

REPORT OF THE AUDIT COMMITTEE TO SEVENTEENTH WORLD METEOROLOGICAL CONGRESS (Cg-17), 2015

Introduction

1. During the intersessional period, the Audit Committee continued to discharge its mandate given in its revised terms of reference as approved by the Executive Council (Resolution 8 (EC-LXIII) – Terms of reference and membership of the Audit Committee). It held eight meetings under the chairmanship of Mr J. Hirst.
2. The Audit Committee 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 progress reports of the Internal Oversight Office, results of follow-up of the recommendations of the Joint Inspection Unit (JIU), 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.

Significant progress

3. The Audit Committee noted continued improvements in the annual Financial Statements, and reports of the external and internal auditors.
4. The Audit Committee reviewed the annual Financial Statements and the Secretary-General's Statements on Internal Controls, and offered appropriate advice to the Secretary-General and the Executive Council. The Committee noted with appreciation that the External Auditors (NAO (2011) and Swiss Federal Audit Office (2012-2014)) issued unqualified opinions on the accounts for the years 2011, 2012, 2013, and 2014. The Audit Committee thanked the Secretary-General, and through him the Secretariat staff, for all efforts in exercising and improving internal controls and overall financial management during the current financial period. The AC noted that the letter of representation for the year 2014 was acceptable.
5. The Audit Committee expressed satisfaction with the work of the Internal Oversight Office (IOO) during the intersessional period. It reviewed the progress reports issued by IOO as well as management actions in implementation of its recommendations. It noted that the rate of implementation of recommendation had remained above the benchmark of 75% in the intersessional period except in its last session in April 2015 when it was 72.1%. The Committee reviewed the reasons thereof and suggested measures for improvements.
6. The Audit Committee noted significant progress in the implementation of risk management at the Secretariat, which has matured and is integrated in planning monitoring and evaluation processes. The ERM is based on the WMO Risk Management Policy approved and further revised by the Executive Council (Resolution 12 (EC-LXIII) and Resolution 22 (EC-66) – Implementation of risk management), the WMO Risk Management Framework, and is supported by the Risk Management Committee established at the Secretariat in 2010. The high-risks for the Organization are rigorously monitored.

Areas that need further improvements

7. Notwithstanding the progress in the implementation of risk management further improvements are encouraged, particularly as relates to presentation of risks, status reports and standardization of the approach across the Departments at the Secretariat. The Audit Committee sees its future role to continue to advise on this issue for further improvement.
8. Despite significant improvement in internal controls, some areas need further attention and improvements, notably information technology and information security, procurement, travel and project management.

9. The AC supports the proposed revision of Financial Regulation 15.1 to formalize the duration of the mandate of an External Auditor and, having reviewed their performance over their first term, recommends that the Swiss Federal Audit Office be entrusted with the task of external audit for the next four years.
