

REPORT OF THE 13TH MEETING OF THE UNAIDS INDEPENDENT EXTERNAL OVERSIGHT ADVISORY COMMITTEE (IEOAC)

Date: 13 February 2024

Venue: Virtual

PARTICIPANTS

Committee Members: Mr Saad Bounjoua, Ms Agnieszka Golebiowska, Mr David Kanja, Ms Bushra Malik, Mr Ibrahim Pam, Ms H  l  ne Rossert (Chair), Benoit de Schoutheete (Vice Chair)

Secretariat: Mr Tim Martineau, Director of Management; Mr Morten Ussing, Director of Governance and Multilateral Affairs; Mr Kodo Ngabane, Governance Officer

After calling the meeting to order, the Chair recalled that the IEOAC had agreed at its 11th meeting in October 2023 that the Committee would agree on a meeting agenda at least one month prior to the meeting date. In the run-up to the 13th meeting, IEOAC subject-matter focal points worked with the Chair and Vice Chair and the secretariat to meet this deadline.

The Chair also recalled that the IEOAC had requested that all presentations and background materials for agenda items be provided to the Committee at least 10 calendar days prior to the meeting. The Executive Director agreed to this protocol at the IEOAC' 12th meeting. For the 13th meeting, it was noted that the Secretariat and the WHO Office of Internal Oversight Services (WHO/IOS) failed to provide agenda presentations and supporting materials in a timely manner, with some arriving very shortly prior to the meeting. The Committee highlighted that the lateness of information from the Secretariat and WHO/IOS impedes the ability to the IEOAC to carry out its responsibilities as outlined in the Terms of Reference and also prevents Committee meetings from being optimally effective. Moving forward, the Secretariat agreed to enhance its effort and processes for ensuring the timely submission of information, and suggested that the Chair and Vice Chair meet with the Directors of Management and External Relations as soon as meeting agendas are set, to ensure that meeting presentations and materials are provided to the Committee in accordance with the agreed timeline.

SESSION 1: Update on internal audit and investigations work plans and related resources, and 2023 IOS activities

WHO/IOS is tasked with the internal audit and investigations functions for UNAIDS. The Chair recalled the Committee's prior expressions of concern regarding the adequacy of audit coverage for UNAIDS, its recommendations that the audit plan for 2024 be based on a robust risk assessment, and that the Committee systematically receive copies of all internal audit reports for UNAIDS. The Chair also noted that the Committee had requested that the external quality assessment of the WHO/IOS internal audit function by KPMG include at least two UNAIDS audits.

The WHO/IOS Director, Ms Lisa Marie McClennon, reported that three UNAIDS audits were conducted in 2023. Three audits are planned for 2024, with a cross-cutting audit to focus on diversity, equity and inclusion, at the request of UNAIDS Management. The Committee expressed continuing concerns regarding the adequacy of audit coverage and reiterated its recommendation that the audit plan take into consideration the most substantial risks identified

in a structured and comprehensive risk assessment methodology. In response to the Committee's observation that IEOAC members are not receiving internal audit reports, Management and WHO/IOS agreed that they would expeditiously rectify this problem. Management reported that it did not meet with KPMG as part of its external quality assessment of WHO/IOS. The Committee requested to receive a copy of the external quality assessment upon its finalization. Seven UNAIDS audits have been closed since March 2023, but three older audits remain pending.

The IEOAC made the following observations and recommendations on the audit function:

- **The Committee remains concerned with respect to the adequacy of audit coverage and requests additional information regarding the linkages between UNAIDS perceived risks and its audit coverage. The UNAIDS risk assessment should be the starting point for the development of future WHO/IOS audit plans. Where audits on their own cannot provide information pertinent to risks identified in the risk profile, clear efforts are needed to develop non-audit risk mitigation activities for these risks, across all three lines of defense (management activities, compliance and audit).**
- **The Committee recommends that UNAIDS management provide an explanation for recommendations from prior audits that are still pending. All future reporting to the IEOAC on past due "high risk" recommendations should include a description of these recommendations, related action plans and a response by management explaining the delay in the implementation.**
- **The Committee is concerned that the external quality assessment of the WHO/IOS audit function by KPMG did not solicit input from UNAIDS management. The Committee reiterates its recommendation that future external reviews should include at least two audits of UNAIDS and direct feedback from the UNAIDS leadership team. The Committee also requests that it (and UNAIDS management) receive a copy of the KPMG report and the WHO/IOS action plan to respond to recommendations from the external review.**
- **The Committee reiterates its request to receive internal audit reports in a timely manner.**

WHO/IOS also presented data regarding UNAIDS investigations. Allegations have increased, with fraud representing the largest number of allegations. WHO/IOS closed 53 UNAIDS allegations in 2023, and 21 allegations remain open. The Committee said it needed more disaggregated, granular information in the future to provide oversight advice regarding the investigations function. In particular, it requested that WHO/IOS report not only on allegations but also on complaints (as one complaint can contain several allegations), and on those allegations that are accepted as cases. Furthermore, the Committee requested that WHO/IOS also provide an aging analysis of investigation cases. The Committee expressed its surprise that such a large number of allegations were closed in a single year.

The IEOAC made the following observations and recommendations on the investigations function:

- **The Committee requests to receive a copy of the external quality assessment of the WHO/IOS investigation function.**
- **For its future meetings, the Committee asks for more comprehensive and granular information from WHO/IOS on investigations, including an analysis of cases as well as allegations, an aging analysis of outstanding cases, a timeline for completing investigations (to monitor adherence to the MOU between UNAIDS and**

WHO/IOS), and more complete information (e.g. number of intakes, etc.). The Committee seeks to work with WHO/IOS to obtain more detailed information on UNAIDS-related investigations.

SESSION 2: Update on the financial situation and resource mobilization

The Chair recalled that the IEOAC has agreed that the financial situation and resource mobilization will be a standing agenda item for Committee meetings. The Chair noted that the IEOAC at its 12th meeting requested to be provided with operational plans and key performance indicators for the updated resource mobilization strategy.

Ms Tamara Thomas, the Director of Resource Mobilization, reported on steps taken to implement the resource mobilization strategy, including development of different compelling value propositions and efforts to position UNAIDS strategically with different donors' interests and within the multilateral replenishment space in 2024-2025.

Moving forward, UNAIDS is using a working budget of US\$160 million, which aligns with projected resources.

Following the presentation, substantial discussion focused on potential risks to UNAIDS posed by the potential outcome of the forthcoming 2024 USA election, the US being by far UNAIDS' most important donor. Committee members also discussed the optimal strategies for effectively positioning UNAIDS in the increasingly complex funding environment. The Committee highlighted UNAIDS' particular ability to make a compelling funding case to donors interested either in a vertical or horizontal approach to health interventions.

The IEOAC made the following observations and recommendations on the funding situation and resource mobilization:

- **The Committee appreciates the Secretariat's development of a budget that is more equilibrated and clearly aligned with projected available resources.**
- **The Committee recommends that UNAIDS undertake additional scenario planning to identify risk and opportunities and how UNAIDS would adapt to further funding reduction and eventually funding improvement.**
- **UNAIDS should finalize its targets (or key performance indicators) in its Resource Mobilization Strategy and undertake benchmarking, monitoring and reporting, to enable an assessment of achievements against these indicators by the end of 2024.**

SESSION 3: Update on the organizational alignment process

In response to the Committee's request at its 12th meeting to receive a briefing on the organizational alignment process, Tim Martineau, the Director of Management, and Ms Karusa Kiragu, Director of Change Management, presented on the outcomes and current status of organizational alignment. The alignment process officially ended in mid-2023 and has been supplemented by a change management approach. Overall staffing in the Secretariat has been reduced, with an especially sharp reduction of the footprint in Geneva. As part of a de-localization approach, the alignment includes the creation of a number of global centres outside Geneva. Five HIV advisors are now placed in Resident Coordinator's offices. Following the presentation, the Committee's discussion focused on a number of issues, including the

continuing value of very small country offices, the potential to better leverage regional offices and the potential value of an external evaluation of the realignment.

The IEOAC made the following observations and recommendations regarding the organizational alignment:

- **The Committee views the realignment exercise (and associated change management process) as a work in progress.**
- **The Committee recommends that UNAIDS collect evidence from relevant stakeholders, including donors and its workforce, to assess the degree to which the realignment has achieved its stated objectives.**
- **For each risk identified by UNAIDS with respect to its realignment, specific and tailored mitigation measures should be developed.**

AOB

The Committee discussed the process for developing its workplan for 2024. It was noted that the terms of reference provide a basic outline for the Committee's workplan but that the Committee may determine to prioritize certain issues within that scope of work. It was agreed to add a separate priority on audits in the IEOAC workplan.

The Committee discussed the process and timeline for development of its annual report to the UNAIDS Programme Coordinating Board (PCB), which will be reviewed at the PCB's 54th meeting in June 2024. It was agreed that a "generic" template based on the terms of reference can be created in advance of the Committee's 14th meeting in May, and that the Committee will work on adding its remarks from the newly issued reports and set its priorities for the year to come. The Committee also heard a report on the December 2023 meeting in New York regarding UN system oversight functions from former IEOAC Chair David Kanja, who represented the IEOAC at this event.

The Committee also discussed various options for an independent evaluation of the IEOAC, which is required by the Committee's Terms of Reference. It was agreed that the IEOAC would engage the PCB Bureau in discussions of the optimal approach for an independent evaluation. Two possible options were mentioned: either having a peer review by another UN oversight committee or conducting a self-assessment of the committee with an external validation.