
Independent External Oversight Advisory Committee

54th Meeting

UNAIDS Programme Coordinating Board



Mandate and work of the IEOAC

The IEOAC, established by the PCB at its 47th meeting, is an advisory body mandated to provide independent, external, expert advice to the PCB and UNAIDS Executive Director.

Since its 2023 report to the PCB, the IEOAC held five sessions. The IEOAC has attached its 2024 work plan to its report to the PCB.

To conduct its work, the IEOAC reviews extensive information, and engages with the Executive Director, senior management and internal and external auditors.

An annual self-assessment by the IEOAC found that the Committee has been effective and efficient in meeting its mandate, with notable improvements in its interactions with the Executive Director and in the quality and timeliness of information provided to the Committee.

Overall observations by the IEOAC

The IEOAC notes that progress has been made in several areas addressed in the IEOAC terms of reference, including but not limited to:

- a reduction in the back log of pending oversight recommendations,
- the development of an operating budget more aligned with available resources,
- as well as the rooting of a culture of risk management.

Issues considered by the IEOAC in 2023-2034 (per PCB-approved terms of reference)

- Financial reports and Statement of Internal Controls
- Resource mobilization
- Updates on enterprise risk management, including top risks and mitigation
- WHO Office of Internal Oversight Services (internal audit and investigation functions)
- External Auditor
- Follow-up on implementation of internal and external oversight recommendations
- UBRAF performance monitoring
- Update on strategic human resources management
- Report of the Ethics Office
- IEOAC self-assessment and independent evaluation
- Other issues: Organizational realignment, management response to MOPAN report, information security and ERP implementation

Financial situation and resource mobilization (1)

The IEOAC regards the funding situation as the most important risk facing UNAIDS.

The IEOAC welcomes the updated resource mobilization strategy and recommends that UNAIDS undertake benchmarking, monitoring and reporting by the end of 2024 to enable assessment of achievement against key performance indicators.

The IEOAC finds to be reasonable and justified the short-term budgetary proposals by Management to bring the fund balance in line with the benchmark previously approved by the PCB (taking into account the reduced operating budget) and to allocate for core operating expenses the US\$25.1 million previously set aside by the PCB for after-service health insurance liabilities.

These short-term measures, while needed, will on their own be insufficient to ensure the sustainability of UNAIDS through 2030.

Financial situation and resource mobilization (2)

The IEOAC welcomes the upcoming review of the UNAIDS operating model to address the longer-term funding challenge.

The IEOAC encourages UNAIDS to leverage its rich data (on performance and impact) as a key element of its value proposition.

Enterprise risk management

The IEOAC notes improvements in the process of identifying and assessing risks and looks forward to reviewing further work on mitigating identified risks.

The Committee encourages the Secretariat to follow through on its plans to develop a risk appetite statement and to understand residual risks, including the effectiveness of mitigation efforts.

The IEOAC encourages the Secretariat to continue the integration and mainstreaming of risk management across all aspects of operations.

Internal audit function (1)

The IEOAC remains concerned regarding the adequacy of audit coverage provided by WHO/IOS.

The IEOAC recommends that WHO/IOS transition its internal audits of UNAIDS from a focus on compliance to a risk-based approach. As part of this shift, WHO/IOS should work to reduce the number of audit recommendations and prioritize higher-impact recommendations that address the most important risks facing UNAIDS.

The IEOAC recommends that WHO/IOS use the Secretariat's identification of top risks as the starting point for development of its annual audit plan, and it has requested that WHO/IOS present a draft, risk-based 2025 audit plan to the Committee at its October meeting.

Internal audit function (2)

The external quality assessment of WHO/IOS internal audits should include consideration of at least 2 UNAIDS audits as well as interaction with the UNAIDS Executive Director.

As the implementation of the 2024 annual internal audit plan has been delayed, the Committee recommends that WHO/IOS have contingency plans in place to ensure timely audit coverage in accordance with the audit plan.

External audit function

The IEOAC takes note of the unmodified audit opinion of the External Auditor and the recommendations in the report.

The IEOAC calls the attention of Management to the recommendation of the External Auditor to develop a business contingency plan for Headquarters and for field offices that currently lack such a plan.

Follow-up and monitoring of internal and external oversight recommendations

The IEOAC acknowledges the reduction in the backlog of internal and external oversight recommendations.

The IEOAC supports the approach of Management to use a risk-based review to determine which JIU recommendations are most relevant to UNAIDS. In implementing this approach, the IEOAC recommends that Management reach out to comparable UN agencies and to UNAIDS Cosponsors to understand their approach for responding to the substantial number of recommendations made by the JIU.

Moving forward, the IEOAC intends to take a more systematic approach to tracking the implementation status of IEOAC own recommendations.

Ethics function

The IEOAC notes that Management has taken steps to ensure completion of mandatory trainings. The Committee also notes a marked increase in demand for confidential advisory services by the Ethics Office from 2021 to 2023.

The IEOAC looks forward to the appointment of a permanent, full-time Ethics Officer and recommends (in accordance with JIU recommendations) that the IEOAC be consulted on the selection/appointment, performance and dismissal/removal assessment of the Ethics Officer.

The IEOAC notes the decision by Management to strengthen the capacity of the Ethics Office through the appointment of an additional P3 staff person, in line with IEOAC recommendations.

Human resources management

The IEOAC recommends further refinement of workforce planning and mapping of the skills needed to advance the Joint Programme's leadership aligned with the global AIDS response.

Other matters: ERP system

The Committee intends to closely monitor the implementation of the new Enterprise Resource Planning (ERP) system, which WHO is currently developing. The IEOAC recommends that UNAIDS develop plans to mitigate all risks associated with implementation of the new ERP.

Other matters: IEOAC independent performance evaluation

The Committee's terms of reference currently provide for an independent performance evaluation of the IEOAC every two years.

At their meeting in December 2023, which the 2023 IEOAC Chair attended on behalf of the Committee, chairs and vice-chairs of independent oversight committees of UN entities agreed that periodic peer reviews can be used as a means of demonstrating that independent performance evaluations of audit and oversight committees are being undertaken.

In addition, the Committee noted that the JIU had previously recommended that such evaluations be conducted every three years (see JIU report 2019/6).

Accordingly, the Committee will be recommending, at a later stage, that the PCB amend the IEOAC's terms of reference to endorse periodic independent performance evaluations of the Committee's work and delete the requirement for such an evaluation to be undertaken every two years.

Other matters: IEOAC terms of reference and evaluation function

Although the IEOAC is charged with advising on oversight of UNAIDS performance, the evaluation function is not expressly addressed in the IEOAC's terms of reference.

At present, the Committee considers that there is no clear provision in its terms of reference to fulfil its oversight responsibility over the evaluation function.

As the JIU's 2019 report on audit and oversight committees in the UN system recommends that UN agencies and organizations expressly assign independent oversight of the evaluation function to their IEOACs, the Committee has engaged in dialogue with senior management on oversight of the evaluation function.

The Committee and senior management will continue this dialogue at the next face-to-face meeting of the Committee in the fall of 2024 and the Board will be kept informed on the outcomes of the dialogue.

Closing remarks

The Committee expresses its appreciation for the support of the UNAIDS Secretariat, WHO/IOS and the External Auditor.

The IEOAC requests the PCB to take note of the Committee's annual report and to look forward to the next report in 2025.