UNAIDS IEOAC MEETING

Date: 28, 29 and 30 September 2022

Time: 28 September (09:00-18:00), 29 September (09:00-17:00), 30 September (09:00-17:30)

Venue: UNAIDS Kofi A. Annan Conference Room

PARTICIPANTS

Committee Members: Mr Saad Bounjoua, Ms Agnieszka Golebiowska, Mr David Kanja, Ms Bushra Malik (Chair), Mr Ibrahim Pam, Ms Hélène Rossert, & Mr Benoit de Schoutheete

Secretariat Support: Mr Tim Martineau, Director of Management, Mr Morten Ussing, Director of Governance and Multilateral Affairs; Ms Samia Lounnas, Senior Governance Advisor, Ms Adriana Hewson, Governance Officer, Ms Sara Amara, Intern, Governance

MEETING AGENDA

DAY 1: WEDNESDAY, 28 SEPTEMBER 2022: RISK MANAGEMENT AT THE SECRETARIAT

1. Welcome coffee
2. Opening and administration matters
3. Meeting with UNAIDS Executive Director
4. Session 1: IEOAC discussion and agreement on the Rules of Procedure
5. Coffee break and wrap up session
6. Session 2: UNAIDS/WHO ERP system
7. Wrap up session 2
8. Lunch
9. Session 3: Update on UNAIDS operations, overview of risk management, internal controls and measures taken to prevent fraud in the UNAIDS Secretariat
10. Coffee and wrap up session 3
11. Session 4: Review of the systems established by the UNAIDS Secretariat to promote compliance with laws, regulations, policies and high standards of conduct
12. Wrap up session

DAY 2: THURSDAY, 29 SEPTEMBER 2022: OVERSIGHT

1. Session 1: Update on implementation of internal and external oversight recommendations
2. Coffee break and wrap up session
3. Session 2: Update of the External Auditor
4. Private session with External Auditor
5. Wrap up session
6. Lunch
7. Session 3: Update from the WHO Office of Internal Oversight Services
8. Private session with the WHO Office of Internal Oversight Services
9. Wrap up session 3
10. Session 4: Update of the Ethics Officer (Postponed)
11. Private session with the Ethics Officer (Postponed)
12. Section 5: Coffee and IEOAC discussion on the scope of audit coverage

DAY 3: FRIDAY, 30 SEPTEMBER 2022: UNAIDS SENIOR MANAGEMENT

1. Session 1: UNAIDS finances and financial situation
2. Coffee and wrap up session 1
3. Preparation for the meeting with UNAIDS Senior Management and discussion of key issues
4. Lunch
5. Closing session to discuss/review main issues with UNAIDS Senior Management
6. Closing session to discuss/review main issues with the PCB Bureau
7. Coffee and preparation of meeting report and outcome recommendations from the meeting
8. AOB

DAY 1: RISK MANAGEMENT AT THE SECRETARIAT

Opening and administrative matters

The Chair of the UNAIDS Independent External Oversight Advisory Committee (IEOAC), welcomed members to the committee's fifth meeting and outlined the meeting agenda.

Meeting with UNAIDS Executive Director

UNAIDS management reported that the UNAIDS Executive Director was unable to attend the IEOAC's fifth meeting due to an urgent trip. The IEOAC agreed that it was important for the committee to have regular meetings with the Executive Director. The committee noted the need for clearer timelines and action plans to address outstanding oversight recommendations.

Session 1: IEOAC discussion on Rules of Procedure

The Committee reviewed a draft set of Rules of Procedure that was developed by one of the Committee's members. The committee recommended that the PCB Bureau amend the IEOAC's terms of reference to authorize appointment of a Vice Chair to assist the work of the Chair and to promote continuity of leadership on the committee. The committee also recommended that the PCB Bureau amend the committee's terms of reference to explicitly include the evaluation function within the committee's purview, to ensure that the committee has access to comprehensive information on the Secretariat's performance management systems and processes. The committee formed a working group, consisting of three of its members to revise the draft Rules of Procedure, for discussion and approval by the committee at its November 2022 meeting.

Session 2: UNAIDS/WHO ERP system

The World Health Organization's Governance, Risk and Compliance department reported on the development of WHO's new Business Management System (BMS) programme. BMS will replace legacy enterprise resource planning (ERP) system that is now obsolete, with the aim of generating an intelligent, flexible, easy-to-use platform that harmonizes processes across WHO and advances WHO's strategic goals.

The committee expressed concern over the fact that UNAIDS has only observer status in the BMS system under development. The committee recommended that UNAIDS management use all appropriate means to ensure that UNAIDS user and business requirements are factored into the design of the BMS. The committee emphasized that the new ERP system must be developed and rolled out in a manner that supports as much as possible UNAIDS' efforts to address governance, risk management and compliance in a data-based and coordinated manner. In particular, the committee stressed the importance of ensuring that data from each of these three domains are used to inform coherent and coordinated decision-making across these domains.

It was noted that one of the principal risks to UNAIDS from the new system was the possibility that data might not be ready or sufficiently complete, consistent and accurate for the new platform and that staff might not be sufficiently trained and prepared to use the platform when it is rolled out. The committee recommended that all data used in the new ERP system are cleaned in a timely manner and that staff are adequately trained in the new system.

To assist the committee in assessing the success of the new ERP system in meeting UNAIDS' user and business requirements, the IEOAC requested regular updates from management on ERP implementation. The committee asked that an analysis of organizational processes that are unique to UNAIDS be conducted, to inform the committee's assessment of the new ERP system and to identify areas where features of the new platform may need to be tailored for the Joint Programme's needs.

Session 3: Update on UNAIDS operations, overview of risk management, internal controls and measures taken to prevent fraud

The UNAIDS Secretariat briefed the committee on risk management and measures taken to prevent fraud. Ms Doghri described the internal control framework of the Secretariat. In January 2022, UNAIDS entered into a Memorandum of Understanding with WHO's Office of Internal Oversight Services (IOS) for internal auditing and investigative functions.

The committee expressed appreciation for the Secretariat's considerable work at the operational level to deliver on frameworks that promote accountability. In addition to the bottom-up assessment currently used for risk assessment, the committee recommended that the Secretariat undertake a more structured, formalized top-down risk assessment on a regular basis, to complement and be coordinated with the bottom-up self-assessment of risks. The committee expressed concern about the limited capacity of the oversight and compliance office, which currently consists of two staff members. Concern was also expressed by the committee regarding the limited number of internal audits conducted annually.

The Secretariat reported that WHO's updated policy on sexual harassment and discrimination now covers staff of the Secretariat. The Secretariat also noted that global staff surveys indicate that while sound policies may be in place, many staff may not fully trust them.

The committee recommended that the risk management committee should be reactivated and properly focused to ensure a more systematic and formal approach to risk management. The committee recommended that the objectives and mandate of the risk management committee should be revisited to ensure its effectiveness, including clarification of the committee's roles in the identification, assessment, assignment and mitigation of specific risks. The committee requested that Secretariat management provide the committee with the risk management team's Terms of Reference and with minutes from the most recent meetings. The committee emphasized that risk management frameworks and processes are effective only to the extent that they are owned by organizational leadership and that risk findings prompt timely and meaningful action. It was requested that the Secretariat provided the committee with a flow chart outlining the decision-making process for assessment of risks and formulating and implementing appropriate responses.

The committee discussed the Secretariat's findings regarding risk maturity. The committee asked for additional information to understand how risk maturity is assessed, including data supporting the Secretariat's findings that the key dimensions of UNAIDS risk management are established. For all future reports from Secretariat management, the committee asked that presentations distill quantifiable data on outcomes and trends and, in the absence of numeric data, provide illustrative examples to aid the committee in providing guidance and formulating recommendations. The committee recommended that the revitalized and updated risk management committee be tasked with assessing and assigning maturity levels for each dimension of risk assessment.

Session 4: Review of the systems established by the UNAIDS Secretariat to promote compliance with laws, regulations, policies and high standards of ethical conduct

The Committee discussed the importance of timely completion of investigations. The Secretariat assured the committee it would provide the committee with outcomes of the upcoming global staff survey, which the committee recommended be administered by the ethics office. Recalling its earlier recommendation for more data-based presentations, the committee asked that future reports on investigative and disciplinary processes more clearly quantity and categorize cases (e.g. sexual harassments, etc.), the duration of investigations, and the unit responsible for following up (e.g. Human Resources, ethics, IOS).

DAY TWO: OVERSIGHT

Session 1: Update on implementation of internal and external oversight recommendations

The committee acknowledged and expressed appreciation for the substantial work being done by the Secretariat to close outstanding oversight recommendations. The committee recommended that Secretariat management prioritize efforts to clear the backlog of outstanding recommendations. It was suggested that having an organizational standard in place for addressing recommendations might help remove the current backlog and prevent a backlog from emerging in the future.

The committee recommended that the Secretariat develop and maintain a single repository of oversight recommendations from all bodies, including internal and external audits, JIU and external evaluations. The repository, the committee recommended, should identify the time each recommendation has been outstanding, the timeline for committed action plans, the severity of the issue or risk addressed by the recommendation, and the risk owner. The committee recommended that the Executive Director receive regular reports on the status of implementation of oversight recommendations. The Secretariat highlighted that its limited capacity, compared to other UN agencies, made it difficult for UNAIDS to respond to lengthy JIU questionnaires.

Session 2: Update of the External Auditor

In opening the session on external auditing, the Chair noted that the committee plans to meet twice each year with the external auditor. One meeting will focus on the scope and approach of

the audit, and the second will focus on audit findings. The office of Comptroller and Auditor General of India (CAG) described plans for the upcoming external audit of UNAIDS.

Normally, it was noted, CAG receives access to the ERP system as soon as an audit team is in place, providing the audit team with ample time to review, analyse and digest organizational data well in advance of the on-site visit. In this case, the external auditor said, WHO has said it will provide UNAIDS-specific ERP access only one month prior to the on-site visit, which is scheduled for February 2023. The committee encouraged UNAIDS management to advocate with WHO to provide ERP access as soon as the audit team is in place, to support the audit process. The external auditor also reported that CAG would provide advice on the development of WHO's ERP system, and that the upcoming audit will focus on budgeting (including accountability of partners and reporting mechanisms), resources, finance (including adherence to financial rules), risk management, procurement (including a specific examination of short-term and long-term contracts), the UBRAF, human resources and ethics processes (including diversity, equity and inclusion, protection against harassment, managing conflicts of interest, and resolution of grievances).

The committee recommended a regular dialogue between the Executive Director and oversight bodies, including the internal and external auditors, to enable auditors to understand and respond to the Secretariat's needs. The committee also recommended regular engagement of the Executive Director with the IEOAC.

Given the newness of the auditor overseeing the UNAIDS external audit, the committee dispensed with the private session with the external auditor that had originally appeared in the meeting agenda.

Session 3: Update from the WHO Office of Internal Oversight Services

WHO Office of Internal Oversight Services (IOS) updated the committee on the status of internal audits and investigations of the Secretariat.

Towards the goal of aligning the expectations of UNAIDS and IOS regarding the timeliness and quality of investigations, the committee recommended that an assessment be undertaken of completed investigations, clarifying and addressing examples of non-compliance with KPIs in the UNAIDS MOU with IOS. The committee also asked for clarification of the roles and responsibilities of all actors in the investigative process, including UNAIDS human resources, the Secretariat's ethics office and IOS, across all aspects of the process, from initial complaint to close of investigation.

The committee asked to be provided with all recent assessments of the IOS internal audit and investigative functions, including the recent PricewaterhouseCoopers (PwC) report. The committee recommended that the scope of internal audit coverage be expanded to include performance issues as well as compliance. WHO/IOS reported on the status of the outstanding audits and said that UNAIDS management is provided with an annual dashboard of audits annually. The committee recommended that UNAIDS senior management have regular, structured engagement with IOS.

It was agreed that IOS would provide the committee an opportunity to review the IOS workplan for UNAIDS. The committee recommended that the IOS workplan for UNAIDS be informed by the risk profile of UNAIDS, with the aim of ensuring that audits address to the greatest extent possible the most important risks facing the organization.

The committee held a closed session with the representatives from the WHO Office of Internal Oversight Services.

DAY 3: UNAIDS SENIOR MANAGEMENT

Session 1: UNAIDS Finances and financial situation

The Secretariat briefed the committee on the Joint Programme's financial situation, reporting that the situation had changed little since the PCB was briefed in June 2022. The co-chair of the Informal Multistakeholder Task Team on the UNAIDS Funding Situation, reported on the Task Team's work to identify options for closing the immediate funding gap and for mobilizing sustainable funding for the longer term.

The committee expressed appreciation for the update on the UNAIDS financial situation and the steps the Secretariat and the Task Team are taking to close the funding gap. The committee agreed that the funding shortfall poses a substantial risk for the organization. The IEOAC looks forward to receiving and reviewing the Joint Programme's resource mobilization strategy and engaging with UNAIDS senior leadership on this issue.

Preparation for the meeting with UNAIDS senior management and discussion of key issues

The committee met to review its discussions and findings from its two and a half days of meetings. Agreement was reached on a set of recommendations as outcomes of the meeting. These recommendations, along with agreed follow-up actions, are outlined in Annex A.

Closing sessions to discuss/review main issues with UNAIDS senior management

The committee discussed their main findings and recommendations with UNAIDS senior management. Senior UNAIDS management thanked the committee for their recommendations. Management agreed with the committee on the need to improve the timeliness of investigations and to undertake a structured risk management process. Management emphasized the funding situation as the greatest risk facing the organization, noting that the funding shortfall risks impeding the Joint Programme's ability to deliver on an ambitious Global AIDS Strategy.

Closing sessions to discuss/review main issues with PCB Bureau

The committee discussed their main findings and recommendations with the PCB Bureau. The PCB Chair and other members of the PCB Bureau expressed appreciation for the committee's work.

AOB

It was agreed that the next committee meeting would occur virtually, with two half-day meetings scheduled for 9 and 11 November 2022. The committee asked the Secretariat to proceed with a procurement process to secure the services of a report writer for the committee for 2023.

The committee elected a new vice chair for the IEOAC.

In the absence of other business, the Chair adjourned the meeting.

ANNEX 1

Recommendations from the 5th IEOAC meeting and agreed follow-up actions

Recommendation	Follow-up actions
General recommendations	
The IEOAC requests that future analyses and presentations on risk management and oversight include numbers and trends and/or illustrative examples to aid the committee in providing guidance and recommendations	Secretariat to develop presentations in line with IEOAC recommendations
Discussion and agreement on IEOAC Rules of Procedure	
The IEOAC recommends that the PCB Bureau amend the IEOAC's Terms of Reference to authorize appointment of a Vice Chair to assist the work of the Chair and to promote continuity of leadership on the committee.	PCB Bureau to consider IEOAC request
The IEOAC recommends that the PCB Bureau amend the Terms of Reference to specifically include the evaluation function in the committee's purview, to ensure that the committee has access to comprehensive information on which to assess the Secretariat's performance management systems and process.	PCB Bureau to consider IEOAC request
UNAIDS/WHO ERP system	
The IEOAC recommends that all data used in the enterprise resource planning system are cleaned in a timely manner and that all staff are adequately trained in the new ERP system.	Secretariat to prioritize timely data cleaning and staff training in new ERP system
The IEOAC recommends that UNAIDS management use all appropriate means to ensure that UNAIDS user and business requirements are factored into the design of the new ERP system.	Secretariat to prioritize efforts to incorporate UNAIDS user and business requirements in new ERP system
The IEOAC requests regular updates on ERP implementation.	Secretariat to provide regular updates on ERP implementation
The IEOAC requests an analysis of organizational processes that are unique to UNAIDS and that may thus require tailoring of features in the ERP to meet UNAIDS needs.	Secretariat to provide analysis of unique UNAIDS features that may require tailored approaches in ERP
UNAIDS operations, internal controls and measures taken to prevent fraud	
The IEOAC recommends that a structured, formalized top-down risk assessment process be undertaken on a regular basis, to complement and be coordinated with the bottom-up self-assessment of risks.	Secretariat to formalize top-down risk assessment process
The IEOAC recommends that the risk management committee be reactivated, and its objectives and mandate be revisited to ensure its effectiveness, including clarification of the risk management committee's roles in the identification, assessment, assignment and mitigation of specific risks.	Secretariat to reactive the risk management and committee and to provide the IEOAC with the risk management committee's Terms of References and recent minutes of committee meetings.
The IEOAC recommends that the revitalized and updated risk management committee be tasked with assessing and assigning maturity levels for each dimension of risk assessment.	Secretariat to provide the IEOAC with additional information to understand how risk maturity is assessed, including data supporting the Secretariat's finding that the various dimension of UNAIDS risk management are mature.

	Secretariat to provide the IEOAC with the risk appetite statement once it is developed.
Systems to promote compliance with laws, regulations, policies and high standards of ethical conduct	
The IEOAC recommends further development of a compliance data dashboard, its strategic application of hard data and statistical models, its integration into the ERP, and effective use of the dashboard.	Secretariat to proceed with acquisition and analysis of data on compliance, as reflected in prototypes of non-compliance dashboard presented at the IEOAC's 5th meeting
Implementation of internal and external oversight recommendations	
The IEOAC recommends that UNAIDS management prioritize efforts to clear the backlog of outstanding oversight recommendations.	Secretariat to report to IEOAC on progress in clearing outstanding backlog
The IEOAC recommends that UNAIDS develop and maintain a single repository of all oversight recommendations from all bodies (identifying the time each recommendation has been outstanding, the timeline for committed action plans, the severity of the issue or risk addressed by the recommendation, and the identification of risk owner.	Secretariat to develop single repository of oversight recommendations and report on status to IEOAC.
The IEOAC recommends that the Executive Director receive regular reports on the status of implementation of oversight recommendations.	Secretariat to provide regular report to EXD on implementation status
Update of the external auditor	
The IEOAC recommends a regular dialogue between the EXC and oversight entities, including internal and external auditors as well as the IEOAC.	Secretariat to schedule regular EXD meetings with oversight bodies
The IEOAC recommends that the Secretariat advocate with WHO to provide the external audit team with access to ERP data as soon as the audit team is in place.	Secretariat to advocate with WHO on release of ERP data to external auditor
Update from the WHO Office of Internal Oversight Services	
The IEOAC recommends that the scope of internal audit coverage be expanded to include performance issues as well as compliance issues.	IOS to expand audit coverage to include performance issues
The IEOAC recommends that UNAIDS senior management have regular, structured engagement with IOS.	Secretariat to schedule regular meetings with IOS
The IEOAC recommends that it have the opportunity to review the IOS workplan for UNAIDS for 2023.	IOS to provide IEOAC with UNAIDS workplan for 2023
The IOEAC recommends that an assessment by IOS be conducted of completed investigations, identifying and addressing examples of non-compliance with KPIs in the UNAIDS MOU with IOS.	IOS to provide IEOAC with requested assessment Secretariat to clarify roles and responsibilities of all actors in the investigation process IOS to provide IEOAC with all assessments of the IOS investigation function
UNAIDS finances and financial situation	
	Secretariat to provide IEOAC with resource mobilization strategy for its review