

The Transformation Agenda

**Promoting Efficiency, Accountability  
and Value for Money –  
The Story of Managerial Key  
Performance Indicators**

July 2019



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**series**

**The Transformation Agenda Series 5: Promoting Efficiency, Accountability and Value for Money – The Story of Managerial Key Performance Indicators**

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# CONTENTS

<b>FOREWORD</b>	<b>iii</b>
<b>1. BACKGROUND</b>	<b>1</b>
<b>2. IMPLEMENTING THE ACCOUNTABILITY AND INTERNAL CONTROL STRENGTHENING (AICS) PROJECT</b>	<b>3</b>
<b>3. KEY ACHIEVEMENTS OF THE AICS PROJECT</b>	<b>11</b>
<b>4. FUTURE PERSPECTIVES</b>	<b>15</b>



# FOREWORD

*The Transformation Agenda of the World Health Organization Secretariat in the African Region 2015–2020* strives to deliver “the WHO that the staff and stakeholders want”. Over the past five years, WHO in the African Region has made a concerted effort to transform itself into a forward-looking, proactive, responsive, results-driven, transparent, accountable, and appropriately resourced organization. Member States, development partners, donors, and other stakeholders have stood shoulder to shoulder with WHO in advancing this agenda – for this I am sincerely thankful.

Implementation of the Transformation Agenda began in 2015, coinciding with the global adoption of the Sustainable Development Goals. Goal 3 is to ensure healthy lives and promote well-being for all at all ages. The WHO Secretariat in the African Region used this opportunity to institutionalize the Transformation Agenda by developing *The Africa Health Transformation Programme 2015–2020: a vision for universal health coverage*. This document serves as the strategic framework for guiding WHO’s contribution to the sustainable development platform in Africa. The framework aims to ensure universal access to a package of essential health services in all Member States of the Region and thus achieve universal health coverage with minimal financial, geographic and social obstacles to services.

To date, we can see the impact of the Transformation Agenda in three key areas:

- (1) **Health security has improved** through increased regional and country capacity to promptly detect and effectively respond to public health threats. Many of the outbreaks we have faced have been rapidly contained.
- (2) **Member States are progressing towards universal health coverage** through efforts to strengthen health systems. Improving access to cost-effective health interventions is leading to improved health outcomes in Member States.
- (3) **A value-based organizational culture is emerging** where harassment is openly addressed, and a respectful working environment is in place. We are seeing fundamental shifts in our ways of working, thinking and engaging with others as well as increased accountability, effectiveness and transparency, and tangible results in countries.

The Transformation Agenda Series seeks to share the key achievements of this initiative in six booklets:

- **The Transformation Agenda Series 1:** Enhancing the country focus approach for greater health impact;
- **The Transformation Agenda Series 2:** Strengthening partnerships towards universal health coverage;
- **The Transformation Agenda Series 3:** Improved capacity to tackle epidemics in the WHO African Region – lessons from the 2016 yellow fever outbreaks in Angola and the Democratic Republic of the Congo;
- **The Transformation Agenda Series 4:** Sustained progress towards polio eradication in the WHO African Region;

- **The Transformation Agenda Series 5:** Promoting efficiency, accountability and value for money – the story of managerial key performance indicators; and
- **The Transformation Agenda Series 6:** Moving towards a stronger focus on quality and results – the story of programmatic key performance indicators.

As we celebrate the gains made, I would like to express my gratitude to our stakeholders – Member States, development partners, donors, foundations and others – for walking the talk with us. Now, these gains need to be consolidated, sustained and stepped up in the coming year and beyond.

It is my expectation that the achievements highlighted in this series will spur us all to continuously strive towards ensuring healthy lives and promoting well-being for all people in the African Region and beyond by achieving universal health coverage, addressing health emergencies, and promoting healthier populations.

**Dr Matshidiso Moeti**  
Regional Director for Africa  
World Health Organization  
July 2019



# 1. BACKGROUND

Member States and partners have called on WHO to strengthen accountability, compliance with the rules and regulations, and internal controls. In 2014, the Independent Expert Oversight Advisory Committee, a subcommittee of the Programme, Budget and Administration Committee of the WHO Executive Board, referred to a “culture of tolerance of non-compliance” within the Organization.<sup>1</sup> This comment was felt in the African Region as at least 50% of audits in the Region were rated as unsatisfactory and only 50% of internal controls tested were considered efficient.

Initiatives aimed at strengthening accountability and internal controls have been rolled out at headquarters, regional and country levels in recent years. These include the internal control framework in November 2013, the launch of compliance missions to WHO country offices in 2013, and delegation of authority to budget centre managers in 2014. However, these initiatives required coordination and coherence. For example, quality assurance, monitoring and compliance services lacked a coherent region-wide approach, while the internal control framework was not effectively operationalized at country level.

On taking office as WHO Regional Director for Africa on 1 February 2015, one of the pillars of Dr Moeti’s Transformation Agenda was to transform the enabling functions in the Region into responsive strategic operations to improve internal controls and compliance. The expected outcomes here were “financing and resource allocation aligned with priorities” and “managerial accountability, transparency and risk management assured”.

<sup>1</sup> EBPBAC22/3, Report of the Independent Expert Oversight Advisory Committee).

The Transformation Agenda was initiated to take forward the Regional Director's commitment to transforming the Secretariat into a regional health organization that is foresighted, proactive, responsive, results-driven, transparent, accountable, appropriately resourced and equipped to deliver on its mandate. The four areas of the Transformation Agenda comprised: pro-results values; smart technical focus; responsive strategic operations; and effective communication and partnerships.

Towards this end, a bold step was taken to improve, in a holistic manner, internal controls and accountability by launching the Accountability and Internal Control Strengthening (AICS) project.

## 2. IMPLEMENTING THE ACCOUNTABILITY AND INTERNAL CONTROL STRENGTHENING (AICS) PROJECT

The AICS project was launched by the WHO Regional Director in mid-2015 to improve accountability, transparency and risk management. The AICS project has four objectives, namely to: (1) strengthen the adequacy and effectiveness of internal controls; (2) improve accountability, transparency and compliance; (3) enhance the performance of individual staff and budget centres; and (4) measure, monitor and report on progress. The project aimed to consolidate all global, regional and local initiatives into one single initiative with an appropriate governance structure, with participation and input from all concerned WHO staff at all levels of the Organization. Implementation evolved over time with the benefit of experiences and feedback from across the Organization and beyond.

Within the framework of the AICS project, the Regional Office Compliance and Risk Management Committee (CRMC), comprising the Executive Management Team and chaired by the Regional Director, was established in April 2016. The Committee's mandate is to provide strategic guidance to the AICS project and to support the Regional Director in ensuring a strategic, transparent and effective approach to risk and compliance management.

The CRMC has defined the five key pillars of the AICS project as follows: (1) improved information-sharing; (2) clearly defined expectations and robust monitoring and evaluation; (3) targeted training and direct country support; (4) improved engagement with Member States; and (5) enhanced governance and oversight.

**Improving information sharing:** an intranet site for the AICS project was launched in August 2015 to serve as a single point of entry for information on WHO rules, procedures and best practices across the Region. Since then, 626 policy documents, standard operating procedures (SOPs) and internal control checklists have been published on the site and key documents translated into the working languages of the Region. In addition, collaborative spaces were established to facilitate timely information sharing, including on best practices, across the different functional networks in the Region. Region-wide systemic control weaknesses were identified and shared with WHO country offices to inform their interventions.

**Clearly defined expectations and robust monitoring:** The first 12 managerial key performance indicators (KPIs) for country offices were introduced in 2015. In 2016, the number of KPIs was expanded to 23 and the Region began linking the performance evaluation of budget centres, budget centre managers and staff working in the enabling functions to achievement of KPIs, using the existing performance management and development system (PMDS). The budget and finance managerial KPIs were developed to leverage data from WHO's Global Management System (GSM). GSM provides a clear and accessible audit trail for KPI results each month.

Reporting and transparency on progress was improved through the development of three dashboards, which include trend analysis features and facilitate the identification of focused interventions. Detailed quarterly feedback reports are also shared with all budget centres.

As a way of recognizing staff and country office performance, in October 2017, during a regional meeting of heads of administration of country offices, the best performing budget centres were officially recognized at an award ceremony.

**Targeted training and direct country support:** targeted training programmes were developed using data from the monitoring of KPI performance, audit results and other reviews of budget centres to address weaknesses identified across the Region and within specific areas of work. For example, many procurement requests were being rejected due to the inaccuracies they contained. Training was conducted with the relevant staff to look at the reasons for rejection and ways of improving requests. This training led to improvements in the quality of requests and fewer rejections. In the past, such information was not readily available, which meant that training programmes were not necessarily addressing the root causes of underperformance. Training programmes are carried out either through face-to-face sessions or through electronic learning platforms, where feasible.

To ensure that all new staff have the necessary tools and knowledge to effectively carry out their functions, a mandatory induction programme was developed and rolled out for all newly recruited staff. All administrative staff in the Regional Office have been trained following the restructuring of the General Management Cluster. Country office staff have been trained on fraud prevention and ethics. As a result, red flags, financial irregularities and staff misconduct are systematically reported to the Office of Internal Oversight Services in WHO headquarters.

The Compliance Unit coordinates multifunctional missions to conduct programme management and administrative (PM&A) reviews, introduced in 2015, to assist newly appointed WHO representatives.

**The scope of the reviews includes:** leadership, accountability; administration and programme management; and communication. The target is for a review to be conducted within six months of a change in leadership in a country office. The objectives of the review are: (1) to identify, together with the WHO representative, country office staff and partners, opportunities to improve programme management and enabling functions for the country office; and (2) to identify systemic control weaknesses and good practices. The methodology includes: a walk-through and review of documents; self-assessment questionnaires; meeting with all staff; structured interviews and group discussions with staff and officials of the ministry of health; and an exit conference to agree on recommendations and action points for all levels of the Organization.

Compliance and PM&A reviews have so far been carried out in 20 country offices.<sup>2</sup> The reviews contribute to enhanced strategic positioning of the Organization at country level, identification of focus areas aligned with national needs and priorities, and improvement of programme management (planning, monitoring, knowledge management, and resource mobilization). The reviews have served as a learning experience for country office staff, ministries of health and partners. Findings and best practices have been shared during regional programme meetings and with other countries. Corporate issues have been raised with the CRMC.

**Improving engagement with Member States:** The WHO African Region advances the greatest amounts of funding to governments to implement activities through a mechanism called Direct Financial Cooperation (DFC). A risk-based framework for assessing the use of DFCs – the DFC Accountability and Assurance Framework – was developed in 2016 and approved by the CRMC in 2017. The framework aims to ensure that DFC funds are used as intended and that recipients have the necessary controls to ensure compliance with monitoring and reporting requirements.

<sup>2</sup> PM&A Reviews in Burundi, Cameroon, Central African Republic, Chad, Democratic Republic of the Congo, Ethiopia, Equatorial Guinea, The Gambia, Mali, Mauritania, Nigeria, Senegal, South Sudan, Togo, Uganda, Zambia and Zimbabwe. Compliance Reviews in Burundi, Central African Republic, Democratic Republic of the Congo, Liberia, Madagascar, Sierra Leone and Togo.

The framework has been used by the DFC Assurance Team – a dedicated team of international staff – to organize country missions, based on a risk profiling exercise, to conduct spot checks of supporting documents at ministries of health to improve compliance and strengthen accountability for DFC funds. By June 2019, twenty-five country review missions had been conducted. Early results of these missions are already being seen. In Ethiopia, a follow-up mission by the team showed that the justification rate of financial supporting documents has increased to 90% as of February 2019, up from 10% in December 2017. Similarly, in Chad, a follow-up mission in April 2019 reported a justification rate of 73% compared to 23% in April 2018.

Improvements in the internal control environment at country level require collaboration between the Secretariat and Member States. The handbook *Understanding WHO Business Rules* was developed and rolled out in 2017. The handbook aims to raise the awareness of staff of ministries of health about WHO rules and procedures and to improve compliance with DFC, procurement and travel. The handbook was distributed to all ministries of health in the Region and training was organized by WHO country offices for national counterparts. Audit and compliance updates are also shared annually with Member States during sessions of the Regional Committee. DFC regulations and statistics are also included in briefings for newly appointed ministers of health.

**Improving governance and oversight:** As part of a review of compliance and quality assurance functions in the Regional Office, the Compliance Unit was moved from the Office of the Regional Director to the General Management Cluster. This paved the way for a more coordinated and cohesive approach to strengthening the control environment while leveraging limited resources. The Independent Expert Oversight Advisory Committee has cited this as a best practice and encouraged similar actions for other regional offices.



A Corporate Risk Management Policy was introduced by WHO headquarters in November 2015 and in September 2017, the establishment of local CRMCs in all budget centres in the Region was made mandatory. This is to ensure adequate oversight at all levels in the Region. In March 2018, a CRMC was established in the Regional Office General Management Cluster to monitor managerial KPIs and prioritize and coordinate support to budget centres based on trend analysis. Since the introduction of the CRMCs, risk management in the Region has improved. An electronic risk management tool has also been developed, including an online risk register and electronic workflows. Budget centres now update their risks and mitigation plans on a continuous basis with the results subsequently reported to the CRMC.

The General Management Cluster has set up a robust framework to ensure effective coordination of administrative support in the Regional Office and the 47 country offices. Processes in the Coordination Framework comprise three stages: (1) identification of the needed support; (2) definition of priorities, implementation and follow up; and (3) impact evaluation.

- **Identification of the support needed by budget centres:** Based on the managerial KPI dashboard and audit reports, staff responsible for enabling functions identify country offices requiring urgent support. This may be provided remotely or through a country mission. Planned interventions are discussed in monthly meetings with the Cluster Director and a final decision reached. This ensures consistency in approaches and cross-cutting issues are dealt with holistically. Once approved, the support missions are recorded in the Coordination SharePoint tool.

- **Definition of priorities and follow-up on implementation of agreed action points:** During monthly meetings, participants review pending requests from country offices and the major risks related to ongoing projects. At the end of each meeting, the GMC Project Management Office (PMO) records action points in the GMC Coordination SharePoint. Focal points are responsible for updating the SharePoint once the action points have been implemented. Similarly, when a country office mission is completed, the PMO team uploads the information to facilitate assessment of the correlation between the mission and the country office KPI performance. GMC also holds regular inter-unit meetings (Procurement, Administration and Information Technology units) and meetings with the Health Emergencies Programme Administrative Team to ensure synchronization of activities.
- **Evaluation of the Regional Office Contribution:** This last stage helps budget centres to evaluate the impact of support provided for their activities (missions, trainings, procurement of services and personnel, among others). Monitoring the KPI dashboard quarterly reports issued by the Compliance Team facilitates updates to the CRMC and WHO representatives on the performance of WHO country offices against managerial KPIs and has drawn their attention to matters requiring action.



### 3. KEY ACHIEVEMENTS OF THE AICS PROJECT

The achievements of the AICS project are the result of a multi-pronged and integrated approach to information-sharing, clearly defined expectations through KPIs, targeted training, engagement with Member States and experience exchange. Major improvements are being seen in compliance and quality assurance, internal controls, improved accounting for DFCs, and value for money.

**Improved compliance and quality assurance:** Improvements in accountability and internal controls achieved through the AICS project are reflected in the outcome of audits carried out in the Region, which are independent measures of performance improvement. Between February 2015 and April 2019, twenty-three internal audits and 14 external audits were concluded with 1017 audit recommendations. Of these audits, nine internal and 12 external audit reports were fully closed to the satisfaction of the auditors by April 2019. In addition, 11 audit reports issued prior to 2015 were also fully closed during the same period. From 2016 to 2018, no internal audit reports received an unsatisfactory rating. All were rated fully or partially satisfactory with improvements required. Hence, while more than 50% of audits conducted prior to 2016 had unsatisfactory outcomes (the lowest possible audit rating), since 2016, no audits have been issued with unsatisfactory results.

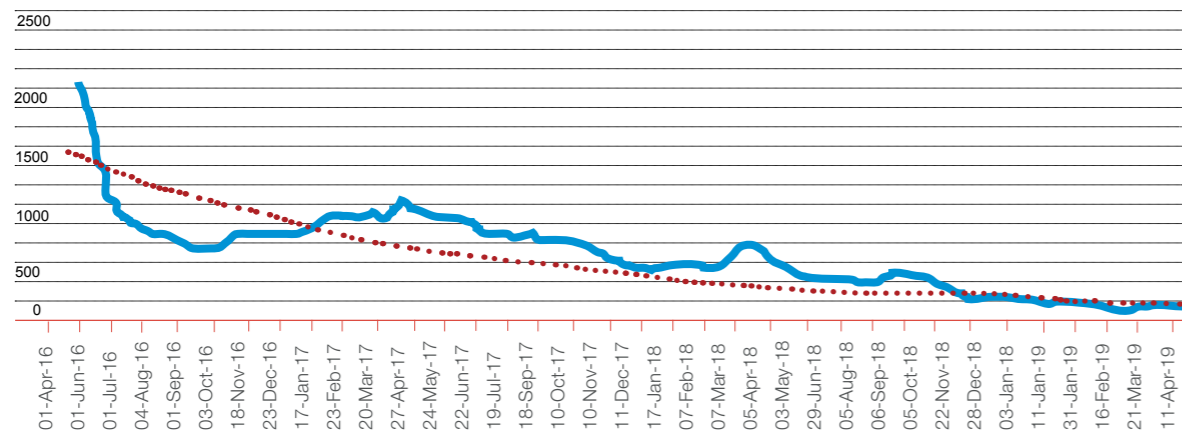


**Strengthened internal controls:** The use of managerial KPIs is widely accepted in the Region as contributing to strengthening the internal control environment and is recognized as a best practice across the Organization. The Office of Internal Oversight Services reported that the overall effectiveness of internal controls in the African Region had increased from 50% in 2015 to 74% between 2016 and 2018 based on the offices audited over the period. The Office of Internal Oversight Services uses a risk-based approach in selecting auditees, which means that it is a good proxy indicator of regional performance. Of the six major offices assessed, the Region has progressed from the last position to fourth place and has the second largest positive change of 24%.

**Improved accounting for DFC funds:** The number of overdue DFC reports reduced by 98% between April 2016 and April 2019. The WHO Regional Office for Africa reduced unjustified DFC funds by US\$ 78 million (89%), from US\$ 87.3 million as of 1 April 2016, to US\$ 9.6 million as at 30 April 2019 (Figure 1). There have been significant improvements in DFC reporting, with a reduction of overdue reports from 1907 in April 2016 to 46 as at 30 April 2019. At a meeting in October 2018, senior administrative staff of the Region committed to get to “zero overdue DFC reports by the end of 2019”.

**Better value for money:** The introduction of cost-cutting measures in translation, interpretation and printing services has resulted in significant cost savings. For example, the pairing of one senior interpreter with junior interpreters has led to cost savings of US\$ 16 000; the recruitment of more local interpreters has resulted in savings amounting to US\$ 204 320; and the establishment of a new scale for remuneration for translation services has resulted in savings of US\$ 64 000 as of June 2019. From October 2018, when these initiatives were launched, to 30 June 2019, WHO in the African Region made savings of US\$ 296 248 on interpretation and translation services.

**Fig. 1: Trends in overdue DFC reports**



With the introduction of a paperless office environment in the General Management and Health Systems and Services Clusters, 1086 memos and adjudication reports were approved electronically between June and December 2018, resulting in a 12.8% reduction in printing costs from US\$ 192 201 in 2017 to US\$ 170 388 in 2018.

Procurement of goods and services represents one quarter of expenditure in the African Region. Internal and external audits have highlighted the importance of accountability and respect for policies in procurement processes. Similarly, Member States, donors and other stakeholders, including the public, expect WHO to provide value for money. The Regional Office has looked for innovative ways to save money and efficiently allocate funds and resources using a value-for-money approach. In 2017, a sample of 19 transactions was assessed for value for money. Findings showed that cost savings of US\$ 1.4 million had been made. The savings reached US\$ 5.1 million in 2018.

## 4. FUTURE PERSPECTIVES

The focus of the AICS project has been: to improve accountability, transparency and compliance; enhance performance of individual staff and teams; and implement mechanisms to measure, monitor and report on progress and trends. Implementation of the KPI framework and regular reporting on the managerial KPIs to senior management through the CRMC, including regular programme management, administrative and compliance reviews, is improving the management of WHO country offices. Improved use of available technologies and tools – specifically GSM, business intelligence dashboards, the United Nations global marketplace for large-scale procurement, and performance dashboards among others – has resulted in better value for money in the procurement of goods and services. The AICS project has resulted in measurable improvements in accountability and increased effectiveness of internal controls for WHO in the African Region.

Persistent challenges in implementing the AICS project have threatened to negatively impact on its progress. These challenges include an outdated information technology environment, network difficulties and insecure office space. Attracting the right individuals for vacancies and matching staff skills are broader and longstanding challenges that impact on the progress of the AICS project.

Budget centres have had difficulties in achieving some KPIs, such as the indicator measuring the closing of awards within three months of the end date. This KPI correlates to submission of donor reports and clearance of encumbrances. Better alignment is also needed of results from internal control self-assessments with those of the global WHO risk register, findings from audit reports and compliance reviews. An objective understanding of some KPIs is also needed among managers.



While significant progress had been made in clearing overdue DFC reports, some countries continue to face reporting challenges. To address DFC issues, several country offices have shifted from the use of DFC to direct implementation (DI), which exposes the Organization to greater risk since most country offices are not adequately staffed to lead implementation of activities.

To overcome challenges and build on achievements, the priorities are to continue: enhancing human resource capacity at all levels; upgrading the information technology and network infrastructure and improving office premises; and improving transparency, efficiency, quality and accountability in WHO processes, including procurement and delivery of services. Increased efforts will be made to ensure that staff comply with WHO rules and regulations to promote efficient use of resources for delivery of results, and ensure quality and value for money. Targeted staff training and a culture of open communication and respect among all staff will help to strengthen commitment and overcome resistance to change. Enhanced resource mobilization efforts and cost-saving measures, including new cost-recovery initiatives, will also help bridge the funding gap.

A General Management Cluster service catalogue with turnaround times for processes and services will be established and the Green Initiative and Paperless Environment will be rolled out beyond the pilot phase. The managerial KPIs, including quarterly reports, will be extended to all Regional Office clusters, programmes and units, and a programme committee will be established to review technical and financial implementation of the work of all Regional Office clusters, programmes and units. Periodic value-for-money studies in administrative areas that service technical programmes will be conducted.

Improvements in the internal control environment require collective action by the Secretariat and Member States. Accordingly, the Secretariat will continue to share information on progress in audit and compliance with Member States during the annual sessions of the Regional Committee.

The Secretariat expects that these efforts will enhance the quality of WHO's work. Improved targeting and management of resources will generate value for money. These efforts will also help to optimize WHO's contributions towards the achievement of better health outcomes for people in the African Region.



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