

## **REPORT OF THE 16<sup>TH</sup> MEETING OF THE UNAIDS INDEPENDENT EXTERNAL OVERSIGHT ADVISORY COMMITTEE (IEOAC)**

**Date: 5-7 November 2024**

**Venue: Virtual**

### **PARTICIPANTS**

**Committee Members:** Ms Agnieszka Golebiowska, Ms Bushra Malik, Mr Ibraihim 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

### **DAY ONE**

**5 November 2024**

After the Chair called the meeting to order, IEOAC members reported they had no conflicts of interest and approved the meeting agenda. The Chair expressed appreciation for the contributions of Committee member Saad Bounjoua, who resigned from the IEOAC prior to the 16<sup>th</sup> meeting.

The 16<sup>th</sup> meeting of the IEOAC was originally scheduled to occur face to face, but the date and modality for the meeting were changed to accommodate a scheduling conflict within the Secretariat. The Chair asked that the Secretariat avoid untimely changes in the date and format of IEOAC meetings in the future as it makes the membership's participation in meetings complicated and less fruitful.

### **SESSION 1: An opening session with the Eastern and Southern Africa Regional Director**

In prior meetings, the Committee expressed a desire to learn more about the work of UNAIDS in the field, as country- and regional-level work is a key aspect of UNAIDS performance. Anne Muthoni Githuku-Shongwe, UNAIDS Regional Director for Eastern and Southern Africa, summarized the work of the Joint Programme in the region most heavily affected by HIV.

Ms Githuku-Shongwe described how UNAIDS works to leverage the contributions of Cosponsors and other UN partners in its work across the region, including through Joint UN Teams on HIV. Challenges to the work of UNAIDS in the region include the dwindling of resources for the Joint Programme, especially among Cosponsors, threatening the sustainability of HIV responses. The UNAIDS Regional Office uses a typology of countries to optimize the impact of finite and decreasing resources. In addition to critical functions of technical support, convening, partnership cultivation and advocacy, it was noted that UNAIDS staff in the region are increasingly focusing on support for the mobilization of financial resources for HIV responses.

**The IEOAC made the following observations from their session with the UNAIDS Regional Director for Eastern and Southern Africa:**

- **The Committee appreciates the initial opportunity to interact with Regional Directors and is thankful for the time provided by the Regional Director for eastern and southern Africa and her team to describe their work. The Committee looks forward to continuing to engage closely with and learn about the work of UNAIDS in the field.**

## **SESSION 2: Update from UNAIDS Evaluation Office**

As the Committee is tasked with advising on UNAIDS performance, the IEOAC discussed at its 15<sup>th</sup> meeting its desire to learn more about the evaluation function. At the Committee's invitation, Mr Adan Ruiz Valalba, Director of the Evaluation Office, described the office's work under its evaluation plan for 2024-2025. Originally envisaged with three staff, the Evaluation Office currently has two staff members. Mr Ryuiz Valalba described recent evaluations undertaken, including evaluations of the Global Action Plan for Sustainable Development Goal 3, Phase I of the Joint Programme evaluation, and assessment of the Joint Programme's cooperative agreement with the U.S. Centres for Disease Control and Prevention and the U.S. Agency for International Development. Planned evaluations for 2025 include a focus on sustaining impact through community systems, the UNAIDS partnership with the Global Fund and a review of alternative arrangements for work at country level, including multi-country offices and placement of HIV advisors in Resident Coordinators' offices. The Committee expressed its astonishment regarding the postponement of the evaluation of the partnership between UNAIDS and the Global Fund the year preceding the Global Fund replenishment. The Committee made the Evaluation Office aware of the Secretariat risk management plan that could be instrumental in choosing evaluation topics in the subsequent years.

**The IEOAC made the following observations from its session on the UNAIDS evaluation function:**

- **The IEOAC welcomes this first opportunity to engage in dialogue with the new Director of the Evaluation Office.**
- **The IEOAC is available to support the Evaluation Office in its work, including follow-up on and implementation of evaluation recommendations and on ensuring that the evaluation function is adequately resourced.**

## **SESSION 3: Update on implementation of the UNAIDS/WHO new ERP system; cybersecurity and ICT risk management**

The IEOAC has monitored development of the new ERP system by the World Health Organization (WHO), expressing concerns in prior meetings regarding the degree to which WHO has involved UNAIDS in Enterprise Resource Planning (ERP) development. In its annual report to the Programme Coordinating Board (PCB) in June 2024, the Committee recommended that Management proactively engage with WHO to understand the functionalities of the new ERP system's project management module to ensure that it addresses UNAIDS' specific needs.

In addition, at its 15<sup>th</sup> meeting, the IEOAC reviewed information security within UNAIDS, advising the organization to document a list of procedures to respond in case of disruptions and to map, identify, classify and develop appropriate protective measures for sensitive data within the organization. The Department of Digital Technology Solutions (DTS) subsequently provided the Committee with its cybersecurity risk logs, cybersecurity response procedures and a position paper on key elements of cybersecurity for UNAIDS.

For an update on ERP and cybersecurity issues, the Committee interacted with Mr David Webb, who is leading the ERP development process at WHO, and with Ms Ingrid Retien, UNAIDS DTS Director. The ERP development process has been delayed, with a “go live” now targeted for July 2025. After testing of the new finance platform raised concerns, a decision was made to stay with the current legacy platform (GMS). With respect to cybersecurity, Ms Retien reported that there have been no major cyber-attacks, that roles and responsibilities for protecting cybersecurity within UNAIDS have been clarified, and that substantial progress has been made in developing key cybersecurity policy documents (including standard operating procedures and incident response documentation).

**The IEOAC made the following observations and recommendations on development of the new ERP system:**

- **The Committee is continuing to monitor the development of WHO’s new ERP system, the implementation of which is delayed. The Committee looks forward to receiving an update on the status of ERP roll-out at its March 2025 meeting.**
- **The Committee reiterates its recommendation that WHO involve UNAIDS in a timely manner in each phase of implementation for the new ERP system, including testing and training.**

**SESSION 4: Update on enterprise risk management, including top risks and mitigation measures**

In its June 2024 report to the PCB, the Committee expressed appreciation for the improvements made in identifying and assessing risks to UNAIDS and recommended further work to develop risk reduction and mitigation measures, including a clear action plan for mitigation each risk identified through development of the statement of internal controls. The Committee also recommended in June 2024 that the Secretariat follow through on its plans to develop a risk appetite statement.

Salma Doghri, Compliance Officer, updated the Committee on more recent developments with respect to enterprise risk management. The bottom-up risk assessment is underway, with managers set to review by November 2024 and Cabinet due in March 2025 to review and endorse the list of high and moderate risks. Work continues on further developing and refining a system to track mitigation measures for top organizational risks, including determining the appropriate frequency of update and review for these risks.

**The IEOAC made the following observations and requests with respect to enterprise risk management:**

- **The Committee acknowledges that progress has been made in strengthening enterprise risk management.**
- **The Committee requests that future presentations on enterprise risk management illustrate the dynamics of risk management, identifying where the status of specific risks have changed (by moving from one level of severity to another), where new risks have emerged, and the efficacy of risk mitigation measures.**
- **The Committee looks forward to reviewing the risk appetite statement at its next meeting in March 2025.**
- **The Committee also requests a clearer understanding of how Management’s identification of the most important organizational risks is used by the Evaluation Office and the internal audit function.**

### **SESSION 5: Update on financial situation and resource mobilization**

The IEOAC has made the financial situation and resource mobilization a standing agenda item. In its June 2024 report to the PCB, the Committee reviewed and found justified Management’s proposed actions to close the budget gap for 2024-2025 (aligning the fund balance with the minimum percentage of the operating budget approved by the PCB, and moving back to the core fund balance the US\$ 25.1 million previously transferred to cover after service health insurance (ASHI) costs). The IEOAC at its 15<sup>th</sup> meeting welcomed the development of an operating budget more clearly aligned with available resources and also noted the commitment of Management to fully meet ASHI funding requirements.

Ms Tamara Thomas, Director of Resource Mobilization, provided an update on resource mobilization efforts for the Joint Programme. Ms Thomas reported that the Secretariat was likely to meet its fundraising targets for 2024, but that important challenges and uncertainties characterize fundraising prospects in 2025 and beyond. A growing number of donor countries are walking away from HIV assistance, she reported, and recent or imminent changes in the governments of several UNAIDS donors may pose potential risks for UNAIDS funding. While efforts must continue to attract core funding, Ms Thomas said the Joint Programme was redoubling efforts to reduce its dependence on core funding by mobilizing additional non-core funding. The Committee expressed concern that some donors that make major contributions to the Global Fund do not always make commensurate contributions to UNAIDS, and it was recalled that the Multistakeholder Task Team on the UNAIDS funding situation had encouraged PCB members to announce simultaneous, linked investments to both the Global Fund and UNAIDS.

Mr Samson Kambarami, the new Director of Finance, reported on the financial situation. He reported that no shortfall was projected for 2024 and that the Joint Programme has a spend rate for the year of 83%. Total non-core funding to UNAIDS for 2024 is projected to be US\$ 74.7 million.

**The IOEAC made the following observations and recommendations regarding the financial situation and resource mobilization:**

- **The Committee supports the recommendations of the Multistakeholder Task Team on the UNAIDS Financial Situation that donor PCB members, observers and stakeholders consider making joint investments to UNAIDS and the Global Fund to Fight AIDS, Tuberculosis and Malaria to accelerate progress towards ending AIDS as a public health threat. In this regard, the Committee is concerned that few of the long-term recommendations of the Multistakeholder Task Team in 2022 appear to have been implemented to date.**
- **The Committee recommends that UNAIDS strengthen its communication of a compelling, concrete value proposition regarding the Joint Programme's contribution to the success of the work of the Global Fund to accelerate progress towards ending AIDS.**
- **The Committee encourages Management to continue exploring risk mitigation plans in response to a worst-case scenario regarding the evolution of the financial situation and the evolving political context of major donors.**

#### **SESSION 6: Annual report of the WHO Office of Internal Oversight Services (WHO/IOS)**

The IEOAC has expressed ongoing concerns regarding the adequacy of audit coverage for UNAIDS and recommended in June 2024 that WHO/IOS base its 2025 internal audit plan on the Secretariat's identification of top risks. The Committee also recommended at its 15<sup>th</sup> meeting that future assessments of the internal audit function include a sample of at least two UNAIDS audits.

Ms Lisa Marie McClennon, Director of WHO/IOS, joined by WHO colleagues, updated the Committee on the status of the internal audit function, including plans for 2025. A planned audit for diversity, equity and inclusion was deemed not ready and replaced with an audit of the Cambodia country office. A draft UNAIDS audit plan for 2025 has been prepared, Ms McClennon reported, but the plan had not yet been finalized at the time of the Committee's 16<sup>th</sup> meeting. The hiring of a contractor enabled WHO/IOS to make up ground on the 2024 audit plan, which has been delayed, as reported at the Committee's 15<sup>th</sup> meeting. WHO/IOS reported that it expected all audits in the 2024 audit plan to have been completed by the end of the year. Internal audit findings in 2024 were satisfactory, with one audit noting some improvements needed, and the effectiveness of internal control remains stable. Ms McClennon reported that no pending audit recommendation has been outstanding for longer than 36 months.

#### **The Committee made the following observations regarding the internal audit function:**

- **The Committee encourages the WHO/IOS to ensure completion of outstanding audits in the UNAIDS 2024 audit plan by the end of 2024.**
- **The Committee reiterates its request that it be provided with the final draft of the 2025 UNAIDS audit plan for the Committee's review and endorsement. The Committee requests that the 2025 UNAIDS audit plan take into consideration priority risks identified by UNAIDS Management.**

With respect to the investigations function, Ms McClennon reported that WHO/IOS received 27 new allegations for UNAIDS in 2023, a 50% increase over 2022. (She noted that this increased tracks with trends in new allegations for WHO itself.) Ms McClennon attributed the increase in the number of allegations to the issuance of new policies, the expansion of the mandate of WHO/IOS (including prima facie protection against retaliation), and an overall increase in WHO/IOS capacity and resources. In 2023-2024, WHO/IOS used 12 different investigators to handle UNAIDS cases. A memorandum of understanding is currently being investigated, with the aim of ensuring dedicated resources to increase the institutional knowledge of WHO/IOS regarding UNAIDS. At the time of the Committee's 16<sup>th</sup> meeting, 14 cases were open, including 10 under investigation. In 2023-2024, there has been a shift in UNAIDS-related allegations from allegations against people towards allegations regarding financial misconduct.

The Committee received the external quality assessment of WHO/IOS only on the morning of the second day of its 16<sup>th</sup> meeting. Ms McClennon cited a misunderstanding regarding the need for sign-off by the WHO Director-General before transmission to the IEOAC. Ms McClennon reported that UNAIDS cases were taken into account in the external quality assessment and that the team conducting the external assessment had met with the WHO IOEAC but not with the IEOACs of hosted entities.

The Committee held a closed session with the Director of WHO/IOS.

**The Committee made the following observation and recommendation regarding the investigations function:**

- **The Committee is disappointed to have received the copy of the WHO/IOS external quality assessment only on the day of this meeting. The Committee is unable at this moment to formulate an opinion on this assessment. Moving forward, the Committee requests to receive copies of relevant documents as soon as they become available.**
- **The Committee recommends, consistent with good practice in the UN system, that it be consulted during the external quality assessment of WHO/IOS.**

**SESSION 7: Update on status of the work of the High-Level Panel (HLP)**

At its 15<sup>th</sup> meeting, the Committee took note of the PCB's request that the Joint Programme review its operating model and of the Executive Director's decision to convene a High Level Panel, with reporting of results to occur to the PCB in June 2025. The Committee said at its 15<sup>th</sup> meeting that it looked forward to receiving more information regarding the process of revisiting the operating model.

Mr Efraim Gomez, Director of External Relations, outlined the timeline for the HLP's work to deliver a final report to the PCB in June 2025. Two meetings of the HLP (one in person and one virtual) have occurred. Sub-groups of the HLP have been convened to focus on programming, partnerships and resources. The work of the panel is being externally facilitated, and the Joint Programme has withdrawn from involvement in the work of the

HLP in order to enable independent deliberations. During the Committee's interaction with Mr Gomez regarding the work of the HLP, discussions focused on a number of issues, including the Cabinet's development of scenarios in anticipation of changes to the operating model and the communications plan for educating and engaging UNAIDS staff on the HLP's work.

**The Committee made the following observation and recommendation regarding the work of the HLP:**

- **The Committee looks forward to being informed in a timely manner regarding developments in the work the HLP, including the final HLP report and pertinent work products of the HLP sub-groups that are made publicly available.**
- **The Committee recommends that Management ensure that UNAIDS staff, including but not limited to the UNAIDS Secretariat Staff Association (USSA), are informed in a timely manner on the Joint Programme's response to the recommendations of the HLP. To this end, the Committee suggests the development of a clear communication plan to ensure the awareness of staff regarding HLP recommendations.**

#### **SESSION 8: Update from Management on the selection process for Head of the Ethics Office**

Ethics is one of the functions of UNAIDS included in the Committee's Terms of Reference. Mr Mahesh Mahalingam, Chief of Staff, provided a brief update to the Committee regarding the status of the process to select a new head of Ethics. Mr Mahalingam reported that five applicants had been shortlisted and a selection panel convened. Until the position is filled, the Acting Head of the Ethics Office will remain in this position.

The Committee made no observations or recommendations regarding this agenda item.

#### **SESSION 9: Session with the UNAIDS Secretariat Staff Association (USSA)**

A representative of the USSA interacted with the Committee. In response to the realignment of UNAIDS, USSA reviewed its constitution and developed a workplan for 2024-2025 that prioritizes communications/membership, staff welfare and wellbeing, rights and entitlements, career development, and systemwide engagement. In the most recent Global Staff Survey, 70% of staff reported that UNAIDS is a good place to work, an improvement over survey results in 2022. It was noted that a number of staff have remained in hardship positions due to the freezing of positions.

**The Committee made the following observations from its session with the USSA:**

- **The Committee appreciates its opportunity to engage with the USSA and notes improvements on many indicators in the Staff Survey regarding staff satisfaction and wellbeing.**

- **As a good practice, the Committee invites Management to systematically consult with USSA on any policy or procedure change that has a potential impact on staff.**

## **SESSION 10: Presentation of the register of oversight recommendations**

At its 15<sup>th</sup> meeting, the IEOAC noted the reduction in the backlog of internal and external oversight recommendations. The Committee endorsed Management's decision to use a risk-based review to determine which recommendations of the UN Joint Inspection Unit (JIU) to prioritize, and it encouraged Management to reach out to comparable UN organizations to understand their approach to responding to JIU recommendations. The Committee also looked forward to the development and ongoing maintenance of a consolidated register of oversight recommendations.

Mr David Fraser, Compliance Team Lead, reported on the status of responding to oversight recommendations. The number of pending oversight recommendations has declined by 90% since 2020, with 30 recommendations closed since April 2024. Work is underway to clear open recommendations from internal and external auditors, although there remains a constantly elevated level of outstanding JIU recommendations. Mr Fraser reported that UNAIDS had reached out to the International Telecommunications Union to understand their approach to responding to JIU recommendations and he expressed appreciation for offers from IEOAC members to link UNAIDS to other UN agencies of comparable size to the Joint Programme to obtain additional insights.

The Committee also discussed its process for monitoring its own recommendations. The Governance unit of UNAIDS agreed that it would update the IEOAC recommendations log by the week following the 16<sup>th</sup> meeting. It was confirmed that Governance reaches out to colleagues within the Secretariat for follow-up on each of the Committee's recommendations.

### **The Committee made the following observations regarding oversight recommendations:**

- **The Committee notes the progress made in assembling a consolidated register of oversight recommendations. The Committee encourages Management to continue its efforts to close outstanding recommendations, prioritizing recommendations that are high-risk and long-outstanding.**
- **The Committee will closely monitor implementation of its own recommendations.**

## **SESSION 11: Review and validation of IOEAC's 2025 workplan**

The Committee reviewed and discussed its draft workplan for 2025. This workplan aims to ensure that the Committee addresses all elements of its Terms of Reference during the 2025 calendar year. It was agreed that an induction session for new members would be held prior to the first meeting of the IEOAC in 2025. Formal meetings of the IEOAC in 2025



are proposed for March (virtual half day), May (3-day in-person meeting), and October (3 half-day virtual meeting). Exit meetings with the Executive Director are scheduled following the March and October meetings. The Committee agreed to send the draft of the workplan to all Committee members for their review and approval, with expectation of refining the workplan in 2025.

### **SESSION 12: Final session to discuss/review main issues with UNAIDS Senior Management**

For its summary and discussion of its findings from the 16<sup>th</sup> meeting, the Committee was joined by numerous members of Management, including Ms Angeli Achrekar, Deputy Executive Director for Programmes, and Ms Christine Stegling, Deputy Executive Director for Policy, Advocacy and Knowledge. After the Chair summarized the observations and recommendations of the Committee, the IEOAC and Senior Management engaged in an interactive discussion.

Senior Management expressed appreciation for the Committee's observation that risk management has improved and it also welcomed the Committee's recommendation regarding linked contributions to both UNAIDS and the Global Fund. Management said it would provide the Committee with information in early 2025 regarding its efforts to plan for worst-case scenarios on resource mobilization. Management committed to continue involving USSA on issues affecting staff, and it reported that an internal communications plan is in place to keep staff up to date on the work of the HLP.

### **SESSION 13: Any other business**

The Committee voted to make the current Vice Chair (Mr Benoit de Schoutheete) the Committee Chair for 2025. It was agreed to elect a new Vice Chair for the Committee at the March 2025 meeting, when new Committee members can participate. The Committee agreed that it will apply PCB practice that the Vice Chair shall become the Chair the following year.

Recruitment of the next independent report writer will occur before the end of the year. At the request of the Committee, the Governance team said it would report back on the possibility of having two-year (rather than single-year) contracts for the independent report writer.

The meeting was adjourned.