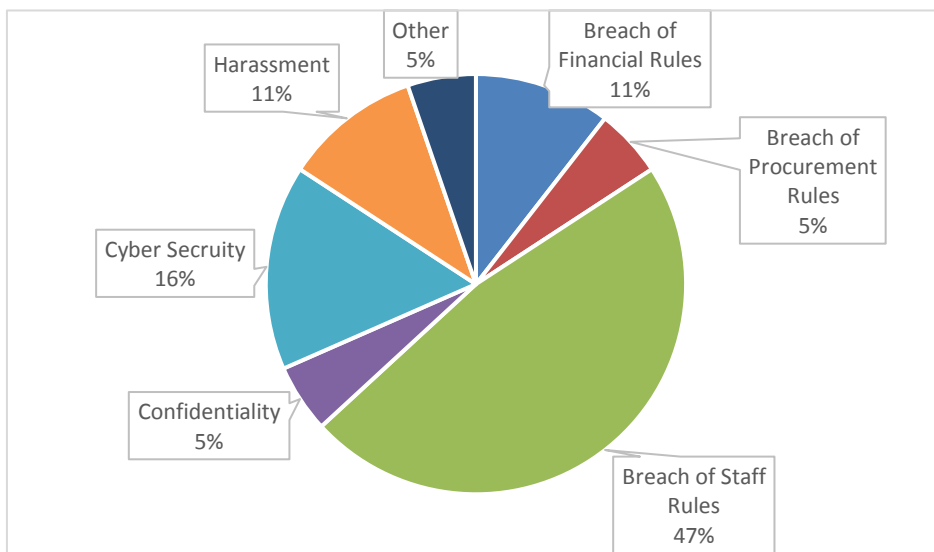
- 15.** IOO conducted an audit of the project “Applying Seasonal Climate Forecasting and Innovative Insurance Solutions to Climate Risk Management in the Agriculture Sector in South-East Asia” (The Project) as per the approved plan of work for 2022.
- 16.** The audit reviewed the extent to which the Project achieved, or is on track to achieve its target outputs and outcomes foreseen in the project document. The review also included analysis of key controls over project and trust fund management.
- 17.** Project implementation was impacted by the COVID-19 situation, which prevented travels. The military coup in Myanmar and consequent sanctions imposed on Myanmar, made it difficult to undertake several planned activities in this country.
- 18.** The main findings of the review are as follows:
 - The Implementing partners (IPs) and national stakeholders are generally satisfied with the achievements of outputs and outcomes.
 - National stakeholders in Lao PDR are sceptical as to the usefulness and impacts of the project for the intended beneficiaries and the country.
 - Assessment of the IPs’ capacity to implement the Project was not done. Related policies and procedures do not exist in the regulatory framework.
 - The requirements and frequency of project reviews and evaluation(s) were not defined in the project documentation or budgeted for.
 - Assurance that the IPs expenditures are in line with the approved budget and the funds are used for their intended purposes is insufficient in the absence of regular audit of the IPs expenditures.
 - Sustainability issues have not been considered adequately.
 - Exposure to foreign currency exchange risks was noted by receiving the contribution from the donor and making disbursements to the IPs in Euros while keeping the funds in a Swiss Francs bank account. Per the Certified Financial Statements, the total exchange rate difference for the period of 2018 to 2021 was a net loss of € 140 614.
 - Gender dimension was not included in the design of the project, although required per the Standing Instructions and WMO Gender Equality Policy.

REPORT 2022-06 – PAYROLL OPERATIONS – “SOME IMPROVEMENT NEEDED”

- 19.** IOO conducted an audit of payroll operations in WMO as per its approved plan of work for 2022. The objective of the audit was to ensure that governance, control, and risk management processes in payroll operations are operating effectively.
- 20.** The payroll expenditure (regular payroll) showed an increasing trend. Between October 2021 and May 2022, the regular payroll increased from 333 staff members (CHF 3.98 million) to 356 staff members (CHF 4.38 million). The payroll expenditure represents approximately 75% of the approved Regular Budget.
- Risks related to the payroll process appear to be appropriately identified and included in the risk control matrices of Human Resources (HR) and Finance.
 - No errors in the transactional processing of payroll were identified during the performance of the audit procedures.
 - The allocation to post resources is now at approximately 74% of the assessed contribution – as against 70.4% contained in the budget estimates for the eighteenth financial period.
 - The payroll process is not documented. IOO understands that a business process documentation project is being undertaken which includes documentation of the payroll process.
 - Payroll disbursement in Euros is done from the current account in CHF, resulting in avoidable currency conversion charges.
 - Based on an EC decision the payroll of staff funded from XB is loaded with an extra 3% charge, on top of the standard 4% charge on all staff position costs, to fund the After Service Health Insurance Liabilities (ASHI) that are incurred on staff members on extrabudgetary funded positions. Separate accounting for this charge is required to enable a clear assessment of the effectiveness of this measure.
 - It appears that there are opportunities for leveraging economies of scale with a large organization like United Nations Development Programme (UNDP) for the outsourcing of payroll operations and other related processes.

II. INVESTIGATION ACTIVITIES

- 19.** During 2022, IOO received six (6) complaints/requests for fact-finding. All cases were disposed of during the year. Two (2) allegations were for unauthorized outside activity, two (2) for harassment, one (1) for breach of confidentiality and one (1) in the miscellaneous category.
- 20.** The complaints were not substantiated in four cases. In the remaining two cases (one of harassment and the other of outside activity), IOO carried out investigations and submitted the reports to management.
- 21.** Following chart shows the nature of allegations in the period 2019 to 2022:



III. EVALUATION ACTIVITIES

- 21.** WMO follows a decentralized evaluation approach where (a) IOO holds the mandate for independent evaluations; (b) the Monitoring, Evaluation, Risk and Performance (MERP) Unit may undertake an internal or external evaluation triggered by performance data collected in the Monitoring and Evaluation (M&E) system; and (c) other departments commission external evaluations in line with donor agreements. Evaluations may further be commissioned by Governing Bodies to look into a specific activity area or intervention.
- 22.** An evaluation repository has been developed and maintained to store all evaluation reports and list any planned evaluations.
- 23.** IOO and/or MERP Unit provide professional support to the evaluations which are conducted by other departments/units as requested. Such support comprises of assistance with the development of Terms of Reference to ensure adherence to UNEG Norms and Standards and internationally recognized methodologies; dissemination of the ToRs among professional networks (e.g., UNEG, IPDET); participation in the selection of qualified external evaluators; and feedback on the draft evaluation reports.

EVALUATION POLICY

- 24.** IOO along with MERP Unit has developed an Evaluation Policy for WMO in line with UNEG Standards. The Evaluation Policy (hereinafter the Policy) provides the framework for planning and conducting evaluations in the WMO and reporting on and using the results from such evaluations. The Policy is in line with WMO Regulations and rules and the Internal Oversight Charter.
- 25.** The policy was prepared in accordance with the UNEG Norms and Standards and with the definitions and criteria of the Organization for Economic Cooperation and Development's (OECD) Development Assistance Committee (DAC). The policy was reviewed by AOC-39 in November-2023 before approval by the S-G.

EVALUATION REPORTS

- 26.** As mentioned, Evaluations are mandated by different organizational units in WMO. The following three evaluation reports have been issued since the last report to the AOC.

VFDM PROJECT: INTEGRATING FLOOD AND DROUGHT MANAGEMENT AND EARLY WARNING FOR THE CLIMATE CHANGE ADAPTATION IN THE VOLTA BASIN – MIDTERM EVALUATION

- 27.** The Volta Basin is one of the most vulnerable regions in West Africa due to its high exposure and low adaptive capacity to water-related hazards. The region, which is home to more than 25 million people, has been affected by climate change events, such as flood and drought, generating social, economic and environmental losses to almost two million people over the last 20 years. Key affected stakeholders are mainly people working in the agricultural sector, as around 68% of the population in the basin has a livelihood based on substance farming.
- 28.** The VFDM project has the ambition to provide the first large-scale and transboundary implementation of integrated flood and drought management by supporting the National Meteorological and Hydrological Services and other competent authorities of the six riparian countries (Benin, Burkina Faso, Côte d'Ivoire, Ghana, Mali, Togo) with robust solutions aimed at disaster risk reduction and mitigating climate impacts. The interventions also include capacity development for nature-based solutions and gender-sensitive participatory approaches.

29. The evaluation found that the VFDM project is highly relevant for the Volta Basin region. The area is also particularly susceptible to effects of climate change, mostly flood and drought and related environmental degradation. There is a lack of an operational E2E EWS for flood and drought warning. The basin is characterized by lack of coordination at local, national and regional levels.
30. The project addressed capacity building activities at the regional, national and local (peripheral) level through risk identification and risk awareness raising and through the participatory development of different strategies. It also focusses on the development of an E2E Early Warning System platform based on rainfall-runoff and hydraulic modelling, which was still at an early stage. The workshops and capacity building activities in the communities are frequented by roughly 1/3 female and 2/3 male participants.
31. Project efficiency was difficult to examine due to lack of transparency in project accounting. SARS-COV2 pandemic delayed project progress and the reaching of milestones. As a result, the spending is lagging behind schedule.

EVALUATION OF WMO GOVERNANCE REFORM

32. The Governance Reform launched by the WMO in 2019 has been organized in three Phases from 2020 to 2023. This External Evaluation falls within Phase 2 of the Reform where focus has been placed on the outputs and intermediate outcomes. The Evaluation focuses on three General Objectives:
 - (a) Compare with previous arrangements whether the Governance Reform has resulted in:
 - Better alignment with the WMO Strategic Plan
 - An increased effectiveness in responding to societal needs
 - Better engagement of Members, experts and partners
 - Efficiencies, synergies and enhanced coordination among all parties
 - A more effective decision-making process
 - A more agile organization
 - (b) Assess the effectiveness and efficiency of the reform process.
 - (c) Identify any barriers or constraints and provide recommendations accordingly.
33. The Evaluation confirmed that the reformed governance structure is coherent overall with WMO's mandate, the Long-Term Goals and Strategic Objectives of the WMO Strategic Plan. The governance structure has progressed in addressing the major causes of historical inefficiencies in the conduct of WMO business and the discharge of its mandate. In relation to expertise, while the structure has become more streamlined, concerns have been highlighted by WMO Members regarding the integration of expertise within the new governance structure. WMO would benefit from a formalized "theory of change" for the reform in order to ensure adequate monitoring and evaluation moving forward.
34. The Evaluation found that the governance reform has led to the optimization of the governance structure, particularly due to the reduction of Technical Commissions from eight to two. Nevertheless, there is room for further progress. The new structure is seen as contributing to WMO's objectives in relation to increasing the WMO's capabilities and streamlining the WMO programmes; however, the removal of the siloed approach is

identified as key to ensuring its effectiveness. The reform has enhanced coordination and collaboration between the Technical Commissions and the Research Board, and progress has been made in creating greater synergies with the Regional Associations though it is far from optimal.

35. While knowledge sharing and communication has been identified as satisfactory, improvements can be made in fostering engagement from partners and stakeholders. Key Performance Indicators have been progressively defined to monitor and evaluate the governance reform and could be elaborated further.
36. In terms of efficiency, the Evaluation found that while streamlining of the Secretariat has been undertaken during the reform period, this has not impacted the quality of the support provided to WMO Members and experts overall. The reform has led to cost savings with regard to the overall work of the organization though some of these costs savings are directly linked to the COVID-19 pandemic. However, no time savings were found. The simplification of the governance structure and the ability for greater coordination and discussion has led to advantages in relation to decision-making.

CLIMATE RISK AND EARLY WARNING SYSTEMS INITIATIVE – INITIAL PHASE EXTERNAL EVALUATION

37. The Climate Risk and Early Warning Systems (CREWS) Initiative is a specialized funding mechanism that provides support for the strengthening of risk-informed Early Warning Services in Least Developed Countries (LDCs) and Small Island Developing States (SIDS).
38. The CREWS Initiative, therefore, works to address the four elements required for effective impact based multi-hazards early warning systems, namely: 1) Monitoring, detection, and forecasting of hydro-meteorological hazards providing lead times for action; 2) Analysis of at-risk populations and assets; 3) Dissemination of timely and authoritative warnings; and 4) Preparedness and response plans triggered by warnings and weather and climate predictions; and to achieve a reduction of deaths and economic losses consistent with a) Target 11.5 of the Sustainable Development Goals (SDGs); b) Targets (a), (b), (c), and (g) of the Sendai Framework; and c) The adaptation goal of the Paris Agreement on Climate Change.
39. In its fifth year of operation, the CREWS Initiative was found to be highly relevant in the current context of policy discussions and global frameworks on CC, DRR, green recovery, and sustainable development.
40. The CREWS Initiative was found to be responsive to the beneficiaries' needs and requirements across regional and country programmes and is in alignment with regional and national priorities for increasing the capacity of the National Weather Services (NWS) to implement Early Warning Systems (EWS), and effectively generate and communicate risk information to protect lives, livelihoods, and assets.
41. The CREWS Initiative possesses the ability to mobilize the expertise of other partner institutions as well as additional funds/investments from development partners and the private sector, but concerted efforts are required to enable improved cross-fertilization and the leveraging and streamlining of climate financing to ensure the achievement of intended outcomes and impacts.
42. The net benefits of CREWS are expected to be sustained where there are partnerships with local and/or regional actors, ownership by regional organizations and national governments, and coordination with other, larger CCA, DRR, and EW investments. Country and regional projects without regional or national partner agencies or organizations will be challenged to unilaterally sustain project results. Projects may also be challenged by the instability of funding and resources following project closures. The

CREWS projects will require comprehensive exit strategies and sustainability planning to ensure the longevity and survival of project results in the face of funding, resource, and capacity constraints.

PARTICIPATION IN INTER-AGENCY WORK ON EVALUATION

UNITED NATIONS EVALUATIONS GROUP

43. IOO represents WMO in UNEG³. IOO and MERP staff participate in various working groups as appropriate. IOO also contributes to the joint efforts of UNEG in the system wide evaluation activities. Below is a summary of WMO involvement in UNEG activities during the reporting period.

COVID COALITION

44. The UNEG COVID-19 Working Group worked with the OECD-DAC COVID Coalition to compile members' evaluation plans related to COVID. This included evaluations solely focused on COVID, and those with a COVID component, and included both decentralized and centralized evaluations. To date, the database has been useful for information sharing, mapping and joint planning. IOO, on an ongoing basis, contributes to the database, populating it with planned and completed evaluations which include a COVID component.

EVALUATION SYNTHESSES FOR ACHIEVEMENT OF SDG

45. The purpose of the joint evaluative synthesis is to provide decision makers with lessons learned and recommendations for the achievement of the SDGs in the years remaining until 2030, organized around the five pillars of the SDGs (People, Planet, Prosperity, Peace, and Partnership). Additionally, the recommendations will be useful to inform the deliberations on the post-SDG development agenda, with evaluative evidence of what worked, how and why, in the pursuit of sustainable development.

46. Therefore, the synthesis series has the following key objectives:

- Synthesize information from evaluative evidence to present rigorous evidence on what has worked to advance and accelerate SDG achievements, why, how and where
- Extract lessons from the wealth of evidence synthesized
- Inform on the impact the COVID 19 pandemic had on progress towards this goal
- Provide policy recommendations on what can be done to achieve the SDGs in the last five years before 2030, and the successors to the goals
- Identify evidence gaps that future evaluations could help to fill

47. WMO contributes to the Pillar Planet. The Planet pillar consists of five SDGs (6, 12, 13, 14 and 15), focused on the simultaneous availability and preservation of natural resources. Progress has been made towards Goal 6, despite stagnation of universal drinking water services. However, one in three people worldwide still lack basic handwashing facilities with soap and water in their households (the United Nations Children's Fund (UNICEF)

³ The United Nations Evaluation Group (UNEG) is an interagency professional network that brings together the evaluation units of the UN system, including UN departments, specialized agencies, funds and programmes, and affiliated organizations. It currently has 50 such members and observers.

and WHO, 2019). Goals 12 through 15 primarily focus on the use of natural resources for sustainable consumption and production. Progress towards Goals 12, 14 and 15 has stagnated, and indicators remain a moderate to far distance from their targets. Urgent action is required for Goal 13, where progress is still far from the target. Climate change is impacting and reducing the likelihood of achieving many goals by 2030.

- 48.** IOO has contributed to the UNEG repository approximately 20 evaluation reports on the Pillar Planet under SDG 13.

UNEG WORKING GROUP ON ETHICS

- 49.** IOO is an active member of the UNEG Working Group (WG) on Ethics and is represented by the Senior Internal Auditor in the meetings and activities of the group.
- 50.** The WG on Ethics will conduct Evaluation Practice Exchange (EPE) sessions (virtual and in-person) on ethics principles and will deliver a professional development training during the UN Evaluation week (January-2023).

FOLLOW-UP OF RECOMMENDATIONS

- 51.** The internal audit activity must establish a follow-up process⁴ 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.
- 52.** There are 96 recommendations in the follow-up database (as of March 2023). Based on the outcome of the follow-up 68 (70.80%) were implemented. Details are given in the table below:

| < | Implemented | | Open | | Total |
|--|-------------|---------------|----------|-------------|-----------|
| | # | % | # | % | |
| 2019 | 18 | 94.7% | 1 | 5.3% | 19 |
| <i>2019-01 Gender Activities</i> | 3 | 100.0% | | 0.0% | 3 |
| <i>2019-02 PIR of Oracle Enhancements</i> | 2 | 100.0% | | 0.0% | 2 |
| <i>2019-03 Regional Office in Americas</i> | 4 | 80.0% | 1 | 20.0% | 5 |
| <i>2019-04 USAID Projects (FFSG, Afghanistan Hydromet)</i> | 2 | 100.0% | | 0.0% | 2 |
| <i>2019-05 Accounts Payable</i> | 7 | 85.7% | | 0.0% | 7 |
| 2020 | 21 | 100.0% | | 0.0% | 21 |
| <i>2020-01 Procurement Process</i> | 4 | 100.0% | | 0.0% | 4 |
| <i>2020-02 CPDB/Extranet</i> | 3 | 100.0% | | 0.0% | 3 |
| <i>2020-12 CREWS Project</i> | 6 | 100.0% | | 0.0% | 6 |
| <i>2020-15 Administrative Reviews</i> | 1 | 100.0% | | 0.0% | 1 |

⁴ **2500 - Monitoring Progress**

The chief audit executive must establish and maintain a system to monitor the disposition of results communicated to management.

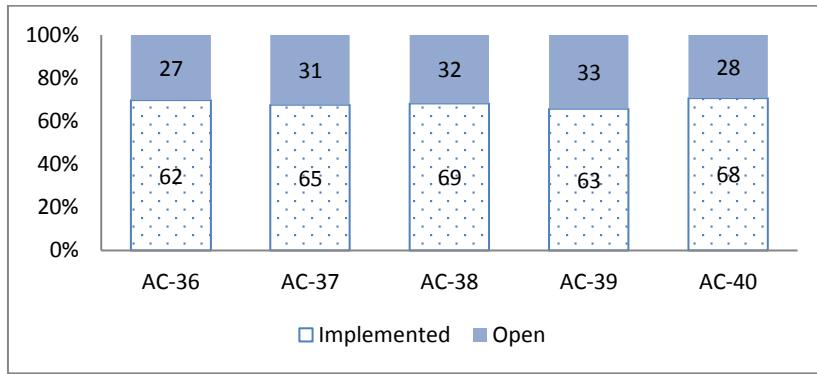
2500.A1- The chief audit executive must establish a follow-up process to monitor and ensure that management actions have been effectively implemented or that senior management has accepted the risk of not taking action.

| < | Implemented | | Open | | Total |
|---|-------------|--------------|-----------|--------------|-----------|
| 2020-16 Trust Fund Management | 5 | 100.0% | | 0.0% | 5 |
| 2020-17 SSA | 2 | 100.0% | | 0.0% | 2 |
| 2021 | 21 | 61.8% | 13 | 38.2% | 34 |
| 2021-01 Fellowships | 4 | 66.6% | 2 | 33.4% | 6 |
| 2021-02 Field Offices | 1 | 20% | 4 | 80% | 5 |
| 2021-03 Recruitment and Separation of Personnel | 6 | 85.7% | 1 | 14.3% | 7 |
| 2021-04 Home Leave Management | 3 | 100.0% | | 0.0% | 3 |
| 2021-05 Cyber Security | 5 | 62.5% | 3 | 37.5% | 8 |
| 2021-07 Strategic and Programmatic Framework | 2 | 40.0% | 3 | 60% | 5 |
| 2022 | 8 | 36.4% | 14 | 63.6% | 22 |
| 2022-01 Platform Services | 4 | 80.0% | 1 | 20.0% | 5 |
| 2022-02 Quality Assessment review of IOO | - | - | - | - | - |
| 2022-03 IPCC Financial Statement | - | - | - | - | - |
| 2022-04 Procurement | 3 | 37.5 | 5 | 62.5% | 8 |
| 2022-05 Climate risk-South-East Asia | | 0.0% | 5 | 100.0% | 5 |
| 2022-06 Payroll | 1 | 25.0% | 3 | 75.0% | 4 |
| Total | 68 | 70.8% | 28 | 29.2% | 96 |

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

| | High | % | Medium | % | Total |
|--------------|-----------|---------------|-----------|---------------|-----------|
| 2019 | 5 | | 14 | | 19 |
| Implemented | 5 | 100.0% | 13 | 92.8% | 18 |
| Open | | | 1 | 7.1% | 1 |
| 2020 | 9 | | 12 | | 21 |
| Implemented | 9 | 100.0% | 12 | 100.0% | 21 |
| Open | | | | | |
| 2021 | 10 | | 24 | | 34 |
| Implemented | 7 | 70.0% | 14 | 58.3% | 21 |
| Open | 3 | 30.0% | 10 | 41.7% | 13 |
| 2022 | 8 | | 14 | | 22 |
| Implemented | 1 | 12.5% | 7 | 50.0% | 8 |
| Open | 7 | 87.5% | 7 | 50.0% | 14 |
| Total | 32 | | 64 | | 96 |

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



55. The overall implementation rate is 70.8% As of March 2023 there are 28 recommendations which are open. The age analysis of these recommendations is given in the chart below:

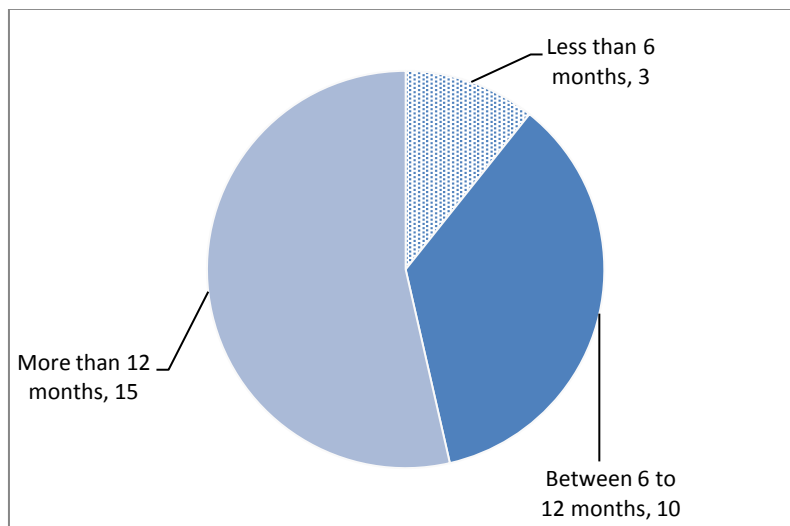


Figure 1 – Ageing of Open Recommendations

56. It is noted that 46.4% of the recommendation are less than one year old.

QUALITY ASSURANCE AND IMPROVEMENT

INTERNAL ASSESSMENTS

- 57.** Standard 1311- *The internal assessments must include: Ongoing monitoring of the performance of the internal audit activity; and periodic reviews performed through self-assessment.*
- 58.** 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.
- 59.** Following the recommendations from the QAR and the external auditors review of Internal Oversight Office a provision has been made in the charter to conduct a full internal assessment every two years.
- 60.** 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 ASSESSMENTS

- 61.** *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.*
- 62.** The third external QAR of IOO was completed in December-2021. PwC was engaged to carry out the QAR. The QAR concluded that IOO "Generally conforms" with the IIA Standards.
- 63.** The external auditors of WMO also reviewed the Internal Oversight Office in 2022. In the report issued in June – 2022. Seven (7) recommendations were made with reference to the Internal Oversight Office.
- 64.** Amendments to the IOO charter were made to implement the recommendations of the QAR/external auditors, after seeking AOC approval in the thirty-ninth session.

TRAINING AND OUTREACH

- 65.** Subject to the availability of budget, IOO endeavours to provide training for continuing professional education and up-gradation. The following trainings have been provided/planned in 2022:
 - (a) TeamMate Analytics – Director, IOO; Senior Auditor; and Oversight Assistant
 - (b) Senior Internal Auditor attended the Conference of International Investigators/UNRIS in Luxembourg.
 - (c) D/IOO attended UN-RIAS in Vienna.
 - (d) IFRC Fraud conference (virtual – planned in November) - Director, IOO; Senior Auditor; and Oversight Assistant
 - (e) UNEG – Annual Meeting in Washington was attended by Senior Internal Auditor.

COORDINATION WITH THE OTHER ASSURANCE PROVIDERS

- 66.** IOO continues to coordinate the JIU and the external auditors for synergy in assurance provided to management and Governing Bodies.
- 67.** 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

- 68.** IOO is the focal point for the JIU 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.
- 69.** The annual follow-up report of JIU reports and recommendations will be submitted to the spring session of AOC and following session of Congress/EC.

FINANCIAL DISCLOSURES

- 70.** D/IOO was responsible for receiving the financial declaration of staff members of WMO except the Executive Management till 2022. The review of financial disclosures received did not disclose any case of potential conflict of interest. From 2023, Financial disclosure process is outsourced to the UN Ethics Office.

ACCESS TO INFORMATION

- 71.** 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

- 72.** 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 Feb 2014 | Madagascar |
| IO Assistant | Mr L. Courtial | G-6 | CFE, Accredited Quality Assessor, Certified Cyber Crime Examiner | 14 Aug 2006 | France |

73. The total non-post resources allocated to the head "Internal Oversight and other Oversight Provisions" is CHF 235 000 in 2022. The utilization is shown in the table below:

| Item | Expenditure |
|-----------------------------------|-------------|
| External Audit & related expenses | 145 000 |
| Audit System | 9 422 |
| Equipment and Supplies | 6 000 |
| Outsourced Investigation | 7 300 |
| Staff Missions | 12 000 |

74. Overall, the resources have been adequate for conduct of oversight activities in the year.

ANNEX – LIST OF REPORTS ISSUED IN THE EIGHTEENTH FINANCIAL PERIOD

| SN | Report # | Subject | Type |
|-----|----------|---|------|
| 1. | 2019-01 | Gender equality and mainstreaming | IAS |
| 2. | 2019-02 | Oracle Enhancements | IAS |
| 3. | 2019-03 | Offices in Americas | IAS |
| 4. | 2019-04 | Afghanistan EWS Project | IAS |
| 5. | 2019-05 | Account Payables Process | IAS |
| 6. | 2019-06 | IA Advisory Language Services | IAS |
| 7. | 2020-01 | Procurement Process | IAS |
| 8. | 2020-02 | CPDB | IAS |
| 9. | 2020-03 | IPCC Financial Statement | IAS |
| 10. | 2020-12 | CREWS | IAS |
| 11. | 2020-15 | Administrative Reviews | CONS |
| 12. | 2020-16 | Trust Fund Management | IAS |
| 13. | 2020-17 | Special Service Agreements | IAS |
| 14. | 2021-01 | Fellowship Programme | IAS |
| 15. | 2021-02 | Field Offices Locations | IAS |
| 16. | 2021-03 | HR Recruitment and separation | IAS |
| 17. | 2021-04 | Home Leave | IAS |
| 18. | 2021-05 | Cybersecurity | IAS |
| 19. | 2021-06 | Green Climate Fund | IAS |
| 20. | 2021-07 | Strategic and Programmatic Framework of WMO | IAS |
| 21. | 2022-01 | Platform Services | IAS |
| 22. | 2022-02 | QAR | QAR |
| 23. | 2022-03 | IPCC Financial Statement | IAS |
| 24. | 2022-04 | Procurement | IAS |
| 25. | 2022-05 | Climate Risk – South-East Asia | IAS |
| 26. | 2022-06 | Payroll | IAS |