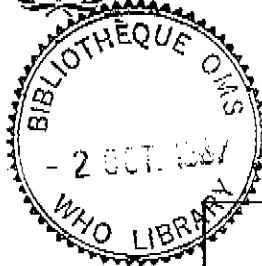


2 Health resources
financial audit 13461
IAU/MPW/87.1



WORLD HEALTH ORGANIZATION
ORGANISATION MONDIALE DE LA SANTÉ

17 July 1987



PROTOCOL FOR
MONITORING THE USE OF WHO'S RESOURCES THROUGH
FINANCIAL AUDIT IN POLICY AND PROGRAMME TERMS

Following the adoption in 1976 of resolution WHA29.48 which called for a reorientation of WHO programme budget policy to provide greater support to Member States, resources devoted to technical cooperation steadily increased and now account for 70% of the regular budget. A policy basis was progressively developed to provide a framework for the management of WHO's technical cooperation. During the past two years, attempts have been made in a number of Member States to evaluate on a trial basis whether WHO's technical cooperation activities reflect this policy and what they have achieved.

In 1984 the Director-General introduced a new type of evaluation for this purpose: financial audit in policy and programme terms. This type of audit aims at identifying how, by whom and on the basis of what policy, decisions on the utilization of WHO's resources are arrived at and implemented. It also aims to clarify when decisions are taken, i.e. before or during the programme budget biennium, how they relate to the national, regional and global strategies for health-for-all, and what has been achieved by the joint government/WHO activities.

Such audits, which in no way replace existing financial auditing practice, have been carried out in countries in five WHO regions using a common methodology. The results of these trial audits have been used to refine the methodology presented in the following protocol which is to be used for regional and global financial audits in policy and programme terms.

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I. BACKGROUND

1. In 1977, the Health Assembly resolved that the main social target of governments and of WHO should be the attainment by all peoples of the world by the year 2000 of a level of health that would permit them to lead a socially and economically productive life. In 1978, the International Conference on Primary Health Care, held in Alma-Ata, affirmed that the primary health care approach was the key to attaining this target.

2. The seventh and the eighth general programmes of work were developed with a view to ensuring continuing support to the Global Strategy for Health for All by the year 2000. They identify priority areas for WHO action in the health sector, as well as in other sectors. The Eighth General Programme of Work (for the period 1990-1995) also describes clearly what is expected of governments, regional committees, the Executive Board, the World Health Assembly and the Secretariat at country, regional and global levels, to provide coherent support to Member States in the further development and implementation of their national strategies. It emphasizes that the process of setting priorities within the collective policies decided upon by the World Health Assembly is a national responsibility, and that priority activities within the Programme will be arrived at through continuing dialogue between governments and WHO.

3. In the meantime, considerable attention was being given to the manner in which the Organization was functioning within the framework of the collective policy. In 1980, the World Health Assembly adopted resolution WHA33.17, by which it decided to concentrate the Organization's activities over the coming decades on support to national, regional and global strategies for attaining health for all by the year 2000. One year later, in 1981, the Thirty-fourth World Health Assembly, in resolution WHA34.24, reaffirmed WHO's mutually supportive functions of acting as the directing and coordinating authority on international health work and ensuring technical cooperation with its Member States, and it urged Member States to formulate their requests for technical cooperation with WHO in the spirit of the policies, principles and programmes they have adopted collectively in WHO.

4. In 1983, the Director-General introduced a new managerial framework for the optimal use of WHO's resources in direct support of Member States (document DGO/83.1 Rev.1), in which the respective responsibilities of individual governments, of the Organization as a whole and of the Secretariat were spelled out. The new managerial framework promotes the process for

programme budgeting of WHO's resources in countries that was approved by the Thirtieth World Health Assembly in 1977 in resolution WHA30.23. According to this process, the government and WHO collaborate at an early stage in identifying priority programmes for cooperation and in outlining the broad programme activities and resource allocations for the next biennial financial period. Detailed plans of action and related budgetary estimates are worked out closer to, and as part of, programme implementation.

5. In 1985, the Executive Board in resolution EB75.R7¹ requested the regional committees to prepare regional programme budget policies that ensure optimal use of WHO's resources at both regional and country levels in order to give maximum effect to the Organization's collective policies. In compliance with the Board's request, the regional committees adopted such policies using the Director-General's guidelines (document DGO/85.1) as a frame of reference. In addition, to ensure that all concerned throughout the world would have similar detailed criteria available for making optimal use of WHO's resources, the Director-General disseminated his guidelines to all governments and senior WHO staff, starting with the WHO representatives.

II. PURPOSE AND SCOPE OF THE FINANCIAL AUDIT IN POLICY AND PROGRAMME TERMS

6. The purpose of the financial audit in policy and programme terms² is to review the use of WHO's resources by governments against the policy and programme background described above, with a view to improving WHO technical cooperation. To this end the audit, focussing on the last biennium for which the financial report has been issued,³ aims at determining how and by whom decisions to use WHO's resources⁴ were arrived at, to what extent the joint government/WHO activities comply with collective policy and what those activities have achieved. The financial audit in policy and programme terms will thus cover the following issues:

¹ Endorsed by the World Health Assembly in resolution WHA38.11.

² This type of audit in no way replaces existing auditing practices.

³ The intervening period up to the audit is also covered for policy and programme issues.

⁴ In this context, the use of "WHO's resources" refers to all resources - human, technical, informational, financial and material - from all sources at all levels of the Organization.

(i) WHO collaborative programme: relevance to country needs and policy compliance

7. The relevance of WHO collaboration will first be assessed in the light of the health situation in the country, the health policy of the government, the national health-for-all strategies and the country health infrastructure (including its financing).

8. The history of WHO's collaboration and the evolution of WHO's programmes in the country, including the strengthening of national capacity to absorb this collaboration, will also be reviewed in relation to the development and implementation of the national strategy for health-for-all.

9. The audit will ascertain to what extent the joint government/WHO collaborative programme complies with policy and programme principles collectively agreed upon and is in line with the global, regional and national strategies for health-for-all and the General Programmes of Work.¹ It will determine how priorities for WHO activities have been arrived at and whether the appropriate organizational level for implementation of WHO support activity has been determined according to the criteria² for this purpose.

10. The audit will assess how successful WHO is in transferring the information it produces, for example, the degree of penetration in the country beyond the Ministry of Health and to other sectors; how relevant the information transferred is to country needs and how it is being used.

11. The role of WHO in supporting the governments in promoting intersectoral collaboration both within and outside the health sector and in orienting activities and resources of bilateral and multilateral agencies in the country will be reviewed.

(ii) Managerial framework

12. The managerial process used for the programming and utilization of WHO's resources in the country, together with the role of the various actors concerned, will be analysed and assessed against the policy guidance given by

¹ For the period 1984-1989: Seventh General Programme of Work.
For the period 1990-1995: Eighth General Programme of Work.

² As described in paragraph 122 of the Seventh General Programme of Work ("Health for All Series", No. 8), for the determination of priorities, and in paragraph 70 for the criteria.

the World Health Assembly, the Executive Board and the regional committees: for example, the programme budgeting process will be reviewed to ascertain whether the actual decision making is in conformity with resolution WHA30.23, the regional programme budget policy and the guidelines issued by the Director-General (DGO/85.1), and whether use has been made of appropriate mechanisms such as joint WHO/country coordinating mechanisms as described in DGO/83.1 Rev.1. The audit will investigate whether WHO's possible areas of collaboration have been explored by "walking through" the WHO classified list of programmes. The audit will also verify whether the other components of WHO's managerial process have been properly followed, in particular, those for monitoring, evaluation,¹ and accountability for use of WHO's resources.

13. In reviewing the programming process at the country level, the role and functions of each level of the Organization in supporting the use of WHO's resources by the country concerned will be investigated. Particular attention will be given to assessing how the WR carries out each of his four main functions.

14. Whenever there is direct financial cooperation, an evaluation of the procedures followed for compliance with rules laid down for its utilization² will be made, together with a general assessment of its use.

15. In view of the large amount of the Organization's resources reprogrammed during each biennium, the modalities for reprogramming (criteria, mechanisms, delegation of authority) will be analysed.

(iii) Adequacy, efficiency and effectiveness of the Organization's support.

16. A detailed analysis will be made of the various activities comprising the WHO/country collaborative programme linking planned expenditures by programme activity to incurred expenditures, and assessing, whenever possible, their relevance, adequacy, efficiency and effectiveness, in particular in relation to the criteria presented in the regional programme budget policies

¹ "Health for All" Series No. 6, "Health Programme Evaluation: Guiding Principles (1981)".

² The principles that govern the use of direct financial cooperation are set out in DGO/83.1 Rev. 1, the procedures for its use are described in the WHO Manual Part XII.4.

and the related Director-General's guidelines. The audit will attempt to verify what outputs joint activities have generated and attempt to trace the long-term impact of WHO's programme. For example, if WHO support has included research and development in certain areas, the team will seek evidence that the results of this research and development have been applied in the national health programme and/or included in future plans in these areas; or if there has been support to national training programmes evidence will be sought that the health system manpower development (HSMD) approach has been applied and that there are career prospects for trainees.

(iv) Recommendations

17. On the basis of the findings of (i), (ii) and (iii) above, conclusions will be drawn and recommendations made: the purpose of audit is to learn from both successful and unsuccessful experiences as well as to propose improvements if necessary, with the ultimate objective of maximizing the use of WHO resources.

III. DOCUMENTATION REQUIRED

18. It is assumed that members of the audit team¹ will have acquired a good understanding of the overall policies and programmes, management practices and financial procedures of the Organization at all levels (as set out in the essential reference documents listed in Annex I); in addition they will need specific documentation relating to the country concerned. To facilitate the work of the team and to save staff time and costs for the Organization, selected parts of this documentation should be available, whenever feasible, two months before the start of the mission. This period will be used by the team to read, study and discuss the documentation, before embarking on the mission.²

19. The background documentation that should be available in headquarters, the regional office and the WR's office falls into the following three broad categories:

¹ See section V for the composition of the audit team.

² See section IV Step 1 below.

(a) general background information (socio-political, economic, demographic, historical and geographical) on the country itself including the most recent development plans;

(b) health policy and strategy information highlighting the main thrusts of the national health programme and WHO support to it, and giving an overview of the health situation and trends such as national policy and strategy for HFA; national health development plans; national health budget; country and programme profiles; health sector studies; country resource utilization studies; national programme planning, monitoring and evaluation reports; external agency reports; the regional strategy; the regional medium-term programmes; the regional programme budget policies;

(c) programming, budgeting, evaluative and administrative information such as country programme agreements (for example: the collaborative medium-term programmes between EURO and some of its Member States); records of joint policy and programme reviews such as reports of joint programme review missions in EMRO; records of joint government/WHO evaluation missions such as reports of MATCs (meetings for the analysis of PAHO/WHO technical cooperation at the country level) in AMRO; records of the deliberations and decisions of government/WHO coordinating mechanisms; programme budget statements and budgetary tables as proposed and revised; summary information from the country support review mechanism in the regional office; exchanges between regional office and WK levels, and between WHO and the government concerned; other exchanges of letters, requests and responses; plans of operation with work-plans or plans of action; documentation justifying reprogramming decisions; operating budgets; records of allotments, expenditures and other accounts; WHO audit reports (both internal and external); any information on activity implementation at the country level such as consultant reports, fellowship evaluation reports, monitoring and evaluation reports emanating from WHO or from the country itself.

IV. CONDUCT OF THE FINANCIAL AUDIT IN POLICY AND PROGRAMME TERMS

20. The following steps will be carried out for each financial audit in policy and programme terms. For the regional financial audits, steps 1 and 2 will be grouped as both will be carried out at the regional level.

Step 1

21. The organization of the financial audit in policy and programme terms will begin some two months before the visit to the regional office and country concerned. The team will meet to develop a strategy; to determine the documentation required¹ and study that already available; to assign areas of responsibility under the team leader; to collect information; and to interview staff members who may be able to contribute to the assignment. For global audits contact is maintained with the regional office concerned to organize steps 2 and 3 and prepare and exchange documentation.

22. The audit covers the full range of WHO support to the country concerned from all sources of funds and from all levels of the Organization. However, two limiting factors may need to be taken into consideration: (i) the size of the WHO collaborative programme in the country selected; and (ii) the depth to which the audit will have to be carried out. In fact a superficial analysis of the activities in the collaborative programme will not yield the results required from this type of audit. Experience has shown that it is better to select the most significant activities and analyse them in detail, rather than to cover superficially the totality of the programme. Yet the team should ensure that the activities selected cover the major part of the WHO resources expended in the country concerned so that the conclusions can be significant vis-à-vis the totality of the WHO/country collaborative programme.

Step 2

23. Following this preparatory step, the team will visit the regional office concerned for a period of about one week.² For its work at the regional office the team, is joined by a representative of the Regional Director, and, in collaboration with other regional staff will undertake an indepth analysis of the budgeting process, the decision-making and the use of WHO's resources during the preceding and current biennial periods in the country concerned. The mechanisms for budgetary, financial and administrative control will also be reviewed, and a financial analysis will be made of the records kept in the regional office including the adequacy of the internal control procedures. At

¹ See section III above.

² A shorter period may be required in the case of a country with a programme easy to analyse and/or a small WHO budget, or longer in the case of a country with a complex programme and a large budget.

this stage the first part of the financial analysis in policy and programme terms covering the general financial analysis of WHO's collaboration with the country will be carried out; for example the rate of implementation in financial terms will already be reviewed.

24. To effect the above the team will conduct interviews and scrutinize documentation, such as minutes of the regional programme committee, specific programme files, fellowships files and files on supply and equipment. The team will have to ascertain the types of documentation that will be available at the country level for its investigations.

Step 3

25. At the country level¹ the audit team together with the representative of the Regional Director, starts its mission by visits to national officials at the highest level. The team will introduce the purpose and scope of its mission to the Minister of Health himself if possible and/or to the Director of Health Services. These discussions will help members of the team to gauge the "general climate" of WHO collaboration in this country.

26. The team will investigate the availability of WHO's information, including publications such as relevant technical report series, manuals and guidelines and attempt to ascertain its penetration and use.

27. The team will analyse and verify documentation available in the WR's office, in the Ministry of Health or any other national organization/institute having benefited from WHO collaboration during the biennium concerned and conduct interviews. In particular, the team will interview a cross-section of persons involved in WHO-supported research, or in collaborating centres as well as those who have benefited from WHO fellowships or who have participated in other WHO sponsored activities. For some activities the team (or part of the team) may have to make field visits to WHO supported programmes.

28. This will enable the team:

- (a) to assess the support given by the Organization to the development of national health policies, strategies and programmes; to the absorption of WHO's information by the country; and to mobilization and

¹ Normally the team spends one week at the country level. However, as mentioned in footnote 2 on page 8, a complex situation may warrant more time.

coordination of external resources for health. This support may not always be materialized by itemized expenditures from the country budget allocation; on the other hand it may be important in terms of WHO staff time at all levels and of other resources in the regional office or in headquarters;

(b) to carry out a detailed analysis of the activities in which WHO collaborates or to which it contributes financially, or of the activities selected as mentioned in paragraph 22 above¹; and to assess policy compliance and effectiveness of programme inputs provided by WHO such as: long-term and short-term staff; consultants; fellowships, courses and study tours; attendance at conferences, seminars, meetings; research and development activities; supplies and equipment; local costs and direct financial cooperation.

29. An administrative and financial audit of the WHO Representative's office will be performed. Whenever possible project equipment and vehicles supplied by WHO will be localized and their use verified. The appropriate use of local costs or direct financial cooperation, if utilized, will be verified, the funds remitted will be traced to their destination; similarly, government inputs such as staff, trainees, land, buildings, support services, etc., will be checked. Other matters such as funding arrangements, insurance risks and cover, internal controls for the protection of assets and protection of abuse, repair and maintenance etc. will also be reviewed.

30. The team will briefly discuss its conclusions and recommendations, in camera, before its departure from the country to ensure that all the investigations necessary to substantiate these have been carried out, and that all the information necessary to write the report is available.

Step 4

31. Upon its return to headquarters (regional office for regional audits) the team will consolidate its conclusions and prepare a report¹ that will include its recommendations to the Director-General and the Regional Director (the Regional Director for regional audits).

¹ This analysis will be presented in the format attached in Annex II.

V. AUDIT TEAM

32. The financial audit in policy and programme terms addresses issues of policy, programme, finance and management. Consequently, the multidisciplinary audit team to carry out global audits, should be composed of persons having a good knowledge of these matters as well as country health situations. The members of the team should be well-versed in WHO policies and programmes at all levels and have experience of the Organization's programmes in countries. The team leader should have long experience in WHO's policy, programme and managerial process. In addition the team will comprise at least a public health epidemiologist/analyst and one internal auditor. A senior member of the regional office, selected by the Regional Director, will participate in the work of the global team during its visit both to the regional office and the country concerned; the WHO representative and appropriate WHO senior staff in the country will participate during the phase taking place in the country. National staff involved with WHO in the country should participate actively in the work of the team in the country.

33. For the regional financial audits in policy and programme terms, the composition of the team should be basically the same as that for the global audits; however, the internal auditor may be replaced by a staff member well-versed in the administrative and financial procedures of the Organization with experience of these procedures in the regional office concerned.

VI. TIMING AND FREQUENCY

34. To improve the use of WHO resources and to derive maximum benefit from the audits, their timing should take account of other elements of WHO's programme development process such as programming, (reprogramming), budgeting, and evaluation, and in particular components carried out with countries.

35. In deciding on the timing and frequency of the financial audit in policy and programme terms, consideration should also be given to the fact that the involvement of both nationals and WHO staff at all levels is time-consuming; furthermore, efforts should be made to minimize the costs involved.

¹ See section VII below.

VII. REPORTING AND FOLLOW-UP

36. Each report should present the rationale upon which the comprehensive assessment of the situation has been made, in accordance with the purpose and scope presented in section II above.

37. The experience accumulated so far shows that to be meaningful a report should be organized around six main topics: (a) a short assessment of the situation in the national health sector; (b) an analysis of the relevance of the WHO collaboration in terms of the collectively agreed policies and the nationally-defined priorities; (c) a description of the programme budget decision-making process actually being followed for the use of WHO's resources; (d) a financial analysis of WHO's collaboration; (e) a detailed analysis of WHO collaborative programmes and/or activities in terms of adequacy, efficiency and effectiveness; and (f) conclusions and recommendations. An annotated outline of such a report is presented in Annex III; however, some of the components of this outline may be omitted if they are not relevant to the particular country analysed. The report should be as concise as possible (between 30 and 40 pages in one-and-a-half spacing); this may call in most cases for reporting by exception on positive as well as negative highlights of WHO's collaboration.

38. The report of the global financial audits in policy and programme terms is submitted on a confidential basis to the Director-General and the Regional Director. The Director-General and/or the Regional Director will follow up with the national authorities and with WHO secretariat staff at all levels to explain the findings, and jointly determine and initiate follow-up action. In addition the findings will be brought to the attention of the Executive Board and World Health Assembly as an anonymous aggregate of a number of country audits or with the permission of the country concerned.

39. The reports of the regional financial audits in policy and programme terms will be submitted on a confidential basis to the Regional Director, who will follow up with the national authorities and with WHO secretariat staff at the regional and country levels to explain the findings, jointly determine and initiate follow-up action. The findings of these audits will be brought to the attention of the regional committees with the permission of the country concerned, or as an anonymous aggregate of a number of country audits.

Annex I

LIST OF ESSENTIAL REFERENCE DOCUMENTS¹

- Global Strategy for Health for All by the Year 2000, "Health for All" Series, No. 3, Geneva, World Health Organization, 1981.
- National strategy for Health for All of the country concerned
- First evaluation of the national strategy
- Seventh General Programme of Work, "Health for All" Series, No. 8, Geneva, World Health Organization, 1982.
- Eighth General Programme of Work for the period 1990-1995, document WHA40/6 to be published as "Health for All" Series, No. 10, Geneva, World Health Organization, 1987.
- The Managerial Process for WHO's Programme Development, document MPWPD/81.1.
- Managerial framework for the optimal use of WHO's resources in direct support of Member States, document DGO/83.1 Rev. 1.²
- Guidelines for preparing a regional programme budget policy, document DGO/85.1.²
- AFRO : Regional Programme Budget Policy (AFR/RC36/4)
 - AMRO : Regional Programme Budget Policy (CD31/29)
 - EMKO : Regional Programme Budget Policy (EM/RC33/7)
 - EURO : A Proposal for a Regional Programme Budget Policy (EUR/RC35/11) (approved by Resolution EUR/RC35/R2)
 - SEARO: Regional Programme Budget Policy (SEA/RC39/14)
 - WPRO : Regional Programme Budget Policy (WPK/RC37/7) (approved by Resolution WPR/RC37.R2)
- Proposed regional programme budgets for the financial periods under consideration.
- Handbook of resolutions and decisions of the World Health Assembly and the Executive Board, volume II 1973-1984, Geneva, World Health Organization, 1985; and volume III 1985-1986, Geneva, World Health Organization, 1987.
- Regional handbook of Regional Committee resolutions of the regional office concerned (or equivalent).
- WHO Manual, in particular:
- Part III Budget
 - Part IV Finance and accounts
 - Part X Programme development
 - Part XII Programme implementation
 - Part XIII Programme evaluation
- Basic documents 36th edition, Geneva, World Health Organization, 1986.
- Financial regulations and financial rules BFI/87/1, Geneva, World Health Organization, 1987.

¹ As of July 1987.

² Offprint from document WHA38/1985/REC/1, Annex 3.

FORMAT TO BE USED FOR COUNTRY ACTIVITY ANALYSIS¹

1. Objective and/or target

2. Activities

- (a)
- (b)

.....

3. Financial analysis

<u>Component of expenditure</u>	<u>Originally approved budget</u> US \$	<u>Disbursements and unliquidated obligations</u> US \$
Long-term staff		
Short-term staff		
Fellowships		
Supplies and equipment		
etc. etc.		

4. Analysis of target and objectives in policy terms
(relevance in policy terms)

- National
- Regional
- Global

5. Analysis of activities in programme terms

- relevance (of activity to target)
- adequacy (of planning and implementation of the activities)
- efficiency (of the implementation)
- progress (in the implementation)

6. Utilization of output

- effectiveness/impact
- follow-up:
 - national
 - regional

* * *

7. Notes

* * *

Reference documents may have to be footnoted to support statements and findings.

¹ Country activities are usually identified in WHO's budgets by a "project" number. This format does not apply to the no less important activities mentioned in paragraph 28 (a).

ANNOTATED OUTLINE OF A REPORT OF A
FINANCIAL AUDIT IN POLICY AND PROGRAMME TERMS

* * *

CONFIDENTIAL

FINANCIAL AUDIT IN POLICY AND PROGRAMME TERMS
(Country), (Date)

CONTENTS

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I. Health development in (country)	
1. Basic information on (country)	
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V. Detailed activity analysis	
1. Activity A	
2. Activity B	
3. Activity C	
4. Activity D etc.	
VI. Conclusions and recommendations	

Annex III

1. HEALTH DEVELOPMENT IN THE COUNTRY

This section is mainly informative in order to present to the reader, who may not be familiar with the country, the most salient features in the health sector, and introduce the background against which WHO's collaboration will be evaluated. The section should be short, three to five pages, and may comprise the following sub-sections:

1. Basic information on the country: location, population, vital statistics, economic information related to the development level, national budget and level of foreign assistance.
2. National health policy and strategy: summary of the national HFA strategy, the priority orientations and activities projected by the government in the health sector; national plan, sectoral plan, policy statements by officials.
3. Health infrastructure in the country: organization of the health sector, available infrastructure and staff, indicators of coverage, budget and resources available to the sector, trends in the recent past.

II. THE ORGANIZATION'S COLLABORATION WITH (COUNTRY)

This section should present the assessment of the relevance and the appropriateness of the collaboration between WHO and the country in terms of policy and broad programming. The components are the following:

1. Main thrusts of the Organization's collaboration during the past few years: description of the main components of past programmes with success and failure stories. Report on the results of programme evaluation, if any.
2. Analysis of the present collaboration in policy and programme terms: review (in general terms) of policy compliance and relevance to country needs of the present WHO collaborative programme; support to national HFA strategies and national priorities.
3. Use of WHO information: a review of the availability, penetration and use of WHO information, including publications, at country level; relevance of this information to country needs.

4. International and intersectoral collaboration: coordination mechanisms between WHO and other multilateral and bilateral agencies, in terms of programming and of programme implementation at the country level; extent to which WHO's influence goes beyond the institutions under the direct supervision of the ministry of health: ministries of planning, agriculture, water supply agencies, nongovernmental organizations, etc; mobilization of external resources for health.

III. MANAGERIAL FRAMEWORK

This section should describe in detail the process for programming and budgeting WHO resources for the period concerned in relation to the Organization's guidelines and evaluate to what extent existing procedures and functions conform to this guidance. This section should comprise at least the following sub-sections:

1. Managerial process for the programming of WHO resources: description of the process utilized for the programming of WHO's resources in the country; description of policy coordination mechanisms in the country; support procedures at the regional and global level; procedures used at the regional and intercountry levels to ensure the relevance of their activities to the country needs; modalities (mechanisms, criteria) used at the country, intercountry and regional level for reprogramming.
2. WHO representation in the country: review of the activities of the WR as the key actor in the programming and in the management of WHO collaboration in support of the country, based upon the description of his four main functions; role of the regional office and of headquarters in support to the country office in relation to the functions assigned to them.

[This section could also review the management of the WR's office - staff, information system, filing and data retrieval, accounting - but according to the type of findings, these matters could also be reported in section IV below.]

Annex III

3. Intercountry programmes and regional centres: evaluation and appraisal of the benefits from such programmes at the country level, the linkages between regional programmes and country-specific activities, where countries share benefits from intercountry programmes and other regional activities and where this constitutes an important part of WHO's support (sometimes half of the WHO resources in support of that specific country).

[4. Direct financial cooperation. Whenever DFC is used, the report should comprise a separate evaluation of its utilization.]

IV. FINANCIAL ANALYSIS

This section should summarize the financial analysis of the use of WHO's resources in the country. It will present separately the major components of expenditures, analyse the rate of implementation and report on any weakness in the financial system:

1. General financial analysis: presentation of WHO financial inputs in the country during the period under review by programme area and by expenditure category, indicating the source of funds, i.e. regular budget or other funds; general comments on the structure of the expenditures; conformity of financial allocations with approved policy orientations, with priorities for action, and with the objectives determined at the time of programming; utilization of the AFI/BFI system.

[Cross reference could be made to section II.2 to show how the accounting records are kept in the WR's office, how the office is managed, etc.]

2. Rate of implementation: analysis of the rate of implementation.

3. The role of long-term staff, consultants, fellowships, research, supplies, etc.: activities and categories of expenditures common to all programmes in the country concerned, and of interest to the analysis, should be reviewed separately covering any of the categories mentioned below or others. Since many issues are specific to a region, or even to a country, an exhaustive listing is not feasible. Experience with previous audits indicates that a cross-programme review of the following activities will usually be necessary:

Annex III

- (a) the provision of fellowships and study tours: share in the total country budget, relevance of subjects to policy and programme priorities, output and outcome. The analysis of fellowships should follow the criteria laid down in the regional programme budget policy and in resolution EB71.R6;
- (b) the role and functions of long-term staff: duration of assignment, the relevance of post description to policy and programme needs, changes in functions over time, role of WHO staff in relation to nationals;
- (c) the use of consultants: relevance and timing of requests from the country, time lapse between request and assignment, adequacy of recruitment procedures, technical competence of selected consultants, use of regional and headquarters staff for short-term missions, utilization of output;
- (d) the provision of supplies and equipment: relevance to the national programme, effective utilization and maintenance of the equipment; share of such categories in total expenditure figures;
- (e) the support to national research efforts, including the application of the results, if any;
- (f) the attendance at conferences and meetings by nationals of the country concerned, and outcome for the country.

V. DETAILED ACTIVITY ANALYSIS¹

It is not always possible to review in a short period of time and in sufficient detail all the collaborative activities (projects) financed during a given biennium. The analysis of each activity selected will be presented in the format outlined in Annex II and will consist of the following:

- (a) objectives of the programme or activity, as stated in the programme budget document or in a separate presentation of the proposed activities;
- (b) targets set up during programme preparation;

¹ This section is usually presented in single spacing.

Annex III

- (c) list of activities to be carried out and implemented;
- (d) financial analysis: final expenditure figures in relation to budget figures for each category (typically: salaries, consultants, supplies, fellowships, training, miscellaneous);
- (e) analysis of objectives and targets in policy terms: consistency with the current general programme of work, the Organization's policy as a whole, and the regional policy; relevance to stated government policy objectives and national strategies for health-for-all;
- (f) analysis of activities in programme terms, using the following criteria: (i) relevance of the activities to the stated objectives and targets; (ii) adequacy of the activities to meeting the established targets; (iii) efficiency in programme implementation; and (iv) progress achieved during the period under review.
- (g) utilization of the output, using the following categories:
 - (i) effectiveness of the programme, in relation to the proposed targets, and/or in relation to the inputs; (ii) impact, for example, on the health status; and (iii) recommendations for follow-up (or discontinuation).
- (h) concluding remarks (optional) which can be an overall opinion about the programme or any comment of general interest for the Organization resulting from the experience of this specific programme.

IV. CONCLUSIONS AND RECOMMENDATIONS

This section should be concise and incisive. The number of recommendations should be limited. Since the reader will draw his own conclusions from the detailed analysis presented in the report, the final section should focus on issues of general importance in programme and managerial terms; it may also include specific recommendations concerning the WHO collaborative programme in the country if these are considered important enough to be highlighted. The purpose of the audit mission being to learn from successful experience as well as to propose improvements, positive findings should be part of the conclusions and means for their application in other countries/regions part of the recommendations.