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## **THE REPORT OF THE AUDIT COMMITTEE**

### **Introduction**

1. During the intersessional period, the Audit Committee (AC) continued to discharge its mandate as approved by the Executive Council Resolution 8 (EC-LXIII) – Terms of reference and membership of the Audit Committee. It held two meetings on 30 November – 1 December 2017 and 7–8 May 2018, chaired by Ms Linda Makuleni.

2. In keeping with the Terms of Reference approved by the Executive Council, the AC continued to focus its oversight and advisory role on the review of annual Financial Statements and on the reports of the External Auditor, the work plans and reports of the Internal Oversight Office, follow-up of the recommendations of the Joint Inspection Unit (JIU), effectiveness of the Enterprise Risk Management, and on other financial and management matters. It provided recommendations to the Secretary-General and the Executive Council as appropriate, and assessed Management actions to various oversight recommendations.

### **Financial Statements**

3. The AC reviewed the Financial Statements for 2017 and noted the financial results for the year as reflected in the Secretary-General's foreword (introductory Statement) and the External Auditor's Report. The External Auditor provided an unqualified audit opinion on the Financial Statements.

4. The AC noted that the net assets of the Organization decreased by CHF 13.4 million (34.1%) and that the reduction resulted primarily from an overall deficit of CHF 12.7 million from operations in 2017, which followed other deficits of CHF 24.8 million in 2016 and CHF 25.7 million in 2015.

5. The AC noted that unpaid assessed contributions from Members increased by CHF 12.2 million (98.4%) from CHF 12.4 million to CHF 24.6 million. More than 50 percent of the unpaid amount was settled within the first two months of 2018.

6. The AC noted that After Service Health Insurance (ASHI) continues to be a significant liability and appreciated the intention of the management to present to the EC a proposal to address the issue.

7. Based on the audit opinion, the Audit Committee, in accordance with its Terms of Reference, advised the Secretary-General to sign the Financial Statements for 2017.

8. **The AC reiterated its previous recommendation that:**

- **With the aim of further reduction, the deficits should be monitored closely - but management should now explore a plan of more tangible steps to achieve an improved financial position for the Organization;**
- **While awaiting a solution for the After-Service Health Insurance liability of staff on regular budget, an effort should be made to find a way to generate funds to address the issue in relation to staff on extrabudgetary funds.**

9. **The Audit Committee notes the unqualified audit opinion for 2017 and commends the Report of the External Auditor to the Executive Council for its consideration.**

### **Report of the External Auditor**

10. The Committee reviewed and discussed the report of the External Auditor for 2017, which draws attention to a number of important concerns and areas of weakness in relation to the quality of WMO's accounting processes, particularly in the closure of accounts and preparation of financial statements; to the need for closer and more effective collaboration between project managers and the finance service; and shortcomings in the internal control system, where significant improvement is needed. The External Auditor's report also refers to an unsatisfactory response by management in implementing agreed audit recommendations in a consistent and timely manner. Of 14 audit recommendations from 2015 and 2016, only three had been implemented at the time the 2017 report was finalized.

11. The report for 2017 contains six specific recommendations, all of which have been accepted by the Secretary-General, concerning:

- The need to ensure that internal financial management rules are followed for all expenditure which, without exception, should be approved by an appropriate certifying officer;
- The need for improved senior management oversight of the internal control system;
- The need for improved acquisition procedures and accounting controls over fixed assets;
- The need for a complete review of WMO's procurement process to improve efficiency;
- The need to ensure full compliance with the financial regulations and rules in relation to ex gratia payments; and
- The need to ensure better compliance and improved management of IT access controls.

12. The External Audit findings are such that the AC encouraged the Secretary-General to act immediately on the recommendations, on which the AC can look for major improvement by the time of its next meeting. **The Audit Committee endorses and commends these recommendations to the Executive Council's attention.**

13. **The AC also noted the External Auditor's concern over the slowness in implementation of audit recommendations by management and recommends prompt implementation of agreed recommendations and more effective accountability to top management.**

## **Internal Control**

14. The AC reviewed the Secretary-General's Statement on Internal Control for 2017, presented with the Financial Statements. The Statement on Internal Control provides a commentary on the overall control arrangements and their effectiveness; and draws attention to significant internal control matters where improvement is necessary and where action is being taken, relating to the budgeting process, project management, security, controls in procurement and the management of IT solutions.

15. The Secretary-General's Statement on Internal Control for 2017 acknowledges deficiencies which need to be addressed and is consistent with the Audit Committee's understanding of WMO's circumstances and with the reports of the External Auditor and IOO.

16. The Executive Council will note that both the Statement on Internal Control and the Annual Accountability Report of the Internal Oversight Office (see below) provide reporting on the internal control system generally, and also list individual IOO reports issued in 2017.

## **Internal Oversight**

17. The AC reviewed the IOO Plan of Work covering 2017 and confirmed that it was in accord with the Office's role and responsibilities; reviewed progress reports issued by IOO and the Annual Accountability Report of IOO; and advised IOO as appropriate. In its two meetings, the AC considered the following IOO reports:

- Report 2017-01 – Evaluation of DRR Activities;
- Report 2017-02 – Internal Audit of Haiti Project;
- Report 2017-03 - Internal Audit of Children Education Grant;
- Report 2017-04 – Internal Audit of Temporary Contracts;
- Report 2017-05 – Internal Audit of Payroll;
- Report 2017-06 – Internal Audit of Budgeting Process;
- Report 2017-07 – Follow-up on Recommendations in the area of IT and Procurement;
- Report 2018-01 - Internal Audit on IT Governance;
- Report 2018-02 – Internal Audit on the Project Management Framework;
- Report 2018-03 - Internal Audit on the ERP-VSP Programme and Appointment in Post of H/ECM; and
- Report 2018-04 - Internal Audit on the Travel Process.

18. The findings of the IOO subject reports issued in 2017 are summarized in the Annual Accountability Report provided by IOO to the Executive Council. The IOO subject reports in particular on Temporary Contracts (Report 2017-04), the Budgeting Process (Report 2017-06) and the Early Retirement and Voluntary Separation Programmes (Report 2018-03) contain findings which, in the AC's view, show that significant improvements are needed in compliance, management and internal controls.

19. The AC noted its satisfaction with the quality, comprehensiveness and usefulness of the Annual Accountability Report and with the individual audit reports issued by IOO. **The AC therefore commends the reporting by internal audit to the Executive Council's attention** and notes that the Secretary-General has recognized in his Statement on Internal Control a number of the areas in which IOO called for action.

### **Ethics Arrangements**

20. In the course of its work, the AC reviewed the developing ethics function, recently established as a shared services arrangement with the International Telecommunication Union (ITU). The AC noted the development of an improved ethics framework including updated Standing Instructions on the WMO Ethics Framework, including a policy against fraudulent and other proscribed practices; and a new Code of Conduct for the Officers of the Organization and Members of the EC and its Committees, developed in response to corporate governance issues raised by the External Auditor in 2017.

21. The AC reviewed the report on the activities of the Ethics Office, which is separately submitted to the Executive Council. The Ethics Officer has recently left WMO and the function in the Organization is being carried out for the time being by the Legal Counsel while a new Ethics Officer is being sought.

### **Enterprise Risk Management**

22. The AC continued to review the implementation of enterprise risk management at the Secretariat.

23. The Secretariat started working on the improvement of the risk register and presentation of the top high corporate risks, with the aim of making the process more transparent and usable, so as to support improved risk identification, assessment, monitoring and management at operational and extrabudgetary project level. The AC also discussed risk and performance management arrangements with representatives of two technical departments (the Observing and Information Systems Department, OBS, and the Climate and Water Department, CLW).

24. The AC encouraged WMO to continue looking at risk management in a more integrated manner, observing that technical departments apply different tools for risk management. Risks are being updated by the departments in a consolidated risk register and analysed by the Risk Management Committee every six months. The AC advised that WMO would benefit from a unified approach and a more dynamic tool or dashboard where senior management could monitor the evolving risk landscape and mitigation action taken, including those beyond the responsibility of the originating departments.

25. **The AC therefore recommends that further consideration be given to developing an effective corporate risk management tool and a dashboard; and that risk management plans should be able to demonstrate how risk assessment is included in the strategic/operational plans.**

26. The Committee expressed concern over the discontinuation of the central function for risk management following the retirement of the Strategic Planning and Risk Management Officer (who had also provided secretariat support to the Audit Committee).

27. **The AC recommends that the Secretary-General should consider reinstating an independent position with risk management experience to carry out a centralised risk management and monitoring function to ensure coordination at the corporate level and support operational managers.**

## JIU Reports and Recommendations

28. The AC reviewed progress in WMO's responses to extant reports and recommendations from the Joint Inspection Unit which were relevant to the Organization. Up to December 2017, the JIU issued four reports which were relevant to WMO covering: knowledge management in the UN system (reference JIU/REP/2016/10); donor-led assessment in the UN system (JIU/REP/2017/2); review of air travel policies in the UN system (JIU/REP/2017/3); and the outcome of the review of follow-up to JIU reports and recommendations (JIU/REP/2017/5).

29. The AC appreciated the efforts made by the WMO Secretariat to implement JIU recommendations where appropriate to the WMO's circumstances. It reviewed the responses and advised management as appropriate. **The AC is content to recommend that the Executive Council could endorse the management responses subject to its own consideration.**

## AC Effectiveness

30. In accordance with its Terms of Reference, the Audit Committee carried out a review of its effectiveness in November 2017. The AC members were in agreement that the Committee met good practice principles and delivered on its mandate. The results of the self-assessment indicate that WMO's Audit Committee arrangements, and the Committee's operation in practice, provide appropriate support to the Executive Council, FINAC, Members and the Secretary-General in respect of relationships and communications with the EC, internal oversight and external audit. The AC reviews and reports on the reliability, integrity and completeness of the assurances required to satisfy the Organization's needs.

31. The AC provides assessment and review of the scope and work of the Internal Oversight Office; of the coverage, outputs and assurance provided by the External Audit; on the effectiveness of the Organization's risk management arrangements; and on internal control.

32. The AC is structured to operate with independence and objectivity and possesses appropriate skills and experience to perform its functions effectively. The Committee meets, carries out its work and reports in compliance with the Terms of Reference approved by the Executive Council, and in compliance with good practice. In the AC's view, its Terms of Reference and the Committee's scope of work in practice is suitably defined and encompasses the assurance needs of the EC and the Secretary-General, and the WMO as a whole.

33. During 2018, the JIU is conducting a review of audit committee arrangements in the UN system. In the light of any applicable advice that may emerge from this exercise and to ensure that the AC Terms of Reference at WMO meet developing requirements and best practice, the AC intends to review its Terms of Reference in the coming year. Any proposals for change will be submitted for the Executive Council's consideration and approval.

34. The completed self-assessment template approved by the AC is attached as an Annex to this Report.

35. The AC welcomes the EC's comments and advice.

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## ANNEX

RESULTS OF AUDIT COMMITTEE SELF-ASSESSMENT  
CONDUCTED IN NOVEMBER 2017

*NB The self-assessment template utilized by the AC (below) follows independent good practice models in active use elsewhere, including in some UN system entities. It is based on good governance principles and is designed to show the extent to which the AC's operation or performance complies with good practice in key aspects of the Committee's role. To be helpful for governing body members and other stakeholders, the good practice questions which form the basis of the assessment are largely factual in nature, rather than requiring subjective or qualitative judgements in response. In general, "Yes" responses are an indication of good practice and are satisfactory; although "No" or "N/A" (Not Applicable) responses may be acceptable in the particular circumstances of the Organization, especially where comments have been included in explanation.*

No	Questions	Respond with "Yes" or "No" by checking appropriate box and providing any comment		
1	<b>Relationships and Communication</b>	<b>Yes</b>	<b>No</b>	<b>Comment</b>
<b>1.1</b>	<b><i>With the Executive Council</i></b>			
(a)	Is the Audit Committee a Committee of the Executive Council (EC)?	Y		
(b)	Does the Committee follow up recommendations of the EC?	Y		
(c)	Does the Chairperson have open lines of communication with the EC?	Y		Should be added to TORs; AC Chairperson is always invited to EC sessions
(d)	Does the Committee periodically obtain assurance from the Executive Council on the effectiveness of the Audit Committee?	Y		EC comments on AC reports; recommendations help EC in decision-making, all acted upon
(e)	Does the Committee make a formal annual report on its own effectiveness to the EC?	Y		
(f)	Do the EC agendas include a regular report from the Audit Committee?	Y		
(g)	Does the Report from the Audit Committee communicate recommendations to the EC?	Y		
(h)	Are outline agendas, without supporting papers, available to EC members to keep them up-to-date with the Audit Committee's work?	Y		Outline agendas are contained in the TORs
(i)	Does the EC receive the Audit Committee reports?	Y		
(j)	Does the Audit Committee/its Chairperson meet with the Secretary-General bilaterally at least once a year?	Y		

No	Questions	Respond with "Yes" or "No" by checking appropriate box and providing any comment		
<b>1.2</b>	<b><i>With Internal Audit</i></b>			
(a)	Does the Committee/its Chairperson have open lines of communication with the Head of Internal Audit?	Y		
(b)	Does the Committee periodically invite the views of the internal auditor on the work and effectiveness of the Audit Committee?		N	But there is regular dialogue with IOO who attend AC meetings.
(c)	Does the Committee/its Chairperson of the Committee meet separately (in closed session) with the Head of Internal Audit at least once a year?	Y		
(d)	Does the Committee review the internal audit plan and audit reports?	Y		
(e)	Does the Committee review the scope and remit of internal audit in the Organization?	Y		
(f)	Does the Committee consider whether the scope of internal audit work addresses significant risks?	Y		
(g)	Does the Committee examine all individual terms of reference for internal audit's work?	Y		
(h)	Does the Committee consider the experience and expertise of the internal audit team?	Y		Also the AC is consulted on the recruitment of D/IOO.
(i)	Does the Committee monitor progress in the implementation of annual internal audit plans?	Y		A continuous process
(j)	Does the Committee monitor whether internal audit is working to professional standards relevant to the Organization?	Y		
(k)	Does the Committee monitor whether internal audit have the resources and right people with relevant expertise to carry out its remit?	Y		
<b>1.3</b>	<b><i>Between internal and External Audit</i></b>			
(a)	Does the Audit Committee monitor the effectiveness of relationships between internal and external auditors?	Y		
(b)	Does the Committee consider whether internal and external auditors have communicated and coordinated their audit plans?	Y		
(c)	Does the Committee consider whether external audit places reliance on the work of the internal auditor?	Y		
(d)	Does the Committee discuss whether there are areas where joint working would be beneficial?	Y		

No	Questions	Respond with "Yes" or "No" by checking appropriate box and providing any comment		
(e)	Does the Committee consider whether all audit services are joined up, including in-house operational audits?	N/A		Structure and remit of IOO does not present any issues.
(f)	Does the Committee expect internal and external auditors to communicate effectively with each other about understanding risks, their assessments of risk areas and how their work would cover these risk areas?	Y		
(g)	Does the Committee communicate this expectation to internal and external auditors?	Y		
(h)	Is the Committee satisfied by cooperation between the external and internal auditors as related to their annual plans and co-operation between them?	Y		
<b>1.4</b>	<b><i>With External Audit</i></b>			
(a)	Does the Committee/its Chairperson have open lines of communication with the external auditor?	Y		
(b)	Does the Committee periodically obtain the views of external auditor on the work and effectiveness of the Audit Committee?		N	Not expressly but open dialogue maintained with External Audit, including an annual closed session exchange of views.
(c)	Does the Committee/its Chairperson meet separately (in closed session) with the external auditor at least once a year?	Y		
(d)	Does the Committee's advisory role include participation in the process to appoint the external auditor?	Y		When new auditors are selected, the AC is consulted.
(e)	Does the Committee consider the experience and expertise of the external audit team?		N	Informally but not specifically.
(f)	Does the Committee consider whether the external audit Director/partner will spend sufficient time on the audit, and whether time to be spent by other audit staff seems reasonable?	Y		Via review of planning intentions.
(g)	Does the Committee monitor external audit's compliance with professional ethical guidance relating to the rotation and terms of an External Auditor?	Y		Informally done
(h)	Does the Committee review the external audit plans, outputs and management letters?	Y		
(i)	Does the Committee seek specific assurance regarding external audit's quality assurance procedures when considering their audit strategy?	Y		Informally

No	Questions	Respond with "Yes" or "No" by checking appropriate box and providing any comment		
(j)	Do the external auditors inform the Committee of key developments and issues at key stages of the audit?	Y		
(k)	Does the Committee make suggestions to the external auditors regarding the risks and potential problem areas the audit could address?	Y		
(l)	Does the Committee consider whether external audit focuses on the fundamental issues?	Y		
(m)	Does the Committee consider whether the external auditors have delivered fully against their plans?	Y		
(n)	Does the Committee monitor the performance of external audit?	Y		Via review of activity and outputs.
(o)	Does the Committee review audit fees?	Y		
<b>1.5</b>	<b><i>With stakeholders</i></b>			
(a)	Does the Committee/its Chairperson have open lines of communication with the Secretary-General, the President and the EC?	Y		AC Chairperson reports to EC
(b)	Is the Committee's membership approved and included in the reports of sessions of the Executive Council?	Y		
(c)	Are the responsibilities of the Audit Committee clearly defined in the report of the relevant sessions of EC?	Y		
<b>2</b>	<b>Business Risk and Internal Control</b>			
<b>2.1</b>	<b><i>Assessing the scope and work of Internal and External Audit</i></b>			
	Does the Committee satisfy itself that the Organization's main risk areas are being reviewed by internal and external auditors?	Y		
<b>2.2</b>	<b><i>Monitoring risk management arrangements</i></b>			
(a)	Does the Committee's role include monitoring the effectiveness of the Organization's processes for assessing risks and the financial implications?	Y		
(b)	Does the Committee ensure that internal and external audit report to them on what they perceive as the key risks currently and in the short and long term?	Y		
(c)	Does the Secretariat report to the Committee on how key business risks and their financial implications are addressed?	Y		
(d)	Do internal and external audit comment on how key risks are being dealt with?	Y		Via dialogue with the AC.
(e)	Is the Committee involved in reviewing the effectiveness of internal control?	Y		AC ToRs refer.

No	Questions	Respond with "Yes" or "No" by checking appropriate box and providing any comment		
(f)	Does the Committee consider whether corporate governance is treated as a compliance exercise and is being used to provide benefit to the Organization?	Y		
(g)	Does the Committee consider whether the system of internal reporting gives early warning of control failures and emerging risks?	Y		
(h)	Does the Committee consider whether responsibility for each of the significant risks is sufficiently assigned to and owned by appropriate senior staff in the Secretariat?	Y		
(i)	Does the Committee consider the need to raise the awareness of all staff to the importance of risk management?	Y		AC advice and reports refer.
<b>2.3</b>	<b><i>Statement on Internal Control (SIC) and assurance from Internal and External Audit</i></b>			
(a)	Does the Committee consider how meaningful the SIC is?	Y		
(b)	Does the Committee review whether the SIC discloses adequately the processes for dealing with material internal control aspects of any significant problems disclosed in the annual report and accounts?	Y		
(c)	Does the Committee take a view on the SIC?	Y		(Prior to signature by the S-G.)
(d)	Does the Committee ensure that they receive from internal and external audit details on the operation of internal control, including any failures to implement recommendations accepted by the Secretariat or the EC?	Y		Annual review and discussion.
(e)	Does the Committee take a view on whether the system of internal control has operated effectively throughout the reporting period?	Y		
<b>2.4</b>	<b><i>Fraud</i></b>			
(a)	Does the Audit Committee consider whether effective anti-fraud and corruption policies and procedures are in place and operating efficiently?	Y		
(b)	Does the Committee consider whether arrangements have been established to deal with situations of suspected or actual fraud?	Y		
(c)	Does the Committee consider whether there is a code of conduct and whether it is properly distributed to employees?	Y		

No	Questions	Respond with "Yes" or "No" by checking appropriate box and providing any comment		
(d)	Does the Committee consider whether a whistle blowers' hotline is required?	Y		Review and discussion with Ethics Officer and D/IOO
<b>3 Roles and Responsibilities</b>				
<b>3.1 Terms of Reference, roles and responsibilities</b>				
(a)	Are the Terms of Reference approved by the Executive Council?	Y		
(b)	Are the Terms of Reference reviewed at least annually?	Y		As appropriate and per ToRs.
(c)	Do the Terms of Reference adequately define the Committee's role and provide it with sufficient membership, authority, time and resources to perform its role effectively?	Y		
(d)	Does the Committee consider the impact on their workload of changes to their role?	Y		As appropriate and in discussion with the Secretariat.
(e)	Does the role of the Committee include review of business risk and internal control, independence and effectiveness of internal and external audit, maintenance of proper accounting records and quality of financial statements, policies against fraud, implementation of new systems, tax and litigation matters involving uncertainty, compliance with laws and regulations?	Y		AC ToRs refer.
(f)	Does the Committee's role include obtaining assurances relating to the corporate governance requirements for the Organization?	Y		
(g)	Are the Terms of Reference in line with accepted good practice for audit Committees in the public sector?	Y		
<b>4 Meetings</b>				
<b>4.1 Frequency</b>				
(a)	Does the Committee meet sufficiently often to monitor important issues?	Y		
(b)	Do the Terms of Reference set out the frequency of meetings?	Y		
(c)	Does the calendar of the Committee meet the Organization's business needs, governance needs and the financial calendar?	Y		
(d)	Is there an adequate number of meetings a year?	Y		
(e)	Can special meetings be organized to allow quick response to emergencies?	Y		

No	Questions	Respond with "Yes" or "No" by checking appropriate box and providing any comment		
<b>4.2</b>	<b><i>Timing and length</i></b>			
(a)	Do the Terms of Reference set out the timing of meetings?	Y		
(b)	Are the meetings set for a length of time which allows all business to be conducted, yet is not so long that the meeting becomes ineffective?	Y		
<b>4.3</b>	<b><i>Agenda management</i></b>			
(a)	Does the Chairperson encourage full and open discussion and invite questions?	Y		
(b)	Are the outlines of agendas planned ahead to cover issues on a cyclical basis?	Y		(AC ToRs refer.)
(c)	Does the Committee agenda exclude executive business so that there is no overlap with the work of the Executive Council while still linking to the main elements of the Organization's business?	Y		
(d)	Are inputs on Any Other Business formally requested in advance from Committee members, the Secretariat, and internal and external audit?	Y		As appropriate.
<b>4.4</b>	<b><i>Attendance</i></b>			
(a)	Do the Terms of Reference include rules for a quorum?	Y		
(b)	Are attendance records maintained and reviewed annually by the Executive Council?	Y		Via AC Reports.
<b>4.5</b>	<b><i>Timing and content of Audit Committee Documents</i></b>			
(a)	Does management report to the Audit Committee with relevant information at the right frequency, time, and in a format that is effective?	Y		
(b)	Are agendas and supporting papers, together with brief executive summaries of the documents, issued to all Committee members, internal audit and external audit, at least a week in advance of meetings?		N	To be improved where possible. Alignment of meetings (FINAC, EC) with External Auditors is a challenge. WMO is constrained by dates of EC.
(c)	Are there oral reports to the Committee, supported by succinct, easy to read documents and presentations as appropriate?	Y		
(d)	Does the Committee provide guidance concerning the format and content of the papers to be presented to the Committee?	Y		As appropriate.

No	Questions	Respond with "Yes" or "No" by checking appropriate box and providing any comment		
(e)	Is there a format for writing reports to ensure focus on salient matters, clear recommendations, a timescale for completion and the individuals responsible for implementation?	Y		According to need.
<b>4.6 Location</b>				
	Are Audit Committee meetings rotated between locations to give the members the opportunity to see various operating sites?	N/A		
<b>4.7 Actions arising</b>				
(a)	Are records/reports of Audit Committee meetings prepared and circulated to the appropriate parties promptly?	Y		
(b)	Is a report on matters arising/follow up action made and minuted at the Committee's next meeting?	Y		
(c)	Do action points indicate who is to perform what and by when?	Y		
(d)	Are actions allocated to a single person, rather than joint responsibility?	Y		
<b>5 Financial Information and Regulatory Matters</b>				
<b>5.1 Understanding financial matters</b>				
(a)	Does the Committee consider how best to keep the Committee abreast of public sector accounting requirements?	Y		Handled collectively. Committee members have complementary skills and experience.
(b)	Does the Committee provide support to the finance function in explaining the effects of financial and reporting requirements to the Executive Council?	Y		As appropriate.
(c)	Does the Audit Committee satisfy itself that:			
i.	The Organization keeps proper accounting records?	Y		Based on the scrutiny of the External Auditors
ii.	The annual financial statements present fairly the financial position of the Organization?	Y		In the context of annual review of the financial statements and the results of the External Auditors' examination.
(d)	Does the Committee gain an understanding of management's procedures for developing the Organization's financial statements and the historical reliability of the Organization's financial reporting?	Y		As appropriate

No	Questions	Respond with "Yes" or "No" by checking appropriate box and providing any comment		
(e)	Does the Committee review the financial statements before signature by the Secretary-General?	Y		
(f)	Does the Audit Committee consider specifically:			
i.	The suitability of accounting policies and treatments?	Y		In the context of reviewing the annual accounts and Ext Audit results/reports.
ii.	Major judgements made?	Y		-ditto-
iii.	Large write-offs?	Y		-ditto-
iv.	Unusual credits?	Y		-ditto-
v.	Last minute transactions?	Y		-ditto-
vi.	Changes in accounting treatment?	Y		-ditto-
vii.	Unusual financial trends?	Y		-ditto-
viii.	Unusual financial statement relationships?	Y		-ditto-
ix.	Accounting treatments varying from the sector norm?	Y		-ditto-
x.	The impact on going concern of fundamental issues in the business?	Y		-ditto-
xi.	The reasonableness of accounting estimates?	Y		-ditto-
xii.	The reasonableness of other accounting entries requiring judgement?	Y		-ditto-
xiii.	Reporting on the wider financial aspects of the business e.g. the Operating and Financial Review?	Y		-ditto-
xiv.	The narrative aspects of the reporting?	Y		-ditto-
(g)	Does the Committee consider whether there is a risk of the accounts being qualified by the external auditors?	Y		
(h)	Does the Committee review the Letter of Representation before signature by management and give particular attention to non-standard issues of representation?	Y		
No	Questions	Respond with "Yes" or "No" by checking appropriate box and providing any comment		
<b>5.2</b>	<b><i>International Standards on Auditing ISA 260 and External Audit</i></b>			
(a)	ISA 260 requires the communication of audit matters to those charged with governance. Does the Audit Committee liaise fully with the external auditors on matters concerning the financial statements?	Y		

No	Questions	Respond with "Yes" or "No" by checking appropriate box and providing any comment		
(b)	Are there discussions on the unadjusted misstatements in the draft financial statements?	Y		
(c)	Does the Committee consider why unadjusted errors in the draft financial statements detected by the external auditors are not corrected?	Y		
<b>5.3</b>	<b>Compliance with regulations</b>			
(a)	Does the Audit Committee review whether the Organization complies with relevant regulatory matters?	Y		Within the TORs of AC
(b)	Does the Committee monitor whether the Organization's procedures for identifying and managing business risk have regard to relevant policy and regulations?	Y		
(c)	Does the Committee enquire into whether there are procedures for making all employees aware of whistle blowing procedures and responsibilities for reporting irregularity?	Y		
<b>6</b>	<b>Membership, Induction and Training</b>			
<b>6.1</b>	<b>Size</b>			
(a)	Is the membership appropriate for the Organization and consistent with good practice?	Y		
(b)	Are the numbers attending the meetings (members and non-members) sufficient to deal adequately with the agenda but not so many as to blur issues; and is the requirement for a quorum observed?	Y		
(c)	Does the Committee ensure that the right people attend, especially those who will have meaningful input on agenda items?	Y		
(d)	Is the Committee membership wholly or mostly composed of independent (non-executive) members?	Y		
<b>6.2</b>	<b>Membership</b>			
(a)	Do the Chairperson of the Committee and the President of WMO/Executive Council consult appropriately before making recommendations to EC on membership of the Committee?	Y		
(b)	The Chairmanship of the Committee and the Executive Council should not be combined. Is this the case?	Y		
(c)	Is the Head of Internal Audit invited to attend rather than being a member?	Y		
(d)	Is the appointment of members for an appropriate period of time (e.g. 3 years)?	Y		

No	Questions	Respond with "Yes" or "No" by checking appropriate box and providing any comment		
<b>6.3</b>	<b><i>Independence, skills, experience</i></b>			
(a)	Does the Executive Council ensure that the membership of its Audit Committee demonstrates independence and the required mix of skills and experience?	Y		Via AC ToRs and selection procedures.
(b)	Is the Chairperson of the Committee required to have leadership experience, knowledge of WMO and a strong finance, accounting or business background?	Y		
(c)	Do the Committee's competencies include accountancy skills, recent and relevant financial experience, risk management, audit, technical skills relevant to the Organization, and an understanding of the UN environment?	Y		
(d)	Does the Committee set down requirements for areas of collective understanding?	Y		Informally.
(e)	Is there a formalized process for the Executive Council to consider what the independent, non-executive, members bring to the Committee?	Y		AC selection and appointment process.
(f)	Do the assessment criteria include knowledge, experience, personal qualities, time available?	Y		
(g)	Are there formal assessment criteria for the appointment of the Chairperson, including attitudes to non-executives, strength of personality; experience of chairing and time commitment?		N	Not considered necessary. AC elects Chairperson.
(h)	Do candidates declare any conflicts of interest before appointment?	Y		Not specifically required but see Question 6.3 i below.
(i)	Are members required to declare interests in a register of interests and declare conflicts of interest on agenda items?	Y		
(j)	Are Committee members subject to regular appraisal by the Executive Council?	Y		No formal, explicit process but implicit. EC reviews AC Reports.
<b>6.4</b>	<b><i>Dynamism and performance of Audit Committee</i></b>			
(a)	Does the Executive Council ensure that the membership of the Audit Committee retains its dynamism?	Y		AC provided with feedback from FINAC
(b)	Does the Committee maintain an environment in which members are comfortable to challenge each other and the Audit Committee Chairperson as appropriate?	Y		

No	Questions	Respond with "Yes" or "No" by checking appropriate box and providing any comment		
(c)	Have recent developments indicated the need for a review of the work of the Audit Committee?		N	Kept under review
(d)	Does the Audit Committee assess its effectiveness annually?	Y		AC ToRs refer.
(e)	Does the Committee understand the structure of the Organization and the processes to deliver on its mandate?	Y		
(f)	Does the Committee report on its own effectiveness to the Executive Council?	Y		Required by AC ToRs.
(g)	Does the Committee benchmark itself against others?	Y		Comparison informed by, e.g., JIU reports and comments; AC Members serve on other Committees; AC seeks to be involved with meetings of the Oversight Committees of UN system organizations .
(h)	As part of self-assessment, does the Committee discuss the quality of the information it receives and make recommendations to the Executive Council on its training needs?	N/A		
<b>6.5</b>	<b>Induction of new members</b>			
(a)	Do new members receive a copy of the Terms of Reference, a formal letter of appointment setting out their responsibilities, term of appointment and conditions?	Y		
(b)	Do new members receive recent financial statements and other public reports, executive summaries of internal audit reports, commentaries on how recommendations have been followed up, external audit management letters, codes of conduct etc.?	Y		
(c)	Is there an induction for new Audit Committee members including, for example:	Y		Briefing note created and familiarization meetings arranged as necessary.
i.	Site visits or visits to relevant operational sectors?	N/A		
ii.	Attendance at sessions of the World Meteorological Congress and/or Executive Council?		N	

No	Questions	Respond with "Yes" or "No" by checking appropriate box and providing any comment		
iii.	Meeting with the Risk Manager?	Y		
iv.	Meeting with the Head of Internal Audit?	Y		
v.	Meeting with External Audit?	Y		
<b>6.6 Access to advice</b>				
	Does the Chairperson contact the Secretary-General for approval of access to legal or professional advice?	Y		If and when necessary.
	Does the Secretary-General ensure adequate budget to ensure that members of the Committee have access to legal and professional advice where necessary?	Y		Issue would be addressed according to need.

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