CORTE DEI CONTI

SEZIONE DI CONTROLLO PER GLI AFFARI EUROPEI E INTERNAZIONALI

REVISIONE ESTERNA DEL BILANCIO 2024 DELL’ORGANIZZAZIONE MONDIALE DELLA METEOROLOGIA (WMO-OMM)

CORTE DEI CONTI

DELIBERA

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SEZIONE DI CONTROLLO PER GLI AFFARI EUROPEI E INTERNAZIONALI

camera di consiglio del 29 aprile 2025

presidente	Antonio Mezzera;
componenti	Giancarlo Di Lecce, Gian Luca Calvi, Igina Maio, Eugenio Madeo, Ilio Ciceri, Maristella Filomena

* * *

Visto il mandato di controllore esterno dell'Organizzazione mondiale della meteorologia (Wmo-Omm), conferito alla Corte dei conti dalla stessa organizzazione, rinnovato nel 2023;

visti i principi internazionali di audit applicabili all'attività delle Istituzioni superiori di controllo;

visti il bilancio del 2024 dell'organizzazione, il rapporto sull'audit dello stesso e l'*audit report*;

vista l'ordinanza n. 2/2025 di convocazione dell'adunanza della Sezione;

udite le relatrici Igina Maio e Maristella Filomena ed esaminati gli atti citati;

DELIBERA

di approvare i soprarichiamati rapporti, con le modifiche apportate dal collegio, disponendone la trasmissione al presidente della Corte dei conti.

Le relatrici	Il presidente
Igina Maio	Antonio Mezzera

Vanessa Pinto

Maristella Filomena

Depositata in Segreteria il 23 maggio 2025.

Il dirigente

Iosè Guzzo

Corte dei conti

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DELLA METEOROLOGIA (WMO-OMM)

Hanno collaborato: Flavio Giuseppone, Valeria Leopizzi, Anna Russo, Leonardo Sferrazza e l'Ufficio della Dgsia.

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Introduction

The legal basis for the External Auditor's audit is set out in Article 15 of the WMO Financial Regulations and Rules and in the Additional Terms of Reference governing the External Audit of WMO.

This report informs the Executive Council of the results of our audits.

The audit looked at the WMO Financial Statements as at 31 December 2024 and their consistency.

This financial period is governed by the above-mentioned WMO Financial Regulations and Rules and by the WMO Standing Instructions, Chapter 5; the Financial Statements are presented in compliance with the International Public Sector Accounting Standards (IPSAS).

We audited the accounts for the Financial Year 2024, according to the INTOSAI standards, the IPSAS regime and according to the Financial Regulations of the WMO, approved in 2018, as finally updated in July 2023.

With the letter of Representation signed by the Secretary-General, referring to the Accounts for the Financial Year 2024, we received the report and the finalised version of the Financial Statements.

We planned our activities in line with our audit strategy in order to obtain a reasonable assurance that the Financial Statements were free from material misstatement.

We evaluated the accounting principles made by Management and we assessed the adequacy of the presentation of information in the Financial Statements.

The audit work

Also taking advantage of the assistance of our focal point (the Chief of Finance and Budget Section and, since November 2024, the Controller), for our audit work on the financial statements 2024 we had meetings (in person and through videoconference) with all relevant managers and officials.

During the audit, all questions were discussed and clarified, in person and through emails' exchange and videoconferences, with the officials responsible. The audit team, after formally submitting the audit programme to the Secretary-General, had audit-related meetings with the Assistant Secretary-general, Director of Administration, Director LCF; during the audit work, the Team had regular meetings and in-depth discussions with the Controller, the Chief Human Resources Section, the Chief Finance Section, the Chief Procurement Section, the Head Facilities Management, the Chief Information Officer and the Chief Information Security Officer, as well as with members of their staff or staff in other Units, depending on the subject matter under consideration.

According to the best practices, we have focused our work in the most sensitive areas, from a financial point of view, and, through our tests, we obtained a sufficient basis for the opinion given in the audit certificate. We have carried out, together with the usual controls, a specific IT audit of the pooled treasury, whose results are included in the report.

We present the results of our audit activity through audit findings and observations, and we issued, where needed, "Recommendations", which were discussed with the relevant management and finally presented, through the Controller, to the Secretary-General, whose comments are incorporated in the report.

Recommendations fall under the follow-up process carried out by the Organization through the Controller, who presents the action plan for their implementation to Those Charged with Governance.

Finally, we wish to express our appreciation for the courtesy and helpfulness shown by all WMO officials to whom we had cause to request for information and documents.

Corte dei conti

AUDIT REPORT

Opinion

We have audited the Financial Statements of the World Meteorological Organization (WMO), which comprise the Statement of Financial Position as at 31 December 2024, the Statement of Financial Performance, the Statement of Changes in Net Assets, the Statement of Cash Flow and the Statement of Comparison of Budget and Actual Amounts for the year then ended, and Notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the World Meteorological Organization (WMO) as at 31 December 2024, and its financial performance, its changes in net asset, its cash flows and its comparison of budget and actual amounts for the Regular Programme General Fund for the year then ended, in accordance with IPSAS and the WMO Financial Regulations and Rules.

Basis for Opinion

We conducted our audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs), and the WMO Financial Regulations and Rules. In the field of financial statements audit, the ISSAIs are a direct transposition from the International Standards on Auditing (ISAs). The Corte dei conti applies the provisions of the ISAs in so far as they are consistent with the specific nature of its audits. Our responsibilities under these standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the WMO in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Nations system, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the WMO Secretary-General and Those charged with governance for the Financial Statements

The Secretary-General is responsible for the preparation and fair presentation of the financial statements in accordance with International Public Sector Accounting Standards (IPSAS) and WMO's Financial Regulations, and for such internal control as he determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Secretary-General is responsible for assessing the WMO's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Secretary-General either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the WMO's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Corte dei conti's objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes its opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the WMO's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the WMO's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the WMO to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Furthermore, in our opinion, the transactions of WMO that have come to our notice or that we have tested as part of our audit have, in all significant respects, been in accordance with the WMO Financial Regulations and Rules and its legislative authority.

In accordance with the WMO Financial Regulations and the "Additional terms of reference governing external audit", we have also issued a detailed report on our audit of the WMO Financial Statements for 2024.

Guido Carlino
President of the Corte dei conti

Audit results

The following long form report contains our observations on financial, governance and IT matters and with respect to the efficiency of the financial procedures, the accounting system, and, in general, the management and operations of the Organization. WMO management was afforded the opportunity to comment on our audit observations. The recommendations are a value adding were communicated to WMO Management to help enhance the efficient and effective management of the Organization.

LONG FORM REPORT

Structure of the accounting statements

1) The WMO's Financial Statements, prepared and presented in compliance with IPSAS 1, included the following elements:

- Statement of financial position (Statement I) – Balance sheet at 31 December 2024 with comparative figures as at 31 December 2023, showing Assets (divided into Current and Non-current assets), Liabilities (split into Current and Non-current liabilities) and Net assets;
- Statement of financial performance (Statement II) for the year ended 31 December 2024, with comparative figures as at 31 December 2023, showing the Surplus/Deficit for the financial year;
- Statement of Changes in Net Assets/Equity for the year ended 31 December 2024 (Statement III), with comparative figures as at 31 December 2023, showing the value of the Net assets, which include the surplus or deficit for the financial year including losses directly recorded in Net assets without being recorded to the Statement of Financial Performance;
- Cash Flow (Statement IV): table of cash flows for the period closed on 31 December 2024, showing the inflow and outflow of cash and cash equivalents, purposely regarding the operational, investment and financing transactions and the treasury totals at the end of the Financial Year;
- Comparison of Budget and Actual Amounts (Statement V) for the twelve months ending 31 December 2024;
- Notes to the financial statements, providing information about accounting policies, segment reporting and additional information necessary for a fair presentation (quoted in this Report as Note or Notes).

Statement of financial position

Assets

2) In 2024, the WMO's Assets amounted to 246,276 kCHF, with a decrease of 10,105 kCHF (3.9%) as compared with the value recorded in 2023 (256,383 kCHF).

3) They consisted of Current assets, which totalled 178,637 kCHF and represented 72.5% of Total Assets, and Non-Current Assets, amounting to 67,639 kCHF (27.5% of Total Assets). In 2023, the respective values were 186,360 kCHF for Current Assets (72,68% of Total Assets) and 70,023 kCHF (27,3% of Total Assets) for Non-Current Assets.

Current Assets

4) Total Current Assets in 2024 decreased of 7,721 kCHF (4,1%) compared to 2023. The following main sub-headings decreased: "Cash, cash equivalents and investments" (-3,276 kCHF), "Assessed contributions receivable" (-422,23 kCHF), "Voluntary contributions receivable" (-4,618 kCHF), "Other receivables" (- 555 kCHF) and "Inventories" (-11 kCHF), meanwhile the sub-heading "Advances for projects and meetings" increased (+ 1,159 kCHF). The basis for evaluating Current Assets is given in the Accounting Policies (Note 2).

Cash and cash equivalents

5) The sub-heading "Cash and cash equivalents" totalled 137,483 kCHF, with a decrease of 2.3% compared to 140,760 kCHF in 2023.

6) It included unrestricted cash, for an amount of 42,945 kCHF (an increase of 4,952 kCHF, 13% as compared to 2023, as amounted to 37,993 kCHF) and restricted cash, amounting to 94,538 kCHF (a decrease of 8,229 kCHF over 2023, -8% as amounted to 102,767 kCHF). A detailed breakdown of the sub-heading is shown in Note 3.1.

Bank accounts confirmations and closure of inactive accounts

7) We asked all banks and financial institutions with business relations with WMO to confirm the current account balances as of 31 December 2024.

8) As in past years, we asked Management to request all interested financial institutions to send directly to us the account confirmation with the detailed checklist, as at 31.12.2024.

9) We received the direct confirmation from all banks, with reference to all bank accounts; besides, Management provided us with supporting documents which we used for our audit.

10) We verified that the accounts 'balances in the banks' confirmations had been properly recorded in the accounts. All variances detected were explained and justified.

11) In past years Management started a process of revision of bank accounts in accordance with our recommendations. During 2024 it was disposed the definitive closure of an account at a bank in field and Management provided us the documents concerning the closure, as per our request.

Updating of lists of authorized signatures at banks and requirement of the dual signature

12) As per our request, in all bank confirmation letters received, it was included the information on the signatories authorized to operate the accounts.

13) As a result of our audit, we found some differences between these lists received from the banks and the lists kept by Management at HQs. However, Management acted promptly, explaining these discrepancies and communicating with the banks in order to solve them.

14) We are aware that an exception to the requirement of the dual signature has been foreseen in the Financial regulations and rules, even in the amended version approved on March 2025 (see Article 11, Rule 111.1 lett. c: "*Two signatures, or their electronic equivalent, shall be required on all cheques and other withdrawal instructions, including electronic modes of payment except where an exception is approved by the Controller for offices or projects located outside of Headquarters)*". At this regard, we would like to underline again the importance of assuring the dual signature to operate each bank account.

15) For the above-mentioned reasons, we decided to consider the Recommendation n. 4/2020 as partially implemented.

Inventories

16) Paragraph 19 of IPSAS 12 provides that cost of inventories comprises all costs of purchase, costs of conversion, and other costs incurred in bringing the inventories to their present location and condition.

17) The costs evaluated for publications include paper, CDs, editing and outsourcing, where relevant.

18) The inventory recorded at the end of 2024, presents a net value of 8 kCHF, a decrease of 9 kCHF (-52.9%), compared to the 2023 net value of 17 kCHF. Inventories are detailed in Note 3.3 and the values recorded in the Financial Statements are related to Publications and souvenirs. The decrease is due to the sales or the distribution for free.

Advances for projects and meetings and other current assets

19) Advances for projects and meetings amounted to 7,273 KCHF, an increase of 18.9% with reference to 2023 (6,114 kCHF); they represented the 2.8% of total assets.

20) An amount of 4,374 kCHF is shown in the 2024 closing balance sheet under *Other receivables:* they represented 1,7% of the Total Assets, with a decrease compared to 2023 (4,930 kCHF). A detailed breakdown of these values is reported by Management in Note 3.5, showing the different categories of receivables.

Non-current assets

21) As of 31 December 2024, Non-current assets totalled 67,639 kCHF, with a decrease of 2,384 kCHF as compared with 2023 (70,023 kCHF). The basis for the evaluation of Non-current assets is given in the Accounting Policies (Note 2).

22) This heading is composed of: a) “Assessed contributions receivable”, amounting, as seen above, to 88 kCHF (0.1% of total Non-current assets); b) “Voluntary contributions receivable”, 14,467 kCHF (21.4% of total Non-current assets); c) “Property, plant and equipment”, amounting to 52,166 kCHF , 77,1% of total Non-current assets; d) “Intangible assets”, amounting to 54 kCHF, e) “Interest in joint

ventures and associates", 864 kCHF, 1.3% of total non-current assets. The above-mentioned headings are illustrated in Notes 3.2, 3.6, 3.7 and 3.16 respectively.

Assessed and voluntary contributions receivable from Member States

23) Assessed contributions receivable from Member States for the regular budget are composed of:

- Current, which are due within 12 months, amounting to 18,301 kCHF (in 2023, they were 18,723 kCHF, a decrease of 2.3%);
- Non-current, which are due after 12 months from the date of the financial statements: they totalled 88 kCHF in 2024 (126 kCHF in 2023, a percentage decreased of 30.2%). This includes discounted long-term contributions.

24) Voluntary contributions receivable from Member States for the regular budget are composed of:

- Current, totalling 11,198 kCHF in 2024 (they were 15,816 kCHF in 2023, decreasing by 29.2%);
- Non-current, amounting to 14,467 kCHF in 2024 (14,179 kCHF in 2023, an increase of 2%).

25) As at 31 December 2024, total contributions receivable decreased from CHF 48.8 million to CHF 44.1 million, reflecting lower balances in both assessed and voluntary components.

26) Assessed contributions receivable decreased slightly from CHF 18,7 million to CHF 18,3 million, while the related impairment provision increased from CHF 10.2 million (2023) to CHF 10,8 million (2024). This increase reflects a reassessment of credit risk (IPSAS 41).

27) Voluntary contributions receivable declined from CHF 30,0 million to CHF 25,7 million. As reported in Note 3.2, paragraph 62 of the Financial Statements, no impairment provision was made for voluntary contributions since these are backed by conditions requiring return of funds if not used in line with the agreement, and are accordingly offset by deferred revenue liabilities.

Asset Management

28) The FS 2024 showed a decrease in fixed assets, particularly PPE (Property, Plant, Equipment) and an increase in some expenses related to this. The PPE amount is 52,166 CHF, was 54,551 kCHF, in 2023. The 2024 non-current asset amount (67,639 kCHF) decreasing by 2,384 kCHF (was 70,023 kCHF in 2023). The amount is disclosure detailed in Note 3.6-3.7 - 6.4 and recorded in the Financial Statements.

29) In our audit activities, we also reviewed the movement in the value of maintenance, improvements to the WMO Headquarters building and the depreciation of assets that have reached the end of their useful lives.

30) Accrual accounting helps to manage the financial impact of activities in a systematic way and provides comprehensive guidance on recognition, measurement and disclosure. It is therefore important to strengthen the management of the WMO budget in order to maintain and improve the Organisation's decision-making capacity through this tool.

31) The WMO budget, particularly in this transition period to the new ERP system and at a time of change in IPSAS reference (IPSAS 19 substantial IPSAS 45 from 1 January 2025), requires clear strategy, recognition and full measurement of activities to increase the scope and validity of information on activities within its budget and financial information.

32) The accuracy and availability of operational and management data is fundamental to asset management, particularly through the use and maintenance of a complete asset register and adequate framework. When accurate, this tool facilitates the preparation of financial statements and the translation of operational and non-financial management data into reliable financial information.

Property, plant and equipment

33) The amount of 52,166 kCHF is shown in heading “Property, plant and equipment”; it is the net value at 31 December 2024 (in 2023 it was 70,023 kCHF) of the capitalised cost for “Headquarters building”, “Computer equipment”, “Furniture & fixtures”, “Machinery & Equipment” and “Vehicles”, as explained in Note 3.6. A

reduction during the year amounted to 2,385 kCHF and depreciations totalled 3,385 kCHF.

34) The Headquarters building is a WMO property and related issues of the building are owned by the Organisation, while the land is owned by the Swiss government.

35) At the time of construction, the final cost of the building was 105,000,000 CHF. The amount was financed from the proceeds of the sale of the former WMO building to WIPO (26,000,000 CHF) and the balance from a loan. WMO received an interest loan entered into in 1997 with FIPOI for a total amount of CHF 75.8 million and is to be repaid by WMO over 50 years, through 2048.

36) The repayments are in annual instalments of 1,477 kCHF, charged on the WMO Regular Budget with a final instalment of the residual value. In 2024, the outstanding debt to the FIPOI will amount to approximately CHF 35,4 million.

37) The loan repayment procedure may be reviewed by mutual agreement between the WMO and the FIPOI if the WMO rents more than 30% of its total office space (i.e. more than two floors of office space) to third parties that have no functional relationship with the WMO. An analysis of these office leases is provided in the relevant section.

38) The edifice comprises five subterranean levels, one basement, one reception floor, eight floors of offices, and a top floor designated for a restaurant or cafeteria. Two floors of the WMO building are currently rented out. The results of the audit on these rents can be found in the dedicated section.

39) The EA recalls the recommendations on the point made in our previous reports and urges that attention should not be reduced on the effects that may occur at the end of the agreement, in particular the clauses that forecast that ownership of the building may be transferred to FIPOI (Article 14(1) and (2) of the lease), at a value that is not full market value but linked to the conditions set out in the agreements and also if less than the amount for which all instalments have been paid.

The maintenance of WMO Headquarter Building

40) The funding of repairs and improvements, as well as capital expenditure, is an important element and issue in facilities management to maintain capital value.

Underfunding maintenance can lead to the deterioration of premises and equipment, requiring costly repairs later.

41) Inadequate or unreliable asset data affects value assessment, cost quantification, decisions, carefully weighing the costs and benefits, on maintenance and use of expenditure, and therefore the potential to generate revenue.

42) The responsibility for the ordinary maintenance of the equipment lies with WMO, with the execution of the activities being carried out through three contracts with suppliers: for equipment maintenance, for cleaning and for security.

43) In WMO ordinary budget, a sum is allocated for building maintenance, the financial implications of these arrangements for the year 2024 amounts to 1,521 kCHF, that include maintenance of equipment and technical resources to ensure the functioning of the technical building management unit and the (postal) registration unit of the FMCS for 1,049 kCHF and costs cleaning for 425.5 kCHF.

44) WMO has a fund for extraordinary work at the WMO headquarters building, financed by voluntary contributions and income generated from office rentals. The special account for the building is financed only by income generated from office rentals. The Organization’s income from maintenance-related rentals amounts to 1,726 kCHF. On this aspect, refer to the dedicated paragraph on revenues.

45) At the time of our audit there are no voluntary contributions feeding the trust, even though the ToR of the special account for the building mentions them.

46) We noted also that the terms of reference for the special account are not current with regard to the source of funding, accountability, and management of expenses.

47) In 2024 the total amount for building annual maintenance is 1,049,405 CHF, and an amount of 69,000 CHF is spent for extraordinary maintenance, managed in addition to regular services.

48) The routine maintenance costs are principally the costs of maintaining the service potential of an item of property, plant and equipment. In some circumstances, emergency work may be necessary to deal with sudden and unforeseen situations that affect the use of property, plant and equipment.

49) However, a distinction should be made between urgent and unexpected maintenance and extraordinary maintenance. Urgent and emergency work involves

a margin of uncertainty, whereas extraordinary maintenance events can be planned. A plan for extraordinary work is a forecast on the necessary work to maintain the integrity of the asset.

50) We point out a weakness in the planning of extraordinary interventions on the building maintenance and equipment. These interventions must not only be planned in advance but also followed up with the utmost attention.

51) This approach is essential in order to avoid the risk of additional costs arising from emergency interventions that are actually part of preventive and optimal maintenance.

Recommendation n. 1

We recommend:

- update and strengthen the framework for the Special Fund for Maintenance;
- strengthen the strategic and planning approach to maintenance, in particular by using a clear roadmap for extraordinary works and adequate monitoring.
- favour a pragmatic approach, where possible, to carefully balance the costs and expected benefits of maintenance.

Comments by the Secretary-General

The management accepts the recommendation. The TORs of the Special fund will be updated and strengthened, including elements relating to strategic planning. Maintenance will continue to be planned carefully, including to the extent possible extraordinary maintenance, with an emphasis on obtaining the best value for the organization.

The accuracy of asset register and of framework maintenance

52) Asset registers also provide important non-financial information for internal decision making, such as type, nature or physical condition and replacement programme. Well-maintained asset registers provide the basis for a full

understanding of the financial implications of the current asset portfolio, both in terms of stocks (public budgets) and flows (performance statements, cash flow statements).

53) The accuracy of the data and a strategic vision, as well as the transparency of the reference rules, are fundamental for a correct presentation of the asset portfolio, both in terms of stock and flow, and even more so for those assets that are capable of providing services, as in the case of a building whose premises are rented out to provide services and therefore income.

54) In our audit we carried out the physical stock checking in February and in March 2025, based on a selection of items in the assets' register and we traced if all those items were properly recorded.

55) As a result of our checks, we observed that there are still some inaccuracies in the asset register, e.g. some items are not labelled, or their physical location does not correspond to the one indicated in the register, or their status is indicated as active meanwhile they are obsolete and not working.

56) Following our physical checks and also taking into account the transition to the new ERP, we reiterate our consideration expressed in the recommendations (Ns. 1/2021, 1/2022 and 2/2022, 1/2023). As in previous years, we found inaccuracies and we point out a weakness in the register and in the resource management procedure.

57) At this regard, we acknowledged that the Chapter 8 of the Standing Instructions was revised. However, we will continue to monitor the implementation of this guide in future audits.

The assignment of IT equipment

58) In last year's report we also recommended that, to improve its accuracy, the asset register should clearly indicate the true status of assets. In fact, these are characterised by a very rapid obsolescence compared to other assets and it is important to update the status of usability in the register.

59) We also highlighted a weakness in the allocation of IT resources to staff. Taking into account the results of our physical checks mentioned earlier in this paragraph,

we reiterate our consideration expressed in recommendation No. 2/2023 for the financial year 2023.

Recommendation n. 2
We recommend:
- strengthening the accuracy of the asset register to help ensure that financial records are complete and up to date.
- improving the update on the status of IT assets in the asset register with respect to their actuality and usability.

Comments by the Secretary-General
Management accepts the recommendation and will continue its efforts to ensure the accuracy of the inventory with a particular focus on leveraging the new ERP system to address the identified issues relating to IT in line with current requirements.

Intangible Assets

60) In 2024, Intangible Assets amounted to 54 kCHF, a decrease of 71 kCHF compared to the amount of 2023, entirely corresponding to the depreciation in the category "Software internally developed". No additions were recorded in 2024. The details are illustrated in Note 3.7.

Liabilities

61) In 2024, Total Liabilities amounted 301,034 kCHF, an increase of 686 kCHF in comparison with the value recorded in 2023 (300,348 kCHF).

62) They consisted of:

- Current Liabilities, amounting to 97,975 kCHF, i.e., 32,55% of Total Liabilities (in 2023, they totalled 106,879 kCHF and were 34.9% of Total Liabilities);
- Non-Current Liabilities, totalling 203,059 kCHF (in 2023 was 193,469 kCHF), composed mainly of actuarial liabilities related to Employee benefits (145,108 kCHF);

they were 48,2 % of Total Liabilities; in 2023, the amount was 134,836 kCHF, corresponding to 44,89% of Total Liabilities.

Current Liabilities

63) Total Current Liabilities decrease in 2024 by 8,904 kCHF (8.3%) over 2023. They were composed of:

a) “Payables and accruals”, which totalled 3,066 kCHF in 2024, reducing by 1,520 kCHF (- 33.1%) over 2023;

b) “Employee benefits”, amounting to 7,484 kCHF; they increased by 287 kCHF (4%) over 2023, when they amounted to 7,196 kCHF (see dedicated paragraph below for further considerations);

c) “Contributions received in advance” 7,852 kCHF in 2024, decreasing by 1,633 kCHF (- 17%) as compared to 2023;

d) “Unearned revenue from Exchange transactions”, 26 kCHF in 2024, no movement in 2023;

e) “Deferred revenue” amounting to 42,565 kCHF, reducing (-13.8 %) by 6,819 compared at the 49,384 kCHF in 2023;

f) “Borrowings” amounting to 1,442 kCHF (same as in 2023);

g) “Provisions”, recorded for 2,205 kCHF, increasing compared to 2023, when they amounted to 260 kCHF;

h) “Funds held in trust”, amounting to 33,335 kCHF; they decreased by 1,191 kCHF (-3%) over 2023.

Non-current Liabilities

64) Total non-current Liabilities are related to:

a) “Employee benefits”, which showed an amount of 145,108 kCHF, an increase of 10,272 kCHF (8%) as compared to 2023 (134,836 kCHF) (see dedicated paragraphs below for further considerations).

b) “Deferred revenue” amounting to 32,766 kCHF (10.8% of Total Liabilities); in 2023 they amounted to 32,637 kCHF.

c) “Borrowings” was 25,185 kCHF in 2024 with a decrease (-3,12%) by 811 kCHF compared at 25,996 kCHF in 2023.

Employee Benefits

65) Employee Benefits are disclosed in the Financial Statements under "Current Liabilities" with an amount of 7,484 kCHF and under "Non-current liabilities", with a value of 145,108 kCHF, as summarised in the table below. The total increase in the Liabilities (Current and Non-current) is 10,560 kCHF. The overall increase in these Liabilities, jointly with their disclosure, is explained by Management in Note 3.9, and the basis for the evaluation of Non-current liabilities is given in the Accounting Policies (Note 2, paragraphs 35-38).

66) Liabilities generated by benefits related to the After-service health insurance (ASHI), repatriation grant and accrued annual leave. These benefits are provided to staff members who are entitled to such benefits under the WMO Staff Regulations and Staff Rules.

	Year (KCHF)		**Variance**	
Liabilities	**2024**	**2023**	**kCHF**	**%**
Current	7,484	7,196	288	4,0%
Non -current	145,108	134,836	10,272	12,3%
Total	**152,592**	**142,032**	**10,560**	**7,4%**
Composition				
After-service health insurance	142,454	132,651	9,803	7,4%
Repatriation liabilities	5,496	5,355	141	2,6%
Accumulated annual leave	4,642	4,026	616	15,3%
Total	**152,592**	**142,032**	**10,560**	**7%**

67) As in the previous report, the table above shows the development of these liabilities compared to the previous year. Within non-current liabilities, all sub-items have increased, with the largest increase being in the sub-item *Accumulated annual leave*. The valuation in accordance with IPSAS 39 shows this as another employee benefit, as the accumulated annual leave is generally not fully used in months following the balance sheet date.

68) The sub-heading for repatriation referred to at the repatriation grant is provided to cover the travel expenses of the staff member and eligible dependents and the shipment of their personal effects. The cost is borne entirely by the Organization,

which pays the amounts due for the repatriation, travel and relocation expenses of eligible dependents.

69) The sub-heading for ASHI referred at the insurance plan that allows eligible retired staff members and their eligible family members to participate in the United Nations Staff Mutual Insurance Society (UNSMIS), with part of the monthly premium paid by WMO and part by the staff member, including family members.

70) ASHI liabilities as in the past presents a due in large part to actuarial losses; liabilities were calculated by an actuary chosen by Management (AON), according to actuarial assumptions reported by Management in Note 3.9, paragraph.

71) These assumptions are used to determine the value of WMO's post-employment and other separation-related employee liabilities at 31 December 2024 and are disclosed by Management in paragraphs 106 -116 and considers element like. They consider items such as discount rate, medical cost trend rate, medical loss ratio, administrative costs, repatriation costs using population demographic assumptions.

72) In accordance with IPSAS 39, a sensitivity analysis of the medical cost trend rate and discount rate is also performed using Swiss government bond rates versus the yield on AA corporate bonds.

73) Our actuaries have performed a review of the key assumptions for 2024 of the WMO, and we can confirm that the value of the liabilities is substantially correct. The trends considered and the economic rates were consistent with the data available during our audit. The actuaries' review work included recalculating the valuations prepared by WMO's independent actuary (AON).

74) Actuarial assumptions were applied for the ASHI and repatriation liabilities. The charges were calculated annually according to the assumptions on average costs (medical expenses and administration costs) and the related projection rate adopted by AON. They were carried forward financially to 31/12/2024, using the discount rate provided by AON.

75) As in past years, it is noted that AON assesses pensioners' charges based upon actual numbers of dependents for retirees and an assumption of family load for currently active staff members. The assumption is an acceptable method of calculation, though there is room for improvement. Overall, the final results of our

actuaries' analysis show only a minor deviation (0.3%) compared to the AON valuation.

76) The net change in the ASHI liability in 2024 was rather unfavorable. The trend increase in the value of liability is quite sensitive to the decrease in the discount rate, whose effect has been to increase the value of the calculation of the liability.

77) Also in 2024, the amount of long-term liabilities (203,059 kCHF) represented a very important part of the total liabilities (301,034 kCHF), whose amount of employee benefits increased by 7% with respect to 2023.

78) The impact is particularly strong if we consider that it affects the general fund as we have repeatedly stated in our previous reports. Although a part of the financing of the liability is realized through a charge on payroll cost, the actual financing mechanism could still be insufficient even to mitigate the growing level of liabilities.

79) ASHI, unlike pension rights, is financed on a pay-as-you-go basis, as pensioners use medical services when they need them. The pay-as-you-go system is a valid financing option when the proportion of ASHI participants is small. As the number of ASHI members increases, the rising costs will inevitably affect future budgets.

80) In contrast, the total cost of benefits is based on the level of benefits payable to eligible recipients. Reductions in these benefits can directly impact on the organization’s employment attractiveness and turnover.

81) We note the constant attention of the Management and awareness of the Executive Council and as in previous reports we emphasize the importance of this issue by remaining attentive to the trend of ASHI liabilities and the actions that will be taken.

Net assets

82) Net assets comprise the accumulated deficit and reserves of the Organization at year-end. In 2024, Net assets resulted in a negative value of -54,758 kCHF, with an increase of the deficit around 10,793 kCHF compared to -43,965 kCHF in 2023.

83) All the movements in Net assets are explained in various Statements and Notes in the Financial Operating Report, in particular:

a) Statement II "Statement of financial performance", which shows the deficit for the period (-3,622 kCHF).

b) Statement III "Statement of changes in net assets" with the movements listed separately.

c) Note 3.17, where Management discloses details on the composition of the Employee benefits reserves.

Statement of financial performance

84) This Statement shows the Organization's revenue and expenses classified, disclosed and presented on a consistent basis to explain the year's net deficit or surplus. The result for the period is a deficit of around 3,622 kCHF.

Revenue

85) Total revenue amounted to 108,800 kCHF, with an increase of 13,136 kCHF (14%) as compared with 2023 (95,664 kCHF). This was composed of:

a) "Assessed contributions (Non-exchange)" totalling 69,663 kCHF in 2024, an increase of 1,776 kCHF from 67,886 kCHF in 2023, representing 64% of Total revenue.

b) "Voluntary contributions (Non-exchange)", amounting to 29,512 kCHF in 2024, representing 27% of Total revenue, with an increase of 18% compared to 2023 (24,929 kCHF).

"Revenue from Services", totalling 250 kCHF in 2024, with an increase of 77.30% compared to 2023 (141 kCHF), driven by the completion of a significant service-based contract at the beginning of 2024.

c) "Other revenue", totalling 7,505 kCHF in 2024, reflected an increase of 795.58% compared to 2023, when it resulted in 838 kCHF. The overall increase is driven primarily by increased returns on investments and realised and unrealised foreign exchange gains, in relation to the strengthening of the US dollar against the Swiss franc, as compared to 2023.

d) In-kind contributions (services) (Non-exchange) totalling the same amount as in 2023 (1,870 kCHF), representing 2% of Total revenue;

Revenue from Voluntary contributions

86) Voluntary contributions are the second source of revenue for WMO, and therefore they deserve attention from Management. Voluntary contributions have different nature, for instance there are funds for projects agreed between WMO and Members or other donors, for Junior Professional Officers supporting programmatic activities, for conferences, and for specific initiatives such as Meteorological Technology World Expo 2024 and similar events.

87) In 2024, total revenue from voluntary contributions reached CHF 29.5 million, entirely classified as contributions with restrictions. Revenue recognition followed IPSAS 23, distinguishing:

a) Settled contributions include both restricted and conditional pledges, for which all conditions were met and funds received from the donor;

b) Unsettled contributions include both restricted and conditional pledges for which conditions were met but haven't received funds from the donor.

88) Settled voluntary contributions revenue reached CHF 29.6 million, while unsettled contributions totaled CHF 54,000 (compared to zero in 2023). Refunds of contributions rose to CHF 154,000, up from CHF 16,000 in 2023 (+860%). As reported in the Financial Statement the increase is largely due to project account reconciliations and closure activities.

89) Based on the audit sample, no material misstatements were found in the classification or recognition of contributions. However, attention is still required in validating the relationship between project funding and staff costs recorded under Voluntary contributions.

90) Although IPSAS does not comment upon the use of extra-budgetary funds for staff costs, it requires transparent classification, documentation, and justification for all expenditures. Specifically, in line with IPSAS 23 and WMO Standing Instructions (Chapters 5, 12, 13 and 16), all projects funded through voluntary contributions must be traceable, contractually governed, and properly reflected in financial statements

and internal documentation. This includes verification of expenditure eligibility, classification of deferred income and obligations, and formalization of any amendments to project scope or duration.

91) In particular, in line with paragraph 16.3.5 of the Standing Instructions, WMO is accountable for all funds placed within Trust Funds, which must be managed in full compliance with WMO Financial Regulations and Rules. This accountability requires that a structured and traceable financial framework be established from the outset of each project, covering:

- a detailed initial cost plan, broken down by nature of expenditure.
- periodic internal monitoring, including budget-versus-actual comparisons.
- effective coordination between the Project Management team, the Trust Fund Manager, the technical team, and the Finance Section.

92) As part of the audit, we have analyzed three fund samples.

93) Despite the overall structured and transparent financial management observed across the samples, the review of the selected samples—and in particular the analysis of the documentation provided for two specific samples — highlighted the need to strengthen, in accordance with Chapter 16, the planning, monitoring and financial reporting processes, especially with regard to staff-related expenditures.

94) In particular, those samples revealed some gaps in the planning, monitoring and reporting phases – particularly in relation to staff cost forecasting, the tracking of their evolution over the course of the project and the relevant reports.

95) Additionally, for one of the selected samples, the only financial report available from the management dates back to 2019, which is not consistent with the current stage of project implementation. In this context, it is important to recall that, according to paragraph 16.5 of Chapter 16 of the Standing instructions Chapter 16 ("Financial planning, monitoring and reporting") all financial reports, including interim reports and reports submitted through donor-specific online systems, must be reviewed, verified and signed by C/FIN and the WMO respective Project Manager or Trust Fund manager.

96) Furthermore, for Class 3 projects, such as the one mentioned above, the Standing instructions require rigorous monitoring of financial and program implementation (see Appendix 16.A, Chapter 16).

97) This highlights the need to ensure proper oversight to protect the Organization from financial and reputational risks.

98) From what was reported during the audit, it emerged the importance of improving coordination among the various sectors involved in the management of Trust Funds, in line with the roles and responsibilities defined in the Standing Instructions (see Chapter 13 "Role and Responsibilities," paragraphs 13.1.20–13.2.1, and Chapter 16 "Definitions," paragraphs 16.2.1 and 16.2.2).

99) In the light of the above, while standing instructions Chapters 13 and 16 have been adopted as the regulatory framework for Trust Fund management, the findings highlight the need to ensure their more effective and consistent implementation in practice.

100) These findings complement and reinforce Recommendation n° 9/2022 — which calls for a full review to ensure that all project costs are contractually justified and liabilities properly classified.

101) In this regard, it is acknowledged that WMO has appointed an external consultant to carry out the review, in connection with the Organization's approach to projects and the upcoming implementation of the new ERP system at the beginning of 2025.

Recommendation n. 3

We recommend to strengthen the operational implementation of Standing Instructions 13 and 16 by ensuring a consistent and effective application of the planning, monitoring, and reporting framework across all voluntary funded projects.

Particular attention should be given to the:

- timely preparation of structured cost plans;

-accurate forecasting and tracking of staff-related expenditures over the course of each project;

- evaluation of financial reporting and related timelines, with the aim of enhancing clarity, consistency and traceability of project data, cost allocation and outstanding obligations;

- coordination between all relevant units, in line with the roles and responsibilities defined in the Standing Instructions (notably Chapters 13 and 16).

These actions are essential to ensure accountability and protect the Organization from financial and reputational risks.

Comments by the Secretary-General

Management accepts the recommendation and is already taking the relevant action. In 2024, WMO Management engaged a consultant to review the Organization's approach to projects. The report of the consultant is being finalized and work has begun on a number of areas, including the development of structured cost plans, improved allocation and monitoring of staff sources and enhanced project tracking. The implementation will continue throughout 2025 and into 2026.

Other Revenue

102) The line item "Other revenue" includes a variety of income components not classified under assessed or voluntary contributions. The most significant in 2024 were:

- Currency exchange gains, that amount to 1,371 kCHF, resulting from the appreciation of the USD against the CHF (+8%), which generated recognized gains due to WMO's USD holdings;
- Rental of facilities: Rental income from office space substantially remained stable at 1.899 (from 1.882 in 2023), the slight increase (17 kCHF) is due to income from renting conference facilities;
- Investment income, which rose to CHF 2.2 million in 2024, up from CHF 1.4 million in 2023, due to higher interest rates in CHF and USD;
- In-kind contributions (e.g., land and interest-free loan from Swiss authorities), which are simultaneously recorded as revenue and expense and remain stable from 2023 (1,870 kCHF);

- Additional in-kind services from Member States were received but not recognized due to lack of control or measurability.

Revenue from services

103) In 2024 Revenue from services amounted to 250 kCHF, representing an increase of approximately 77.3% compared to 2023 (141 kCHF).

104) This revenue relates to advisory services provided by WMO (see Note 5) and are recorded under account n. 41350 which is typically used for exchange transactions with external parties.

105) The management has confirmed that these projects are not related to situations in which the Organization operates simultaneously as both implementing entity (under Ipsas 23) and as a consulting one (under Ipsas 9). More generally they confirmed that there are no projects where WMO acts in both roles at the same time.

Other revenue - Rental from office facilities

106) As already noted, rental from office facilities amounted to 1,899 kCHF in 2024; of the total, 1,606 kCHF was recorded under office rentals (in decrease compared to 2023 when it amounted to 1,824 kCHF), with the remainder attributed to parking and conference facilities.

107) The number of tenants decreased to seven in 2024, following the departure of one occupant as of 1 September. Projections for 2025 indicate a 1.33% reduction in rental income, assuming all other tenant conditions remain unchanged.

108) Some office premises are also leased to unconsolidated entities such as GEO and IPCC, and a third entity named HMEI.

109) Recommendation No 5/2023 had called for the development of a comprehensive rental policy to ensure that all building-related costs (e.g., security, utilities, insurance) are identified, monitored, and covered by rental income, and that tenant eligibility and lease conditions are applied transparently.

110) Although management accepted the recommendation, by March 2025, only a revised rental agreement template had been produced for use in future contracts.

111) While the new template represents a step forward, it does not resolve inconsistencies across active contracts. As of 31 December 2024, lease terms remained

highly variable in pricing structure, inclusion of services, and payment conditions. In some cases, these charges are included in the office rental.

112) Conference rooms were sometimes included in fixed rental amounts regardless of actual usage, and payment terms for other charges ranged from fixed due dates to post-invoice deadlines.

113) To this highly fragmented framework are added the conditions applied through in-kind contributions to some of the tenants, including an external entity (HMEI) (see below).

114) This composite set of conditions could make it difficult to manage rental agreements effectively and to ensure consistent recovery of associated costs.

115) Furthermore, evidence in the records indicates that invoices for certain services were issued with significant delays, in some cases covering a period of up to three years (invoiced in 2024 for services covering the 2021-2023 biennium).

116) This practice weakens the Organization's ability to effectively monitor and recover revenue streams. The timely invoicing of services is a fundamental component of responsible financial governance and should be treated as a priority.

117) This is essential for sound financial governance and IPSAS compliance. However, management has confirmed that this critical issue has now been resolved.

Recommendation n. 4

We recommend that WMO establish a coordinated and transparent cost-recovery framework for building management, which should include:

- systematic reconciliation between the Building Management Unit and Finance Department;
- identification and regular review of all recoverable costs (e.g. maintenance, utilities, security);
- implementation of monitoring tools to assess discrepancies between actual costs and revenues from rents and charges;
- mechanisms to ensure the timely and consistent issuance of invoices for all tenant-related charges.
- inclusion of annexes in all active contracts, detailing key terms, amounts due for rental and charges, payment deadlines, and eventual penalties.

Comments by the Secretary-General

Management accepts the recommendation and will update its process to ensure there is agreement between the various actors on roles and responsibilities and that the calculation of the actual costs incurred, charged, billed and recovered are well documented and monitored on a regular basis.

In addition, Management agrees that an annex for all active tenant arrangements that summarizes the key terms will be prepared and shared with each of the tenants.

Receivables and Expense Allocation

118) Building-related expenses (maintenance, utilities, cleaning, and security) are incurred by WMO and, where agreed, recharged to tenants based on the rented space. These recharges reduce the building related costs under "Supplies, consumables and other running costs" in the notes related to the Statement of Financial Performance and the amounts not yet collected at the end of the year are recorded under Other Receivables in the notes related to the Statement of Financial Position.

119) In 2024, the expenses related to building maintenance and security amounted to 2,117 kCHF while those related to utilities reached 1,499 kCHF, both showing an increase compared to 2023, when they amounted to 1,677 kCHF and to 1,182 kCHF respectively.

120) The total amount (equal to 3,616 kCHF) was reduced by 676 kCHF as an offset for the costs recharged to tenants. An outstanding collectible balance of 917 kCHF as of 31 December 2024 is recorded under "Other receivable- Sundry debtors" (see note 3.5, para 76). However, as detailed in the following findings, the figures reported in terms of total recharges and related offsets include inconsistencies, particularly with regard to a specific tenant, and therefore do not fully reflect the actual amounts to be accounted for as recharge (see below for our comments on the exact amount of the recharges).

121) According to IPSAS 1, offsetting is generally not permitted, unless expressly allowed under specific standards and subject to strict conditions, including legal

enforceability and the ability to reliably measure and document the amounts involved (see para 48).

122) In particular, according IPSAS 1, para. 49 "*It is important that assets and liabilities, and revenue and expenses, are reported separately. Offsetting in the statement of financial performance or the statement of financial position, except when offsetting reflects the substance of the transaction or other event, detracts from the ability of users both (a) to understand the transactions, other events and conditions that have occurred, and (b) to assess the entity's future cash flows*".

123) The Standing Instructions (Chapter 12 and SN No. 12/2024) underscore the requirement for all financial arrangements with external entities to be formally documented, approved, and traceable. In the absence of detailed documentation and systematic allocation, offsetting tenant-related charges may compromise the reliability of reported revenue and compliance with IPSAS standards.

124) In this context, the treatment of tenant charges has revealed a critical issue concerning one specific case, where the contract and related invoices make no provision for charges, as these are considered to be included in the rental fee.

125) Based on the comparison between supporting documents (agreements and relevant invoices) and the related figures in the Financial Statements (Rental office facilities and relevant account) it emerged that an amount of 184 kCHF was recorded twice in the financial statement: once as rental income (included in the total rental revenue of 1,606 kCHF) and once as a cost offset (included in the 676 kCHF recharge used to net down building expenses). In this regard, we take note of the final statement provided by the management according to which the corresponding entry to reduce the rental income was inadvertently overlooked, resulting in an overstatement of both the recharge to tenants (P&L) and the advance from tenants (balance sheet) by CHF 183,982.

126) This issue reveals an inconsistency in the accounting treatment applied to that specific tenant, impacting the financial statement and, in particular, the effective amount of building expenses for the corresponding amount (reduced by CHF 183,982) which should be therefore adjusted accordingly in the financial accounts.

WMO Management has stated its commitment to correct the item in 2025 Financial Statements.

127) In this context, the treatment applied — in particular, to one tenant — raise a concern in light of IPSAS 1.49, as the amount in question, although used to offset building expenses, in substance constitutes rental income. Therefore, the conditions for offsetting are not met, as the amount in question should be recorded solely as rental income rather than both as rental income and a payment of charges. This practice may affect the faithful representation of financial performance.

128) At this regard we take note of the management's stated commitment to strengthening the process of analysis and reconciliation going forward, and to avoiding any further netting, except in cases and for amounts explicitly permitted under IPSAS rules.

129) Additionally, although the supporting documentation may include the relevant breakdowns, the use of a generic label such as "Other Utilities" in the financial records limits traceability and transparency. The absence of a clear and direct reference in the financial statements prevents effective verification of the allocation across tenants.

Recommendation n. 5

We recommend that WMO ensure that offsetting techniques are applied strictly within the limits set by IPSAS 1 and that careful accounting treatment of relevant items is adopted to prevent any anomaly, including double counting, that could distort the actual substance of revenues and/or expenditures and their proper representation in the financial statement.

In the light of the above, WMO should strengthen the financial documentation and allocation of tenant-related charges to ensure full compliance with IPSAS and internal regulations. All building-related expenses recharged to tenants (e.g. utilities, maintenance, cleaning, and security) should correspond to the substance of the transaction, be clearly calculated, allocated and supported by traceable and signed records.

Without detailed documentation and a systematic allocation framework, there is a risk of undermining the reliability and transparency of reported revenue.

A comprehensive reconciliation should be carried out to address existing inconsistencies.

In line with IPSAS principles and internal Standing Instructions, the allocation of tenant charges should follow a defined, approved, and traceable process, rather than rely on ad hoc reconciliations or spreadsheet-based exchanges.

To this end, Finance should rely exclusively on confirmed and traceable figures provided by the building management sector when recharging tenants. Strengthening the documentation trail would significantly enhance the auditability and transparency of tenant-related financial operations.

Cost categories such as "Other Utilities" should be clearly disclosed in the financial statement, in order to ensure both transparency in the line items and a verifiable link between the reported figures, the underlying documentation, and operational practices.

This is essential to ensure consistency, auditability, and financial transparency over time.

Comments by the Secretary-General

Management accepts the recommendation and will update its process to ensure there is agreement between the various actors on roles and responsibilities and that the calculation of the actual costs incurred, charged, billed and recovered are well documented and monitored on a regular basis. Additional reviews of the calculation and posted amount will also be implemented to ensure the accounting for such transactions is fully accurate.

Hosting and tenancy agreements with: IPCC – GEO - HMEI

130) According to the information received, in 2024 active tenancy arrangements also exist with the following entities: GEO, IPCC, and HMEI.

131) The available documentation does not provide clear details on the actual application of charges in 2024, including the amounts concerned.

132) Furthermore, based on the analysis of the available documentation several issues have emerged concerning, in particular, HMEI and IPCC.

133) HMEI is a private-sector association representing the hydrometeorological industry and is not part of the United Nations system.

134) Its relationship with WMO is governed by a Hosting Agreement signed in 2023.

135) According to the relevant provisions, HMEI assists the WMO in maintaining a detailed repository of hydro-meteorological instruments and services on its website and encourages global standardization. Furthermore, HMEI supplies information for tenders and contributes both personnel and funding to WMO and organizes exhibitions through its member companies at WMO meetings.

136) In light of the above services, the agreement grants HMEI free of charge standard office furniture for a two-person occupancy, an inventory of the furniture and supplies, complimentary access to WMO's utilities, including water, electricity, and security and cleaning services, at no charge.

137) WMO retains the authority to modify the allocated space as it sees fit.

138) The contract specifies that any requests for additional services will be reimbursed by HMEI based on actual costs. WMO will provide an annual contract for these services, and HMEI is required to settle payments for WMO's ICT services within 30 days of receiving the invoice, in accordance with WMO's IT policies.

139) There is no indication of any valuation or accounting treatment of the in-kind support provided (e.g. office space, utilities, or services), nor of any formal agreement or defined terms regarding additional chargeable services.

140) A separate case, also raising regulatory and financial considerations, concerns the Intergovernmental Panel on Climate Change (IPCC), a joint initiative established by WMO and UNEP.

141) According to the available documentation, the institutional arrangement with WMO and IPCC is based on a Letter of Agreement signed in 1989, which outlines the provision of operational and administrative support by WMO.

142) The support provisions set out in Article 1 of this agreement are expressed in broad terms. While they mention to the allocation of staff, office space, and administrative assistance, such commitments are subject to the availability of resources and are not accompanied by specific financial, operational, or reporting frameworks. As a result, the arrangement lacks the level of precision and accountability expected under current regulatory and financial standards.

143) Specifically, the agreement, while foundational, is now considerably outdated and does not reflect current regulatory or financial standards. It lacks provisions for periodic review, registration as a legal instrument, or alignment with IPSAS accounting rules. Furthermore, it appears that the agreement was never formally classified under Chapter 12 of the Standing Instructions, raising compliance issues.

144) A different case is represented by the arrangement with the Group on Earth Observations (GEO), an intergovernmental initiative hosted by WMO under a formal Service Level Agreement which outlines the provision of administrative and logistical support.

145) While supported by multiple UN agencies, GEO is not formally part of the United Nations system.

146) The agreement in place with GEO provides a relatively structured financial framework—through partial cost recovery and annual review mechanisms—although some aspects, particularly the full traceability of charges, may still require attention.

Recommendation n. 6

We recommend that WMO undertake a comprehensive review of the arrangements currently in place with HMEI, IPCC and, in the case of GEO, a targeted review limited to the specific aspect outlined below, to ensure alignment with IPSAS standards, Standing Instructions, and external obligations.

Specifically:

With regard to HMEI, the Hosting Agreement should be reassessed to address the absence of cost recovery and the lack of valuation of in-kind support. Reputational safeguards, review clauses, and monitoring procedures should be introduced. It should also be clarified whether any costs have been charged to HMEI or whether the hosting has been entirely free of charge.

For IPCC, the 1989 Letter of Agreement requires substantial updating. The agreement should be formally classified under Chapter 12 of the Standing Instructions, and any in-kind contributions should be properly valued and disclosed in accordance with IPSAS 23. Provisions for periodic review and performance monitoring should also be introduced.

As for GEO, existing review mechanisms should be maintained, but the SLA could benefit from more detailed provisions on the use of resources and financial reporting. Annual charges—including rent and service fees—should be fully documented and traceable in WMO's financial statements.

Comments by the Secretary-General

Management agrees with the recommendations and will examine the arrangements in place with HMEI, IPCC and GEO to determine the updates required for these arrangements.

Expenses

147) Expenses totalled 112,422 kCHF, with an increase of 7,510 kCHF (+7.1%) as compared with 2023 (104,911 kCHF). These were composed of:

a) "Salaries and employee benefits", totalling 71,487 kCHF in 2024 and representing 63,5% of Total expenses; an increase of 5% compared to 2023 (they were 68,049 kCHF);

b) "Meetings and projects", an amount of 12,797 kCHF in 2024 (11.3% of Total expenses); they increased by 29,2% compared to 2023 (9,904 kCHF);

c) "Travel", totalling 7,253 kCHF in 2024; it was 6,4% of Total expenses, -18,27% compared to 2023, when it amounted to 8,875 kCHF;

d) "Supplies, consumable and other running costs", a total of 10,851 kCHF in 2024 (9.6% of Total expenses); they increased by 68,18% compared to 2023 (6,452 kCHF);

e) "Depreciation and amortization", 3,385 kCHF in 2024 (3% of Total expenses), a decrease of 21.5% compared to 2023 (4,315 kCHF);

f) "In-kind expenditure (services)", totalling 1,870 kCHF in 2024 – same as 2023 – representing 1.6% of Total expenditures;

g) "Finance costs", totalling 1,126 kCHF in 2024 (1% of Total expenditures), a 56.3% increase compared to 2023 (720 kCHF);

h) "Fellowships", an amount of 1,668 kCHF in 2024 (around 1.4% of Total expenditures); in 2023 they were 2,419 kCHF -31.4%);

i) “Other expenditures”, totalling 1,807 kCHF in 2024 (1,6% of Total expenditures), a 2.4% decrease compared to 2023 (1,852 kCHF);

j) “Movement in share of Net Assets/Equity of joint ventures and associates”, totalling -3 kCHF in 2024, +100.8% over 2023 (344 kCHF);

k) “Interest in joint ventures and associates”, totalling 181 kCHF in 2024, an increase of 63% compared to 2023 (111 kCHF).

Salaries and employee benefits

148) The WMO’s staff costs have increased since the last financial year, as shown in the table below. In the heading current expenditures “Salaries and employee benefits”, the cost item is aggregated and includes expenditure (salaries and benefits, allowances) for the Organization’s staff as well as for consultants.

			Variance	
Salaries and employee benefits	**2024**	**2023**	**kCHF**	**%**
Staff costs	60,098	57,879	2,219	3.83
Employee benefits	7,690	6,189	1,502	24.25
Consultancy and secondment costs	3,699	3,981	-283	-7
Total salaries and employee benefits	**71,487**	**68,049**	**3,438**	**5**

149) The following analysis focuses on the results of the audit of expenditure on staff only, while the analysis of expenditures related to consultants is presented in a separate section.

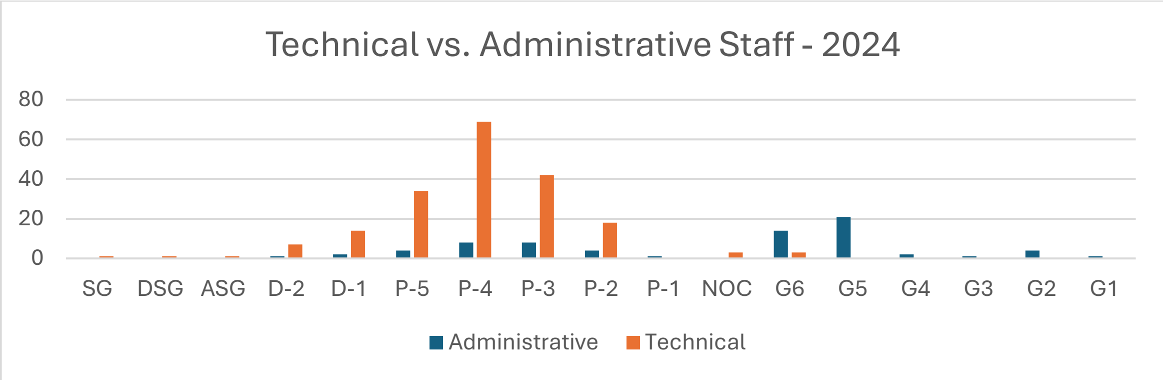
150) We have carried out our audit on payroll wages and the correctness of the payslip, selecting a sample for each category of staff and also for the benefits and allowances paid to the employees. No significant differences have been identified with respect to the Financial Statement presentation.

151) Our analysis involved further the detail’s type of cost reveals that the Staff and Benefits amount reflects the effect of the previous year's increase in salary absorption, combined in 2024 in particular with the vacant posts and the need to recruit project staff working at WMO.

152) A reform implemented by WMO starting from 2020. We are following up the effects of the reform over the years. The goals of the reform were to reduce the level

of administrative staff costs to allow for such savings to be redeployed to support investment in the technical departments.

153) The graph below shows Technical versus Administrative Staff, Professional and General service, at the 2024.



154) The current ratio of professionals, administrative versus scientific staff, highlights the predominance of the scientific part, based on data provided by the Organization.

155) We also continue to monitor the ratio between the new recruitments and the staff leaving the organization in order to assess the trend of the salary costs. In 2024 the personnel in force were 366, including the recruitment of 46 new staff members (9 internal nominations) while 27 left the organization as in the table below.

Leaving Reason	***Position and Step***									
	D2	D1	P5	P4	P3	P2	P1	GS 6	GS5	
Early retirement									2	*2*
End fixed-term		1	2	1		2				*6*
End of fixed-term as JPO			5							*5*
Resignation					2	2		1		*5*
End of Secondment					1					*1*
Retirement		1		2				1	1	*4*
Separation	1		2			1				*4*
Total								Total		**27**

156) The WMO’s rules (regulation 9.2 - rule 193.2) states a different calculation of the termination indemnity according to the type of contract (fixed or permanent) and the number of years with the organization.

157) For 2024, the change in staff resulted in an increase in professional staff salaries of approximately CHF 2.2 million, as shown in Note 6 to the Financial Statements, mainly related to additional professional staff funded by voluntary contributions.

158) An annual report on the status of human resources is provided, but the strategic human resources plan is not updated. The Organization has provided data on cost allocation and expenditure ceilings for staff and non-personnel costs for 2024, broken down by sector. In our view, the link with a multiannual strategic vision for human resources can be improved and should be strengthened.

159) In 2024 resulted an increase in recruitment and a decrease in expenditure on training and staff development from 412, 000 CHF in 2023 to 207,000 CHK in 2024.

160) The internal and external needs for staff change over time and the challenges WMO wants to face need to be supported. Investment in the regular updating of skills and employees ensures that staff can carry out their duties effectively.

161) Membership in the UN system is a significant potential to leverage the networks and capabilities of the UN common system and the global meteorological community for staff development at the WMO.

Recommendation n. 7

We recommend:

- strengthen the link with the availability of financial resources to reinforce the long-term strategic vision of human resources;

- continue to invest in human resources training, pragmatically evaluating the costs and benefits, where possible, including the possibility of doing so through greater participation in the United Nations system network.

Comments by the Secretary-General

Management accepts the recommendation. Management is in the process of drafting and adopting an HR strategy with clear regard to the available financial resources and the continued investment in HR training. The HR strategy will draw from expertise available to WMO through the United Nations and United Nations Human Resources network.

Consultancy and Secondment Costs

162) The management and administration of WMO's human resources encompasses both staff and non-staff personnel.

163) WMO engages consultants through Special Service Agreements (SSAs) for specific tasks requiring expertise not available within the regular staff structure. Consultants must be independent service providers, not staff members, with their work defined by clear Terms of Reference (ToRs) under the supervision of WMO officials.

164) For accounting purposes, the relevant costs are classified under the "Salaries and Employee Benefits" item.

165) Based on the analysis of the data included in the draft of the Financial Statements for the 2024 fiscal year (Note no. 6 – Expenses), these costs amounted to 3,699 kCHF, representing 5.17% of the total "salaries and employee benefits" (71,487 kCHF), in decrease compared to the previous fiscal year, where they represented 5.85% of the total.

166) In detail, the comparative analysis between 2023 and 2024 shows the following fluctuations across consultancy-related cost categories:

- Individual Consultants saw a 14% decrease.
- Institutional Consultants experienced a sharper 24% decrease.
- Consultant travel remained relatively stable, with a slight 4.3% decrease.
- Other Consultancy Services rose significantly, with an increase of 186.4%.
- Other Costs of Seconded Experts dropped by 60.5%.

CONSULTANTS Voice account		2024 (kCHF)	2023 (kCHF)	Variance
54001	Individual Consultants	3,126.80	3,626.45	-14%
54002	Institutional Consultants	85.86	112.71	-24%
54003	Consultant travel	61.72	64.5	-4%
54004	Other consultancy services	410.81	143.44	186%
53019	Other costs of seconded experts	13.59	34.4	-60%
Grand Total		3,698.78	3,880.49	-5%

167) Although these expenses represent a limited portion of total personnel costs, the criteria for the selection, assignment, and management of consultants are strategically important for WMO's objectives, especially in monitoring expenditures in terms of both quantity and quality.

168) To this end, two Service Notes were adopted in 2024. The first (No. 7/2024) came into effect in February, followed by the second (No. 15/2024) in April. Their aim was to improve transparency, competition, and value-for-money in consultancy contracts.

169) Specifically, Service Note No. 7/2024 introduces and clarifies the regulatory framework governing the use of consultants. Key provisions include:

- The distinction between consultants and staff (para. 4.6.2);
- The Principles underlying consultancy services (para. 4.6.7);
- The specification of service quality in relation to WMO's needs (para. 4.6.9);
- The requirement for advertisements to select consultants via the WMO website with clear evaluation criteria disclosed upfront (para. 4.6.10).

170) An important clarification was made in Service Note No. 15/2024, which explicitly links the duration of consultant engagements to the principle of best value for money. According to para. 4.6.33, extensions are only allowed if the original ToRs remain unchanged; any substantive changes require a new advertisement and selection cycle. Moreover, as already set forth by Service Note No. 15/2021, consultants may not be engaged for more than 24 months within a 36-month period, ensuring rotation and preventing dependency.

171) These provisions align with WMO's commitment to transparency, diversity, and operational efficiency, and are essential for maintaining integrity and accountability in the use of external expertise.

172) Many of these provisions also reflect general principles (such as transparency and competition) inherent to WMO's system, even prior to their explicit inclusion in the two most recent Service Notes.

Lack of Alignment in the Regulatory Framework

173) Based on the documents on record, the latest available version of the Standing Instructions – Chapter 4 – does not appear to be aligned with those Service Notes adopted in 2024. The most evident example, among the others, is paragraph 6.3.2 which, according to SN 7/2024, states that "*Consultants shall not also be engaged to carry out regular staff roles and responsibilities*", whereas the version of the Standing Instructions currently available to us still provides that Consultants "*may also be engaged to carry out regular staff roles and responsibilities to meet organizational exigencies*".

174) According to Chapter 1 of the Standing Instructions, internal regulatory instruments are organized hierarchically, with the Standing Instructions and Service Notes both serving as binding directives at Level 3. However, Service Notes are considered temporary instruments, as indicated in para. 1.2.21 of the Standing Instructions and must specify a defined period of validity (usually not exceeding one year). During this period, if a Service Note conflicts with a Standing Instruction, the Service Note prevails but only for the duration of its validity. In effect, a Service Note can override the Standing Instructions while it is in force, but once the Service Note expires (or after its one-year validity lapses), its provisions cease to have effect unless they are incorporated into a permanent document. This hierarchy ensures that short-term or urgent decisions (promulgated via Service Notes) do not permanently supersede the established procedures in Standing Instructions without formal integration.

Recommendation n. 8

We recommend that WMO formally update the Standing Instructions to incorporate the provisions introduced by Service Notes 7/2024 and 15/2024.

Comments by the Secretary-General

Management accepts the recommendation. The updated version of Standing Instruction, Chapter 4 (Human Resources), incorporating the provisions introduced by Services Notes 7/2024 and 15/2024 was completed and published in April 2025.

Best Value for Money

175) In light of the regulatory framework, the provisions related to payments remain overly broad and insufficiently defined. Para. 4.6.10 of the Standing Instructions, which remains unchanged in both Service Notes, states that consultants should be paid the "minimum amount necessary" to obtain the required services. However, this term lacks clarity, and there is no detailed methodology or benchmark to determine appropriate remuneration levels.

176) Furthermore, while advance payments of up to 25% are allowed, the criteria and approval requirements are not clearly defined. The reliance on subjective assessment of satisfactory completion without standard performance indicators may lead to inconsistent application and limited accountability.

Recommendation n. 9

We recommend that WMO adopt a structured, tiered authorization procedure, similar to the procedure applied to the procurement of goods and services. This should align authorization levels with specific financial thresholds, thereby enhancing control over the approval of consultancy contracts and payments. This approach would:

-strengthen internal financial oversight.

-promote consistency across departments.

-mitigate the risk of discretionary or non-transparent decision-making.

Comments by the Secretary-General

Management accepts the recommendation. The SSA authorization procedure will be brought closer in line with the procedure applicable to the procurement of goods and services. To achieve this, a new Service Note will be issued and Standing Instruction, Chapter 4 will be amended accordingly.

Discrepancy in Regional and Gender Balance

177) Service Note 7/2024 outlines the principles of equal regional opportunity and gender balance for consultants (para. 4.6.7).

178) As a result of the analysis carried out on the consultants listed in the file " "*SSA list from 010123 to 310125 - WMO only",* it appears that the geographical and gender balance have to be improved.

179) Specifically, the analysis of consultant distribution by Region revealed a concentration of contracts and financial resources in certain regions, particularly Europe, which accounts for 40% of all consultants and nearly 50% of total compensation. In contrast, other regions — notably Africa, Asia, and Latin America — are comparatively underrepresented.

180) Of the 245 consultants listed in the SSA file above mentioned, only 64 were women, representing 26.12% of the total headcount. Women received 26.33% of the total compensation. These figures indicate a persistent gender imbalance.

181) The underrepresentation of women is inconsistent with WMO's stated commitment to gender equity. Failure to address gender disparities may limit the Organization's ability to integrate diverse perspectives and diminish the impact of its consultancy work.

Recommendation n. 10

We recommend that WMO implement concrete measures to improve geographical balance in the selection and engagement of consultants, in line with the principle of equal regional opportunity. Specifically:

- strengthen outreach and communication targeting underrepresented regions.

- monitor and report regularly including to the Executive Council and Congress on the geographical distribution of consultants.

- incorporate geographical balance as a formal criterion in the consultancy shortlisting, recruitment and selection process.

Comments by the Secretary-General

Management accepts the recommendation. WMO will take measures aimed at the improvement of the geographical balance in the selection and engagement of consultants, in line with the principle of equal geographical opportunity. More importantly, geographical balance will be included as a formal criterion in the consultancy shortlisting, recruitment and selection process.

Recommendation n. 11

We recommend that the WMO strengthen the implementation of gender balance measures across all stages of the consultancy recruitment process.

Possible actions may include:

- introduce gender-sensitive criteria in consultancy vacancy notices.
- actively identify and encourage applications from qualified female candidates and ensure that, when candidates possess equivalent qualifications, gender balanced shortlists are established when selecting consultants for SSA contracts. Also ensure that selection panels have a gender balance.
- track and report regularly on gender representation among consultants.

Comments by the Secretary-General

Management accepts the recommendation. The recruitment and selection process will be enhanced as described in the recommendation. Management will also take measures to ensure that the selection panels have a gender balance.

Issues from the Analysis of selected samples

182) This section outlines the key issues identified during the audit of consultants selected for review. The sample was based on the following criteria:

- Volume: the number of contracts attributed to each consultant.
- Value: the total amount contractually agreed.

183) The analysis is based on the documentation provided by management and assesses compliance with the Standing Instructions and Service Notes 7/2024 and 15/2024, specifically concerning contract duration, selection procedures, evaluation forms, and performance monitoring.

184) In evaluating the issues, particular consideration was given to the effective date of the aforementioned Service Notes, especially in relation to the selection procedure (para 4.6.10 Advertisement) and to the limits on the use of amendments (para 4.6.33).

185) Several of the agreements analyzed were signed before the Service note entered into force.

186) Notwithstanding the above, from the analysis of the selected sample cases, systemic and structural issues have emerged. The first concerns the distinction between various categories of personnel within the organization.

Indistinct use of categories: Seconded experts, Consultants and short-staff

187) As part of this audit, it was found that one of the selected "Consultants" did not have an SSA contract on record. Following clarification from WMO Human Resources, it was confirmed that the professional is a seconded expert, and his name should not have been included in the SSA list. Furthermore, four additional seconded experts were also found listed under SSA, and one of them holds an actual SSA contract.

188) As the financial department clarify, the expert's costs are recorded under the short-term staff account despite his status as a seconded expert.

189) According to the information provided by management, there are three other seconded experts in a similar situation to the professional mentioned above.

190) This misclassification blurs the distinction between seconded experts and other non-staff categories, such as short-term staff and consultants. It undermines the accuracy of WMO's financial reporting and may lead to:

- Inconsistencies in categorization and accountability:
- Non-compliance with internal classification rules under the Standing Instructions.
- Inaccurate representation of the human resources structure and associated costs.

Former Staff Rehiring Practices

191) The SSA list includes 17 individuals explicitly identified from the management as former staff members. Two of them are a part of the selected sample. The engagement of these former staff members as SSAs raises concerns regarding the appropriate application of consultancy rules, particularly when these individuals are

re-engaged shortly after the end of their staff contracts or assigned duties similar to their previous roles.

192) From this situation several risks could arise, including:

- Potential circumvention of staff separation policies through consultancy arrangements;
- Unequal access to consultancy opportunities and absence of competitive procedures;
- Misalignment with WMO's stated commitment to fairness and transparency in consultant recruitment.

Recommendation n. 12

We recommend that WMO distinguish seconded experts from other staff and non-staff categories to safeguard transparency, auditability, and compliance with WMO's institutional framework. This may include:

- correcting the financial and administrative classification of seconded experts to ensure alignment with their legal status under LoAs;
- ensuring that their costs are excluded from short-term staff accounts and appropriately recorded in dedicated categories;
- reinforcing processes and providing staff training to prevent similar misclassifications in the future.

We also recommend that WMO improve the practical management of former staff re-engaged as consultants by implementing stricter internal controls to verify whether former staff are being re-engaged in roles similar to their previous posts. This may include:

- ensuring that any engagement of former staff follows a fully competitive and documented selection process, in line with current rules and fully respecting the six principles underlying consultancy services;
- maintaining clear records of transitions from staff to consultant status and monitoring role content to prevent improper continuity of regular staff roles and responsibilities.

Comments by the Secretary-General   Management accepts the recommendation. The administrative and financial classification of seconded experts and short-term staff will be revisited to ensure the required transparency and compliance with the institutional framework. Furthermore, internal controls will be enhanced to prevent that former staff are engaged in staff roles or are engaged in roles closely linked to their former roles and responsibilities as staff members.

Additional Observations on Consultant Management System

193) In addition to these issues, further concerns have been identified within the consultant management system. While the adoption of Service Notes 7/2024 and 15/2024 marks a positive shift toward enhanced governance, several active contracts — including those amended after the entry into force of the new rules — continue to reflect inconsistencies.

194) The key issues identified are described below.

Excessive Duration or Cumulative Assignments

195) Standing Instruction 4.6.20 imposes an explicit duration limit; this provision codifies a broader principle of sound administrative practice. It aims to prevent the prolonged and recurrent engagement of the same consultant, ensuring fairness, transparency, and proper rotation in consultancy roles, while taking into account the operational field of WMO and the skills and competencies required.

196) Therefore, cumulative contract durations, even those partially predating this rule, should be carefully examined for compliance.

197) In the audit, we found almost four cases of repeated contractual engagements even for years prior to 2019 (almost n. 4 selected consultants) and one of them dating back to 2013. Three of them continue to hold active consultancy contracts to date in light of the new rules on contract duration (24 months within any 36 month period).

198) The risks related to this issue include:

- The continuous use of the same consultant could circumvent the principle underlying paragraph 4.6.20 of Chapter 4, Standing Instructions.

- Potential breach of the 24-month limit within a 36-month rolling period (Standing Instructions 4.6.32);
- Circumvention of amendment procedures through fragmented contracting;
- Inconsistency with general principles of transparency, fairness, and competition embedded in WMO's governance framework;
- Circumventing of the rule that consultants shall not be engaged to carry out regular staff roles and responsibilities;
- Loss of institutional memory and audit traceability due to missing documentation.

Lack of Documented Competitive Selection

199) Before the entry into force of the above mentioned Service notes, some consultants were engaged or re-engaged without documented evidence of a comparative selection process, or based solely on previous assignments, with some instances indicating a potential circumvention of competitive procedures (e.g., the use of the same names, as seen in at least one case).

Missing or Incomplete Documentation

200) Almost all the samples analyzed lack conflict of interest declarations.

Amendments used to Extend or Modify Contracts

201) Post-April 2024 amendments for at least two consultants introduced new tasks without clear justification or a fresh selection process, which contradicts para. 4.6.33 of the Standing Instructions.

Potential Misalignment with Staff-Like Duties

202) One consultant appears to perform tasks potentially overlapping with staff roles, raising concerns under para. 4.6.2 regarding the distinction between consultants and staff.

Lack of Certified Performance Evaluations

203) In 9 out of 20 cases, the expected performance evaluation forms were missing for one or more relevant SSA contracts. It is important to note that performance monitoring is a general principle, not limited to formal completion. As per 4.6.24 of

Standing Instructions: "*The work and performance of a consultant shall be evaluated and monitored by the Hiring Department on a regular basis, as well as on completion of the assignment*."

Recommendation n. 13

We recommend, beyond the formal adoption of rules, WMO ensure substantive compliance with and monitoring of these rules, giving due consideration to the effectiveness of the selection process and the actual utility of the consultant's activities in relation to the needs of WMO, as well as the degree of satisfaction effectively delivered.

In this regard, particular attention must be given to ensuring the practical enforcement of adopted provisions (specifically Service Notes 7 and 15 of 2024), with a focus on:

- Contract Duration Limits: Ensure compliance with the established limits on contract duration by implementing stricter controls over contract renewals, extensions and amendments, particularly for consultants engaged over extended periods.

To ensure competitive selection and comply with the principles underlying the consultancy services, repeated use of the same consultant should be limited. For this purpose, appropriate tracking mechanism should be implemented to prevent unintentional breaches or administrative errors related to contract duration.

In cases of new amendments, a reassessment of the consultant's role, tasks, and the need for a new competitive selection process should be conducted and the repeated use of the same consultant should be limited to the time limits stipulated in the consultant policy;

- Certified Performance Evaluations: Enforce the submission of certified performance evaluations for all consultants, ensuring that these evaluations are conducted during and at the completion of each assignment, with proper documentation and signatures from all relevant parties. These evaluations should be registered in a central repository visible to the Executive Management and Directors as prescribed by SN No. 15/2024 (paragraph 4.6.38)

- Contract History Tracking: Update internal procedures to comprehensively track each consultant's contract history, ensuring that all amendments, contract durations, extensions and assigned tasks are clearly recorded and monitored. This will enhance transparency, accountability, and alignment with WMO's operational needs.

Comments by the Secretary-General

Management accepts the recommendation. Management will discourage managers from the continuous use of the same consultant. Management will enhance the use of the central repository to contain all signed and certified performance evaluations and keep track of the SSA contracts.

Implementation of the Quantum ERP

204) During the 2023 – 2024 biennium, the implementation of the new ERP system, named "Quantum", was initiated and the implementation project will be completed during 2025; the payments made in relation to this project during the period 2023-2024 amount to a total of 4,121 kCHF, of which 3,061 kCHF were paid to UNDP (value in kUSD: 3,596), and 1,060 kCHF were paid for other expenses. The cost for completing the project in 2025 is estimated at approximately 1,700 kCHF, including 1,000 kCHF for UNDP and 700 kCHF for other costs.

205) Payments to UNDP are made in advance in settlement of invoices issued by UNDP to WMO on estimated costs; subsequent invoices are adjusted for actual costs incurred, taking into account that UNDP charges WMO a cost-recovery fee, which reflects actual expenditure incurred by UNDP.

206) The cost has two components. The first one is related to UNDP resources that are shared across various partner agencies. The percentage allocation and cost of UNDP resources assigned to the WMO project are invoiced based on the pre-agreed distribution and calculated according to UNDP proforma rates. The second component consists of costs for Infosys (the system integrator) resources, which are charged by UNDP to WMO based on actual costs incurred by UNDP. Daily timesheets are maintained for all UNDP-managed resources (both UNDP and Infosys). After the the end of each quarter, any deviations from the estimated costs are adjusted in the next quarter’s invoice.

207) As a result of the said mechanism, which involves advance payments that are then offset by the actual cost of the services rendered, the first invoice paid in 2023, before the start of the project, was recorded under prepaid expenses for the amount

of 572,401 kCHF; (see Note 3.5) subsequent payments have been recorded initially as prepayments and then expensed as costs related to non-capitalized IT services, as explained in Note 6 to the Financial Statements.

208) As for the operational costs of the ongoing project, the operational cost for the legacy ERP amounted to 560 kCHF including licences, hosting, technical support and change requests. The initial estimate based on UNDP's initial SLAs amounted to 112 kCHF including licences, integration and data warehousing. However, this estimate was a high-level estimate without consideration of certain other items such as additional licenses, support and change requests. As such, the management represented that they expect the overall operational costs for Quantum to be 200 kCHF with an additional 100-150 kCHF to support substantive change requests and other specific requests in the initial phases of stabilization and usage of Quantum.

209) Regarding the implementation process of the new ERP system and the overall governance of the project, developments up to June 2024 were analysed by the Internal Oversight Office (ERP Implementation – Mid Term Report), to which reference is made. After the drafting of this report, in October 2024, the Service Level Agreement (SLA) was signed with UNDP, according to the template attached to the Memorandum of Understanding (MoU) dated July 2023; the SLA is retroactively effective from January 2023 while the SLA based costs are being charged by UNDP from September 2024; the agreement will end according to the provisions of Article 6 of the MoU.

210) With reference to the MOU and the SLA, we understood that the decision to adopt the collaborative model of interagency working, which is not a traditional buyer-supplier relationship, may limit the accountability of UNDP to WMO; however, we consider necessary to draw the Organization's attention to certain aspects that should be subject to further negotiations with UNDP.

211) Firstly, we point out that there is a potential for cost overrun, due to the project being executed on a cost recovery model; however, neither the SLA nor the MoU provide for a contractual cap on the project cost, aimed at mitigating this risk.

212) Secondly, it must be observed that the preservation of the records and their access in the new Quantum system is not regulated, with reference to the case of termination of the agreement.

213) Finally, no audit clause is provided for in the agreements, which allows the external (and the internal) auditor to carry out its work (e.g., the IT General Controls). In this regard, we are not sure that the Board of Auditor of the United Nations, which is responsible of the external audit of the UNDP, will agree to broaden the scope of its audit to provide the necessary assurance to the external auditors of the agencies (not audited by the Board itself) to which UNDP provides its ERP services.

Recommendation n. 14

We recommend that management should initiate negotiations with UNDP in order to introduce cost containment measures in the contract, including a cap on costs, and, if necessary, also determine the maximum percentage of indirect administrative costs of UNDP to be charged to WMO.

Comments by the Secretary-General

Management accepts the recommendation to initiate discussions with UNDP regarding the current Memorandum of Understanding. Should the negotiations with UNDP regarding cost caps be unsuccessful, WMO will continue utilizing a strong monitoring process through a) engagement with the Quantum Steering Committee to enable forecasting and input on the costs that are deemed ‘shareable’ to the Quantum Partners b) continuing and increasing the rigorous cost forecast and monitoring processes and c) prioritization of requests by WMO for modification of Quantum functionalities.

Recommendation n. 15

We recommend that management should initiate negotiations with UNDP in order to introduce a clause in the MoU that preserves WMO's right to access and retain its records in the event of termination of the agreement with UNDP.

Comments by the Secretary-General

Management accepts the recommendation to initiate discussions with UNDP regarding the current Memorandum of Understanding with respect to ensuring the right to access and retain relevant records in the event of termination of the partnership with UNDP.

Recommendation n. 16

We recommend that management should initiate negotiations with UNDP to ensure that the assurance over the internal controls relied upon by WMO can be obtained and can be supported both within WMO and to WMO's oversight mechanisms. This could be accomplished through different mechanisms including, but not limited to (a) having UNDP engaging an external entity to provide an annual, independent, detailed report on the design and effectiveness of the internal controls being relied upon by WMO, (b) adding a clause to the SLA and/or the MoU, which would allow both external and internal auditors to carry out their audit work, for example by providing direct access to the areas of the ERP related to the management of WMO data and to the services provided to WMO, or c) other such mechanisms.

Comments by the Secretary-General

Management accepts the recommendation and has already initiated these discussions. WMO has already requested, and is actively pushing, UNDP to ensure there is transparency with respect to the internal controls that are relied upon by partner organizations – particularly related to the IT general controls over the Quantum environment and payroll processing, which have been outsourced to UNDP in connection with the implementation of Quantum.

Travel

Overview of Travel Services and Organizational Changes

214) From 19 July 2024, following the issuance of the Service Note 17/2024, WMO Travel Services underwent significant organizational changes. These services, moved from the Linguistic, Conferences and Facilities Division, are now managed under the

Administration Division, which also oversees Human Resources and Procurement and Contract Management sections. The division is headed by a Director (D-1), who reports to the Senior Director (D-2) of the GS Department. The composition of the travel services team currently includes three Travel Assistants (two G5 and one G6) who are managed by a Procurement Officer (P-3) since 20 September 2024, . One of the G5 Travel Assistant was hired on 01 October 2024.

215) A second key factor in the change process was the transition to the new ERP system and UNall, which has been fully operational as of January 20, 2025.

216) A third key factor is that the requisitions are not prepared by the Travel Unit, but by the travel focal points in the requesting departments and the payment aspects related to the travel services fall under the authority of the Finance Section managed by the Chief of Finance (P5) who is supervised by the Controller (D1).

Travel Expenses – Analysis for 2024

217) In 2024, the total travel expenses amounted to 7,253 kCHF and represented the 6,4% of total expenses, reflecting a decrease of 18,27% (-1,622 kCHF) compared to 2023, when these amounted to 8,875 kCHF.

218) The utilization of travel expenses for 2024 is outlined as follows: 43% of these to extrabudgetary-funded project-related travel, 33% to participant and expert travel funded by the regular budget, and 24% to staff travel, which was also funded by the regular budget. The total expenditure for staff-related travel amounted to 2,872 kCHF, while travel expenses for permanent representatives of the WMO totaled 340 kCHF; expenditures for other third parties reached 4,041 kCHF, with a reduction of 10.43% compared to the previous year.

Third-Party Travelers

219) Our analysis found that WMO, as a matter of policy, provides a 100% advance of the DSA to third-party travellers, in line with Standing Instruction 6.2.68. This practice may lead to difficulties, particularly regarding the recovery of advance payments when the mission is altered or cancelled. Moreover, adjustments in the travel dates between initial DSA PO and the issuance of the ticket also may result in money "due to WMO", if the DSA has already been paid.

220) Whereas in the case of employees, advance payments may be recovered through their salaries, difficulties may arise in the case of third parties.

221) In cases where mission details change (e.g. mission cancellation or reduction in duration), the Travel Unit prepares a request detailing the amount to be recovered, which is then forwarded to the Finance Section, which maintains a "Due to WMO" list.

222) As of 31 December 2024, the total "Due to WMO" amount to be recovered was 395,472 CHF, composed as follows by 66,563 CHF for 2024, 117,887 CHF for 2023 and the remaining 211,024 CHF for amounts due between 2005 and 2022. Of the total amount due, 34,955.70 CHF worth of travel-related amounts were written off in FS 2024, mainly due to transactions occurring from 2017 to 2022.

223) The recovery worksheet, which includes data from 2005, shows that there is room for improvement.

224) In that respect, in order to strengthen the system, since May 2024, the "Due to WMO" list has been posted on the intranet (the "HUB") and made available to all departments. The "online library", as it was called, contained all the details of the "Due to WMO " amounts related to external travellers who had received an advance for their attendance at a meeting. In this way, requesting departments are required to verify if there are any amounts to be recovered before making a payment to third parties, in order to allow for the necessary compensations

225) Moreover, during our review we noted that invoices for small amounts were rare. The Travel Unit and Finance Section have confirmed that no credit or debit note has been issued for less than CHF 50, so no amount is credited or debited below this threshold.

Recommendation n. 17

We recommend that WMO, in line with its review of the Travel Standing Instructions, streamline the process for recovery of DSA to identify potential efficiencies to be implemented and at the same time limiting those situations such as DSA recalculations that occur on a large scale. Furthermore, an analysis, including review of best practices within the UN, should be undertaken to assess the effectiveness of the current practice of providing 100% advances for DSA considering the frequency of DSA recalculations and the volume of unpaid dues that may arise.

Comments by the Secretary-General

Management accepts the recommendation and will consider, within the review of the Travel Standing Instruction, the streamlining of the process of recovery of DSA to identify potential efficiencies including DSA recalculations. Management will also undertake a review of best practices within the UN system in relation to the 100% advances for the DSA.

Recommendation n. 18

We recommend extending the recovery process by implementing an automatic block in the system or setting up an alert to notify travel preparers and finance officers at the start of the process. This will help track outstanding amounts owed to third parties, reduce overdue payments, and prevent further unnecessary disbursements.

Comments by the Secretary-General

Management accepts the recommendation. The new system, Quantum/UNALL, has an automated control related to newly created transactions such that it will automatically block any payment of DSA if there are two outstanding expense claims (more than 60 days) related to travel request initially made in UNALL. In addition to this, WMO will consider the possibility of implementing, as part of UNALL, the automatic block in the system taking into consideration outstanding travel claims made in the prior system.

Procurement

Lack of strategy on sustainable procurement (SP) Amend the Standing Instructions related to procurement to provide proper guidance on LTAs, piggyback purchasing procedures and mini-bids in order to ensure procurement staff adequate insight as well as compliance with the applicable rules

226) During the audit, we noted that WMO currently practices piggybacking on contracts awarded by other UN agencies, applying the exception to the use of formal solicitation methods, as outlined in FRR 113.17 (a) and 113.18 under UN Cooperation.

227) According to Rule 113.18, such cooperation may include carrying out common procurement actions together, the Organization entering into a contract relying on a procurement decision of another UN Organization or requesting another UN Organization to carry out procurement activities on behalf of the Organization.

228) In the sampled cases, the procedure applied for piggybacking was the use of a mini-bid procedure (or secondary bidding) among suppliers who are part of an LTA with another UN Organization.

229) Our audit covered a number of POs, including without limitation the following: PO 275095, PO 272131, PO 279322.

230) Despite the different circumstances, in the procurement exercises leading to the issuance of the above POs, PCM sought – sometimes unsuccessfully - to procure the relevant goods or services by resorting to a form of collaborative procurement known as piggybacking. We also found that on several occasions minibid procedures were held even although there is no guidance nor operational instructions on such matters in WMO regulatory framework.

231) We are of the opinion that proper guidance on LTAs, piggybacking, mini-bids and further related subjects is essential to ensure that procurement exercises are conducted in compliance with all the applicable rules. PCM should ensure that its staff has a sound understanding of any such matters and can rely on written guidance whenever needed.

Recommendation n. 19

We recommend that the knowledge gap in Chapter 10 of the current Standing Instructions (SI) be addressed promptly. Specifically, we recommend amending the

SI to include proper guidance on the subject matters of LTAs, piggybacking, mini-bids and further forms of collaborative procurement.

Additionally, we recommend that WMO give attention to the potential impact on competition associated with mini-bid procedures. Careful consideration is necessary to ensure that the benefits of mini-bids outweigh any possible limitations on competition.

Comments by the Secretary-General

Management accepts the recommendation and will review Chapter 10, Standing Instructions to include guidance on the subject matters of LTAs, piggybacking, mini-bids and further forms of collaboration. This will be done taking into account the mutual recognition principle recommended by the JIU.

Raise awareness and arrange training on how to integrate sustainability considerations into procurement exercises whenever possible.

Update the Standing Instructions by including guidance on SP implementation.

232) The evidence collected has not shown instances of incorporation of SP consideration into LVP exercises and into tenders conducted pursuant to FRR 113.17 (exceptions to competition).

233) We understand that the integration of sustainability factors into LVPs could be burdensome by requiring additional time, causing uncertainty and thus not always reflect the specific Organization needs. Moreover, we note that the implementation of SP is meant to be proportionate to the scale and likely impact of the goods, services or works being procured.

234) We further note that the inclusion of SP considerations could not be possible in certain procurement exercises conducted pursuant to FRR 113.17 (exceptions to competition) due to the requirement context (e.g. monopoly, standardization, exigency etc.) or to the applicable rules (e.g. the ban to new evaluations stemming from the mutual recognition principle).

235) Yet, we are of the view that - whenever feasible - sustainability should be promoted and integrated throughout the entire procurement cycle, and that all WMO

personnel involved in procurement and related activities should consider SP to the largest extent possible within the context of their work, the duty station, the industry sector and the supply market.

Recommendation n. 20

We recommend that appropriate training of the authorized personnel in each WMO Department is arranged to raise awareness on the WMO engagement on SP, and thus increase the likelihood that due considerations is given to SP considerations in LVP exercises whenever practicable.

We further recommend that the PCM Section organizes annual training sessions on SP to build the Requisitioners' capacity, develop a SP culture and strengthen cooperation between the PCM Section and Requisitioners. We are of the opinion that the collaboration of all WMO units and roles involved in procurement activities is indispensable for the incremental and proper implementation of SP, and therefore, any such units and staff are required to be educated on SP and cooperate accordingly.

Comments by the Secretary-General

This recommendation aligns with broader discussions taking place within the UN common system concerning sustainable procurement and reflects concerns raised by Member States. However, in the absence of an intergovernmental agreed position on this matter, WMO takes note of this recommendation and will continue to monitor developments on the topic.

Recommendation n. 21

We recommend that the Standing Instructions related to procurement should include guidance on the implementation of SP and appropriate instructions on how sustainability could be promoted - when feasible - in tenders conducted pursuant to FRR 113.17 (exceptions to competition). This could be achieved by clarifying that – although most procurement exercise based on FRR 113.17 (exceptions to competition) do not allow for the inclusion of novel evaluation criteria, due considerations to SP factors should be given if/when possible. This includes instances of piggybacking and in particular of Multiple Vendors LTAs. Indeed, if WMO establishes multiple LTAs with different vendors for the same goods or services, when the need arises, purchase orders could be issued to the LTA Vendor with proven records of social and environmental responsibility or showing some regard for environmental and/or social matters.

Comments by the Secretary-General

This recommendation aligns with broader discussions taking place within the UN common system concerning sustainable procurement and reflects concerns raised by Member States. However, in the absence of an intergovernmental agreed position on this matter, WMO takes note of this recommendation and will continue to monitor developments on the topic.

Enhancing Supplier Collaboration and Optimizing Supply Chain through Survey Templates in High-Value Procurements

236) During the audit, we found that, for PO 275876, a Request for Quotation was posted on the UNGM along with an invitation email sent to a list of potential suppliers (three companies suggested by the internal client). By the deadline for submission of the offers, PCM had received only one offer from a vendor (who had received the invitation of the RFP). PCM did not receive any feedback from the other suppliers that were invited.

237) We are of the opinion that when – like in the case at issue - the vendor community shows very limited interest in WMO procurement exercises, seeking input from suppliers can help gain insight on the suppliers' perception of the WMO procurement opportunities as well as on the market at large.

238) This could be done by circulating suppliers' surveys. Supplier surveys could yield multiple benefits to WMO such as identifying perceived hurdles in WMO procurement (e.g. requirement to accept WMO Terms and Conditions, payment terms etc.) as well as fostering open communication and strengthening the bond between WMO and suppliers.

239) We understand that suppliers may not answer the surveys and even misinterpret the questions. Moreover, drafting, circulating and analyzing suppliers' surveys can be time-consuming and, therefore, could not be made invariably in all instances of poor vendor community participation.

Recommendation n. 22

We recommend that – when the procurement at issue a) is of considerable value (i.e. above the threshold for formal tenders) and b) WMO tenders exercise have resulted in one or two offers only, and c) there are not market conditions – known to WMO - justifying such poor suppliers' interest – potential suppliers are sent surveys template. We are of the opinion that – although some suppliers may not always answer or provide accurate feedback - the use of such surveys could enhance supplier relationships and optimize the supply chain.

Comments by the Secretary-General

Management accepts the recommendation and will develop supplier surveys provided the following three conditions are met: (1) for procurements above the procurement threshold for formal tenders (2) if the tender exercise has resulted in one or two offers only and (3) the market conditions do not justify such poor response.

Improve the definition of the Technical Specifications ("TS") to enable Suppliers to better meet WMO requirements and to streamline the procurement process

240) During the audit, we noticed that, for PO 277285, related to the procurement of hardware, software, and delivery and implementation services, an RFQ was launched with a projected expenditure set at CHF 22,000. The RFQ was published on UNGM, and three potential vendors received direct invitations. By the bid due date, WMO received three offers (one from the invited vendors).

241) By conducting a thorough assessment of the whole procurement file and in particular by perusing Annex A thereof (i.e. the evaluation matrix), we found that only one Vendor had resulted technically compliant. We also learnt that - after the evaluation of all the offers – PCM had requested the compliant Vendor to present a revised offer (technical and financial), because its previous offer exceeded WMO

specific needs for one item, which could be met by a technically compliant but less expensive one. Consequently, the Vendor submitted a revised offer – being lower in price but still technically compliant – and PCM and the Services Department, therefore, concluded that the offer submitted by the Vendor–should be retained for offering the best value for money to the Organization.

242) In our opinion this case suggests sub-optimal definition of the Technical Specifications (TS) being set, and consequently an undue protraction of the procurement exercise at hand.

243) We note that TS are essential to ensure that suppliers meet WMO specific requirements in a given procurement exercise.

244) We further note that, in general, defining TS may be challenging because - on the one hand - TS must not be too specific (e.g. indicate brands) to avoid restricting competition. On the other hand, if TS are too generic, they pose the risk of being misinterpreted by Suppliers.

245) However, we are of the opinion that all reasonable efforts should be made to develop TS that fully satisfy the requirements without restricting competition.

246) Indeed, improving the definition of the TS would yield multiple benefits. Firstly, clear TS would obviate the perils of misunderstandings by suppliers, who may therefore be more able to offer goods/services better serving the Organization needs. Secondly, clearer and more precise TS can contribute to make the evaluation process more objective and transparent. Finally, improving the definition of the TS would streamline the procurement process by avoiding the need to ask suppliers for revised offers.

Recommendation n. 23

We recommend that all reasonable endeavours are made to ensure that TS are clear, precise and tailored to the case at hand without restricting competition.

This might be achieved by conducting a thorough assessment of the needs that WMO seeks to satisfy through the relevant procurement exercise and by an accurate double check that such needs are indeed clearly and fully reflected in the TS.

We recommend that the requisitioning department should draft and proofread the TS to ensure clarity, completeness and accuracy before the bidding process is launched by PCM.

Comments by the Secretary-General

Management accepts the recommendation and will revise Chapter 10 (Procurement) to formalize the role and responsibilities of the requisitioning department into the TS part of procurement process.

Statement of changes in net assets for the year ended 31 December 2024

247) Statement III, "Statement of changes in net assets", shows movements during the year, ending in a balance of -54,758 kCHF as of 31 December 2024.

248) Our audit conclusions on the net assets are noted in the paragraphs related to "Employee Benefits".

Statement of cash flow

249) The Statement of cash flow identifies the sources of cash inflows, the items on which cash was spent during the reporting period, and the cash balance as at the reporting date.

250) In 2024, the WMO reported a net decrease of -3,277 kCHF deriving from cash flows of all activities, with a decrease over the figure shown in 2023, when it was 12,761 kCHF.

251) Net cash flows from operating activities (-870 kCHF) showed a negative variation compared to 2023 (15,563 kCHF); net cash flows from investing activities showed an amount of -930 kCHF (in 2023 it was -1,325 kCHF); net cash flows from financing activities amounted to the same value as 2023 (-1,477 kCHF).

Statement of comparison of budget and actual amounts

252) Statement V "Comparison of budget and actual amounts for the twelve months ending 31 December 2024" is provided in accordance with IPSAS 24, which requires that this comparison, arising from execution of the budget itself, should be included in the Financial Statements. This Standard also envisages the disclosure of the reasons

for the material differences between the budget and actual amounts. Further details concerning Statement V, including a reconciliation of the expenditures of the approved Regular Budget on a budgetary basis to the expenses of WMO that comprise the General Fund Group, are provided in Note 7 to the Financial Statements.

Events after reporting date

253) According to Note 13 of the Financial Statements (Events After Reporting Date), on 20 January 2025, a member State announced a temporary suspension of a significant amount of foreign aid. As this event occurred after the reporting date, it has been classified as a non-adjusting event under IPSAS, and no adjustments have been made to the financial statements.

On 28 February 2025, the same State informed WMO that the agreement related to the voluntary contribution receivable has been terminated.

254) WMO does not consider the current situation to cause a question as to the organization's ability to continue as a going concern; however, the Secretariat is contacting Members with unpaid dues to ensure timely payment of arrears and the 2025 assessment to maintain liquidity. Additionally, the Secretariat is exploring mitigation measures to secure funding for 2025 and beyond, which may affect the delivery of the approved programs and activities for 2025.

255) We acknowledge the statement made by the WMO and, in the limit of our mandate, will monitor the measures that the WMO Secretariat will undertake in light of the evolving situation.

The system of internal controls

256) In the findings from our previous reports (2021, 2022 and 2023), as well as in the WMO Audit and Oversight Committee (hereinafter also "AOC") session report of the 40th Meeting held on 01–03 May 2023 and in the Joint Inspection Unit (JIU) report n. 2021/01, a decrease in clarity of accountability and responsibility was noted, following the Secretariat restructuring in 2020, especially in respect of the second-line functions. JIU highlighted that "*the location and/or the reporting lines of the Legal Counsel, the Risk Officer (namely the current Risk and Quality Management Officer), the Evaluation Officer (namely the current Head of the Monitoring, Evaluation, Risk and*

Performance Unit) and the Controller are not in line with their respective duties and responsibilities, which should be properly addressed."

257) The inspectors also issued two recommendations: "*The Controller's Office should be separated from the Cabinet Office and the Controller should report directly to the Assistant Secretary-General*"; besides, JIU recommended that "*the task of keeping a central repository of all management overrides be added to the terms of reference of the Controller*".

258) Even our predecessors, the SFAO, in their report on FS 2019, dealt with the (then newly established) controller function; in this regard, they issued the recommendation n. 3/2020, generally linked to the strengthening of the second line.

259) Through our recommendation n. 21/2021, we recommended "*that Director IOO should also carry out a regular assessment of the Office of the Controller, to check if resources, both financial and human, are adequate to fulfil its tasks*".

260) On 20 April 2023, we received from Management the Service Note n. 10/2023, which shared among different units all the tasks previously assigned to the Controller with the Service Note 30/2020, abolishing the Controller's Office. We took note of the new provision, but we considered an added value enhancing the independence of the function and concentrating on the monitoring and risk assessment to one unit with no operational tasks. So, with recommendation n. 17/2022, we recommended that:

a) Controller's office should be restored, in order to have a unit with no operational tasks;

b) recommendations of JIU linked to the Controller function should be promptly implemented, in order not only to establish the correct reporting line of the Controller but also to strengthen the second line, with a cross-cutting monitoring activity;

c) in line with the above and in line also with our recommendation n. 21/2022, the reports to be issued on a regular basis by the Controller should be part of the assessment that the Internal Oversight Office should carry out on the Controller's function.

261) In our last report, on FS 2023, we highlighted the importance of setting up a comprehensive internal control and accountability framework, in order to enhance

accountability, by defining clear roles and responsibilities for different WMO functions and to allocate them to different offices and persons in such a way that a clear distinction and effective segregation between the three lines of defence is ensured (recommendation n. 4/2023).

262) For the purpose of completeness, we highlight that, during its forty-first session, the Audit and Oversight Committee (AOC) also recommended to the newly appointed Secretary General to consider increasing the resources of the IOO and to avoid any potential conflict of interest that could jeopardise the perceived impartiality and objectivity of the IOO, as well as to reinstate the position of Controller in support of the strengthening of the internal control system and the forthcoming ERP.

263) On 19 July 2024, Service Note 17/2024, "Realignment of Certain Functions and Organizational Units," was issued. This made several adjustments, including the creation of a Controller and Management Services Division, which consists of three sections: Audit Coordination and Internal Controls, Finance and Budget, and Corporate IT. The division is headed by a D1-level controller; the role was filled as of 1 November 2024.

264) As a result, the Internal Oversight Office (IOO) no longer manages the coordination of overall audit functions, and there has been a redistribution of responsibilities between IOO and the new division: oversight coordination between management and the oversight bodies, previously assigned to the IOO, is reassigned to the Controller and Management Services Division, while the IOO focuses exclusively on third line defence functions, including responsibility for independent evaluation.

265) At the same time, Chief of Staff functions from the former CSG were reduced and rationalized, with responsibilities limited to the UN office in New York and the SG Coordination Unit; the reporting lines of several offices (e.g., strategic communications and monitoring) were moved to the ASG to support the three lines of defence model.

266) The issue at hand is that, as per both the JIU and our own recommendation, the controller should be part of the second line of defence, focusing on non-operational

functions—particularly assisting the ASG with monitoring, internal control, guidelines preparation, and risk management. However, upon reviewing the job description for the newly appointed controller, we noted that in addition to what we consider to be typical controller duties, the position includes several operational responsibilities (such as points g, h, j, k, l, m, o) and a catch-all point (q) allowing the controller to take on additional duties as required.

267) Furthermore, the Service Note 2025/07, amendment to the financial rules, shows that the controller is expected to assume several roles previously assigned to the Director of the Governance Services Department, a position which is being abolished at the retirement of the current incumbent, including managerial and operational tasks. Notably, the controller will now have authority over previous ASG functions, determining which banks should hold the organization's funds, authorizing their opening and closing of bank accounts, approving exceptions to withdrawal and payment instructions, and more. These significant authorities seem to exceed what we interpret to be typically expected from a controller positioned in the second line of defence.

268) Interestingly, the functions of UN controllers, particularly in financial matters, are quite similar to those now proposed for this position, which suggests that the structure is based on similar models within the UN system.

269) It is important to highlight that, according to the new "three-lines model" adopted by the Institute of Internal Auditors (IIA) in 2020, the distinction between the first and second lines has sometimes become less evident. The updated model recognizes that first and second-line roles may be blended, and second-line roles can include areas like compliance, internal control, risk management, and quality assurance. The language of "defence lines" is no longer emphasized, and all roles are understood to operate concurrently. Still, second-line roles must focus on complementary activities, aimed primarily at mitigating risks.

270) Nonetheless, at the same time, we underline that the new Controller, as defined by Service Notes 2024/17 and 2025/07, does not cover the area of risk management, which remains under the responsibility of the PFPO, while, for IT sector, Controller's

responsibilities cover the entire Corporate IT area and not only the IT security aspects.

271) Considering the above, recommendation no. 21/2021 can be closed, as the Controller's position will be assessed by the IOO, which has included this activity in its 2026 work program.

272) Otherwise, recommendation no. 4/2023 remains open, pending the completion of the reorganization initiated by Service Notes 2024/17 and 2025/07, which will include a review of the Standing Instructions and the internal control framework, as well as the implementation of the new ERP.

273) As for recommendation no. 3/2019, issued by SFAO, and our recommendation no. 17/2022, we consider them to be superseded by the new reorganization. However, in our opinion, the issues related to role distinctions and duty allocation seem to be not yet fully addressed, because the Controller, as configured by Service Notes 2024/17 and 2015/07, now covers different operational and authorization roles that could potentially overlap each other, as well as functions that could potentially be performed by other entities within the Organisation. This will have to be verified following the concrete application of the two Service Notes; however, an assessment of their extent and impact is still premature at this stage, considering that they have not yet fully entered into force.

Recommendation n. 24

We recommend that WMO ensure, with appropriate documentation, the set-up of the Controller function has a clear distinction and an effective separation among its different roles and duties, avoiding potential overlaps of responsibility, while supporting the alignment of the Controller's role with its positioning within the second line.

Comments by the Secretary-General

WMO has continued to improve its overall internal control framework and processes and a key component of this was the creation of the Controller role and function. WMO Management has designed the Controller function to align with internal control best practices, including with clear segregation of duties and in alignment with established internal control frameworks. The Controller holds a formal second-line oversight role within the Three Lines model, without involvement in transactional (first line) responsibilities, which preserves independence from operational activities. Additionally, each unit under the Controller is led by a Chief, ensuring distinct lines of authority without overlaps in responsibility. WMO will monitor the effectiveness of the Controller function and ensure continuous improvement as needed.

274) At the same time, we will continue to further examine the practical application of the updated Financial Rules.

275) Furthermore, we noted that a centralized exceptions register for the entire management has not yet been implemented, despite the recommendation made by the JIU in 2021. Therefore, we recommend the following.

Recommendation n. 25

We recommend that, leveraging the potential of the new ERP system and other relevant tools, a centralized exception register be created, with an appropriate definition of the exceptions to be tracked and with continuous updates ensured.

Comments by the Secretary-General

Management accepts the recommendation and will review the policy and process related to the tracking and monitoring of management exceptions.

IT general controls

276) Analysing the WMO IT environment, and in accordance with the principal standards related to IT Audit, we defined the IT general controls (ITGC) perimeter of analysis. Therefore, we examined: the Oracle E-Business Suite application, WMO ERP system; the Active Directory (AD), which is required to connect with the Oracle E Business Suite application; the Oracle E-Business Suite application database (Oracle SQL Version 19.2.1) and the related operation system (Oracle Linux Version 7.9). The Oracle E-Business Suite application, database and operation system are hosted as an "Application as a Service" by the United Nations International Computing Centre

(hereafter UNICC), while the Active Directory (AD) service is outsourced by Microsoft Azure (cloud service provider); the services offered by both service providers are certified by ISAE3402 (UNICC) and SOC 1 Type II Report (Microsoft). Both reports have been prepared in accordance with AICPA and ISAE on Standards.

Approach and methodology

277) Our fieldwork steps to assess the design and operating effectiveness of the Organization's controls, as they address the Organization's IT and business process risks, include the following:

- Key personnel interviews to understand the IT environment.
- Independent walkthrough procedures to assess the design of the organization's IT controls.
- Test performing, to assess the operating effectiveness of the organization's IT controls.
- Review and evaluation of the Service Organization Controls reports (SOC 1 type II and ISAE 3402) related to UNICC and Microsoft for 2024, relevant to the audit.
- The IT audit approach used is composed of the following main activities:
- Identification of relevant IT systems by understanding their nature and underlying technology.
- Understanding and documenting the IT processes and risks for the IT relevant application (Oracle E Business Suite) and the related infrastructure (Active Directory, Database and Operating System).
- Execute IT General Control activities on Active Directory, Application, Database and Operating System layers covering IT Risks.
- Evaluate the Service Organization Control reports relevant for 2024 audit.
- In particular, the tests of ITGCs were designed and performed to address the potential risks within the IT processes:
- Manage Change: controls aimed at ensuring that changes to systems are appropriate, responsive to business needs, and properly authorized and tested before they are implemented;

- Manage Access: controls aimed at ensuring that only authorized users with appropriate roles/profiles to perform activities under their purview have access to systems;
- Manage IT Operations: controls aimed at ensuring a reliable processing environment and management of routine operational problems resulting from loss of data or incomplete processing of information.

278) Moreover, since the Oracle E-Business Suite application, database and operation system are hosted as an "Application as a Service" by the United Nations International Computing Centre (hereafter UNICC), while the Active Directory (AD) service is outsourced by Microsoft Azure (cloud service provider), some of the potential risks listed above had been addressed by the SOC reports issued by UNICC and Microsoft Azure. Therefore, to understand the reports and the services described, the following activities were performed:

a) Evaluating the SOC 1 Type II reports:
   - *Independent Service Auditor Assurance Report on the Description of Controls, their Design and Operating Effectiveness for the period January 1, 2024 to December 31, 2024*, issued by Deloitte for the period from 1 January to 31 December 2024;
   - *Microsoft Corporation – Azure Including Dynamics 365* issued by Deloitte for the period from 1 January to 31 December 2024;

b) Evaluating the service auditor's professional competence and independence from the service organization, to determine the sufficiency and appropriateness of the audit evidence provided by the report;

c) Evaluating if the descriptions of the tests of the controls are sufficient to understand the nature and extent of the procedures performed and the specified tests adequate to provide sufficient and appropriate audit evidence that the control operated effectively during the period of reliance;

d) Identifying and testing autonomously key controls in place at WMO that cover IT related Complementary User Entity Controls (CUEC's);

Conclusion

279) Through the combination of walkthroughs, operating effectiveness testing performed by the IT audit team and evaluation of Service Organization reports, we were able to assess the design and operating effectiveness of the Organization's IT controls, covering the full period from 1st January 2024 through 31st December 2024.

280) Below is the evaluation of IT Processes for the application in scope and related infrastructure:

	IT Process Design & Operating Evaluation		
IT Application (List)	**Manage Change**	**Manage Access**	**Manage IT Operations**
Oracle E Business Suite	Effective	Effective	Effective

281) The activities described in this report did not identify any recommendations.

282) The details of the controls performed, of the controls covered by ISAE 3402 and of the recommendations relating to the IT Audit 2024, are shown in the following table:

Appendix A – Evaluation of controls and recommendations

ID	*Layer*	*Process*	*IT Controls Description*	*Testing Procedures*	*Evaluation*
0	**All Layers**	*Policies and procedures*	**PP-ALL-PP1-S:** The entity has formally documented policies and procedures regulating the use of IT resources, access management, change management and IT operations management.	It has been verified that a proper procedural framework is in place for the IT environment, periodically updated in case of significant changes.	**No Deviation Noted**
1	**Application Layer**	*Manage Access*	**MA-APP-MA4-S:** New or additional access rights are approved by an appropriate management person prior that the access is granted.	It has been verified that access rights for Oracle E-Business are automatically created and modified based on the access rights managed in Active Directory. Please therefore refer to control	**No Deviation Noted**

ID	Layer	Process	IT Controls Description	Testing Procedures	Evaluation
				"MA-LAN-MA4-S" for verification and analysis.	
2	**Application Layer**	*Manage Access*	**MA3-XR:** Changes to Role definition are properly approved by IT or business management.	It has been verified that access rights for Oracle E-Business are automatically created and modified based on the access rights managed in Active Directory. Please therefore refer to control "MA-LAN-MA4-S" for verification and analysis.	**No Deviation Noted**
3	**Application Layer**	*Manage Access*	**MA-APP-MA6-S:** Users that left the organization are disabled in a timely manner.	It was verified that access rights for Oracle E-Business are automatically decommissioned based on the access rights managed in Active Directory. Please therefore refer to control "MA-LAN-MA6-S" for verification and analysis.	**No Deviation Noted**
4	**Application Layer**	*Manage Access*	**MA-APP-MA1-S**: Password settings are appropriate for managing the authentication to systems and applications and default passwords for system IDs are promptly changed.	It was verified that Single Sign On access by Active Directory is configured on Oracle E-Business.	**No Deviation Noted**
5	**Application Layer**	*Manage Access*	**MA-APP-MA5-S:** Access rights are verified periodically by appropriate management personnel (Business or IT).	It was verified that access rights for Oracle E-Business are automatically reviewed based on the access rights managed in Active Directory. Please therefore refer to control "MA-LAN-MA5-S" for verification and analysis.	**No Deviation Noted**
6	**Application Layer**	*Manage Access*	**MA-APP-MA1-XR:** Super users are limited and in line with the job responsibilities.	It has been verified the correctness of Super User IDs on the systems and that the periodic process of users' validation is appropriately performed, and the access is properly assigned for all layers.	**No Deviation Noted**

ID	*Layer*	*Process*	*IT Controls Description*	*Testing Procedures*	*Evaluation*
7	**Application Layer**	*Manage Access*	**MA-APP-MA7-S:** Actions performed by Super User IDs are monitored and reviewed periodically	It has been verified that monitoring activities are in place for users profiled with critical business transaction.	**No Deviation Noted**
8	**Application Layer**	*Manage Change*	**MC-APP-MC3-S:** Changes are approved by appropriate personnel prior to the move to production environment, eventually based on vendor-supplier release notes.	The control is partially covered by ISAE3402 report, as change management is fully managed by the outsourcer, except for a small number of low risk change requests, which are handled independently by the Organisation. For the part related to outsourced change request, controls in place and testing activities performed were analysed on the ISAE3402 report, please refer to CM-01 and CM-03. For the part internally managed, It has been verified that change's movement to production environment is formally approved by the business or ICT Management, prior the moving to production.	**No Deviation Noted**
9	**Application Layer**	*Manage Change*	**MC-APP-MC1-S:** Changes to the IT application are tested by business and (or) IT users other than developers.	The control is partially covered by ISAE3402 report, as change management is fully managed by the outsourcer, except for a small number of low risk change requests, which are handled independently by the Organisation. For the part related to outsourced change request, controls in place and testing activities performed were analysed on the ISAE3402 report, please refer to CM-01 and CM-03. It has been verified	**No Deviation Noted**

ID	Layer	Process	IT Controls Description	Testing Procedures	Evaluation
				that the change is correctly documented through User or System tests prior the moving to production.	
10	**Application Layer**	*Manage Change*	**MC-APP-MC2-S:** Changes to the IT application are correctly documented with User Acceptance Test (UAT) or System Test (for patching on the infrastructures).	The control is partially covered by ISAE3402 report, as change management is fully managed by the outsourcer, except for a small number of low risk change requests, which are handled independently by the Organisation. For the part related to outsourced change request, controls in place and testing activities performed were analysed on the ISAE3402 report, please refer to CM-01 and CM-03. It has been verified that the change is correctly documented through User or System tests prior the moving to production.	**No Deviation Noted**
11	**Application Layer**	*Manage Change*	**MC-APP-MC5-S:** The production environment is segregated from development/test environments.	It has been verified that different environments are configured on the application layer, development and test environment are segregated from production.	**No Deviation Noted**
12	**Application Layer**	*Manage Change*	**XP2:** The promotion to production environment is not allowed to person that have development responsibilities.	It has been verified that specific analyses are carried out by the CISO and the IT function to verify that the people who can develop are different to who can move the changes into the production environment.	**No Deviation Noted**
13	**Database Layer**	*Manage Access*	**MA-DB-MA4-S:** New or additional access rights are approved by an appropriate management	The control is covered by ISAE3402 report, as database access management is fully managed by the	**No Deviation Noted**

ID	Layer	Process	IT Controls Description	Testing Procedures	Evaluation
			person prior that the access is granted.	outsourcer, please refer to LA-01.	
14	**Database Layer**	*Manage Access*	**MA-DB-MA6-S:** Users that left the organization are disabled in a timely manner.	The control is covered by ISAE3402 report, as database access management is fully managed by the outsourcer, please refer to LA-01.	**No Deviation Noted**
15	**Database Layer**	*Manage Access*	**MA-DB-MA1-S:** Password settings are appropriate for managing the authentication to systems and applications and default passwords for system IDs are promptly changed.	It has been verified that password settings related to database layer are appropriately set-up according to the IT best practices.	**No Deviation Noted**
16	**Database Layer**	*Manage Access*	**MA-DB-MA5-S:** Access rights are verified periodically by appropriate management personnel (Business or IT).	It has been verified that the periodic process of users' validation is appropriately performed on a quarterly base to verify that accesses are properly assigned.	**No Deviation Noted**
17	**Database Layer**	*Manage Access*	**MA-DB-MA7-S:** Actions performed by Super User IDs are monitored and reviewed periodically	It has been verified that monitoring activities are in place for users profiled with critical business transaction.	**No Deviation Noted**
18	**Database Layer**	*Manage Access*	**MA-DB-MA1-XR:** Super users are limited and in line with the job responsibilities.	It has been verified the correctness of Super User IDs on the systems and that the periodic process of users' validation is appropriately performed, and the access is properly assigned for all layers.	**No Deviation Noted**

ID	Layer	Process	IT Controls Description	Testing Procedures	Evaluation
19	**Database Layer**	*Manage Change*	**MC-DB-MC3-S:** Changes are approved by appropriate personnel prior to the move to production environment, eventually based on vendor-supplier release notes.	The control is partially covered by ISAE3402 report, as change management on the database layer and the move to production environment is fully managed by the outsources, please refer to CM-01 and CM-03. However, It has been verified that the Organization performs specific analyses are carried out by the CISO and the IT function to verify the correctness of change management processes.	**No Deviation Noted**
20	**Database Layer**	*Manage Change*	**MC-DB-MC1-S:** Changes to the IT application are tested by business and (or) IT users other than developers.	The control is partially covered by ISAE3402 report, as change management on the database layer and the move to production environment is fully managed by the outsources, please refer to CM-01 and CM-03. However, It has been verified that the Organization performs specific analyses are carried out by the CISO and the IT function to verify the correctness of change management processes.	**No Deviation Noted**
21	**Database Layer**	*Manage Change*	**MC-DB-MC2-S:** Changes to the IT application are correctly documented with User Acceptance Test (UAT) or System Test (for patching on the infrastructures).	The control is partially covered by ISAE3402 report, as change management on the database layer and the move to production environment is fully managed by the outsources, please refer to CM-01 and CM-03. However, It has been verified that the Organization performs specific analyses are carried out by the CISO	**No Deviation Noted**

ID	*Layer*	*Process*	*IT Controls Description*	*Testing Procedures*	*Evaluation*
				and the IT function to verify the correctness of change management processes.	
22	**Database Layer**	*Manage Change*	**MC-DB-MC5-S:** The production environment is segregated from development/test environments.	It has been verified that different environments are configured on the database layer, development and test environment are segregated from production.	**No Deviation Noted**
23	**Operating System Layer**	*Manage Access*	**MA-SO-MA4-S:** New or additional access rights are approved by an appropriate management person prior that the access is granted.	The control is covered by ISAE3402 report, as operating system access management is fully managed by the outsourcer, please refer to LA-01.	**No Deviation Noted**
24	**Operating System Layer**	*Manage Access*	**MA-SO-MA6-S:** Users that left the organization are disabled in a timely manner.	The control is covered by ISAE3402 report, as operating system access management is fully managed by the outsourcer, please refer to LA-01.	**No Deviation Noted**
25	**Operating System Layer**	*Manage Access*	**MA-SO-MA1-S:** Password settings are appropriate for managing the authentication to systems and applications and default passwords for system IDs are promptly changed.	The control is covered by ISAE3402 report, as operating system access management is fully managed by the outsourcer, please refer to LA-03.	**No Deviation Noted**
26	**Operating System Layer**	*Manage Access*	**MA-SO-MA5-S:** Access rights are verified periodically by appropriate management personnel (Business or IT).	The control is covered by ISAE3402 report, as operating system access management is fully managed by the outsourcer, please refer to LA-05.	**No Deviation Noted**
27	**Operating System Layer**	*Manage Access*	**MA-SO-MA1-XR:** Super users are limited and in line with the job responsibilities.	The control is covered by ISAE3402 report, as operating system access management is fully managed by the outsourcer, please refer to LA-02 and LA-04.	**No Deviation Noted**
28	**Operating System Layer**	*Manage Access*	**MA-DB-MA7-S:** Actions performed by Super User IDs are monitored and reviewed periodically	The control is covered by ISAE3402 report, as operating system access management is fully	**No Deviation Noted**

ID	Layer	Process	IT Controls Description	Testing Procedures	Evaluation
				managed by the outsourcer, please refer to LA-02 and LA-04.	
29	**Operating System Layer**	*Manage Change*	**MC-SO-MC3-S:** Changes are approved by appropriate personnel prior to the move to production environment, eventually based on vendor-supplier release notes.	The control is covered by ISAE3402 report, as change management on the operating system layer and the move to production environment is fully managed by the outsources, please refer to CM-01 and CM-03.	**No Deviation Noted**
30	**Operating System Layer**	*Manage Change*	**MC-SO-MC1-S:** Changes to the IT application are tested by business and (or) IT users other than developers.	The control is covered by ISAE3402 report, as change management on the operating system layer and the move to production environment is fully managed by the outsources, please refer to CM-01 and CM-03.	**No Deviation Noted**
31	**Operating System Layer**	*Manage Change*	**MC-SO-MC2-S:** Changes to the IT application are correctly documented with User Acceptance Test (UAT) or System Test (for patching on the infrastructures).	The control is covered by ISAE3402 report, as change management on the operating system layer and the move to production environment is fully managed by the outsources, please refer to CM-01 and CM-03.	**No Deviation Noted**
32	**Operating System Layer**	*Manage Change*	**MC-SO-MC5-S:** The production environment is segregated from development/test environments.	It has been verified that different environments are configured on the operating system layer, development and test environment are segregated from production.	**No Deviation Noted**
33	**Active Directory Layer**	*Manage Access*	**MA-LAN-MA4-S:** New or additional access rights are approved by an appropriate management person prior that the access is granted.	1. It has been verified that a new user creation is properly requested, and the related process is appropriately documented. 2. It has been verified that a new user creation is formally authorized, and the related process is appropriately documented. 3. It has been verified that different individuals	**No Deviation Noted**

ID	*Layer*	*Process*	*IT Controls Description*	*Testing Procedures*	*Evaluation*
				request, authorize and create user, hence segregation of incompatible duties exists within the logical access environment).	
34	**Active Directory Layer**	*Manage Access*	**MA-LAN-MA6-S:** Users that left the organization are disabled in a timely manner.	It has been verified that users that left the organization are timely disabled, as indicated in the related internal procedure.	**No Deviation Noted**
35	**Active Directory Layer**	*Manage Access*	**MA-LAN-MA1-S:** Password settings are appropriate for managing the authentication to systems and applications and default passwords for system IDs are promptly changed.	It has been verified that password settings are appropriately set-up according to the IT best practices.	**No Deviation Noted**
36	**Active Directory Layer**	*Manage Access*	**MA-LAN-MA1-XR:** Super users are limited and in line with the job responsibilities.	It has been verified the correctness of Super User IDs on the active directory and that the periodic process of users' validation is appropriately performed, and the access is properly assigned for all layers.	**No Deviation Noted**
37	**Active Directory Layer**	*Manage Access*	**MA-LAN-MA5-S:** Access rights are verified periodically by appropriate management personnel (Business or IT).	It has been verified that monitoring activities are in place for users profiled with critical business transaction.	**No Deviation Noted**
38	**All Layers**	*Manage IT Operation*	**MITO1-S:** Tools and utilities guarantee that all the access to sensible area (i.e. Data Center) are logged.	The control is covered by ISAE3402 report, as Data Center related to in-scope application is fully managed by the outsources, please refer to P-01.1. In addition, It has been verified that in WMO building in Geneve there is any data center room. There is only a technical room for network connectivity, without storage of any data and for this considered as a non-sensible area, to which	**No Deviation Noted**

ID	*Layer*	*Process*	*IT Controls Description*	*Testing Procedures*	*Evaluation*
				access is regulated by a badge reader.	
39	**All Layers**	*Manage IT Operation*	**MITO2-S:** Only authorized personnel can access to sensible areas.	The control is covered by ISAE3402 report, as Data Center related to in-scope application is fully managed by the outsources, please refer to P-01.1.	**No Deviation Noted**
40	**All Layers**	*Manage IT Operation*	**MITO4-S:** Incident are logged, monitored and resolved in a timely manner.	The control is covered by ISAE3402 report, as Data Center related to in-scope application is fully managed by the outsources, please refer to CO-07.	**No Deviation Noted**
41	**All Layers**	*Manage IT Operation*	**MO-DB-MITO3-S:** Backups are performed periodically via backup software and monitored by the IT personnel to verify completion and successful resolution of any backup failures.	The control is partially covered by ISAE3402 report, as backup activities are fully managed by the outsources, please refer to CO-04. In order to address the User Entity Considerations, the correct implementation by the supplier of the backup policies required by the Organisation and proper management of the data restore process.	**No Deviation Noted**
42	**All Layers**	*Manage IT Operation*	**MITO5-S:** Changes to automatic job schedule are performed only by authorized users.	It has been verified that specific analyses are carried out by the CISO and the IT function to verify that only individuals with the appropriate rights and permissions can make changes to the automatic job scheduling.	**No Deviation Noted**

Payroll

283) The purpose of this audit was to ensure that the governance, control and risk management processes in the payroll operations of the Organization are appropriately designed and effectively functioning.

284) The audit focused on testing control design and effectiveness related to payroll process for the period from 1 January to 31 December 2024, and follow-up activities for the recommendations related to previously conducted audit.

Approach and methodology

285) In order to identify any potential risks that may lead to errors, omissions, or non-compliance with regulations or internal policies potential, audit procedures were carried out, below listed:

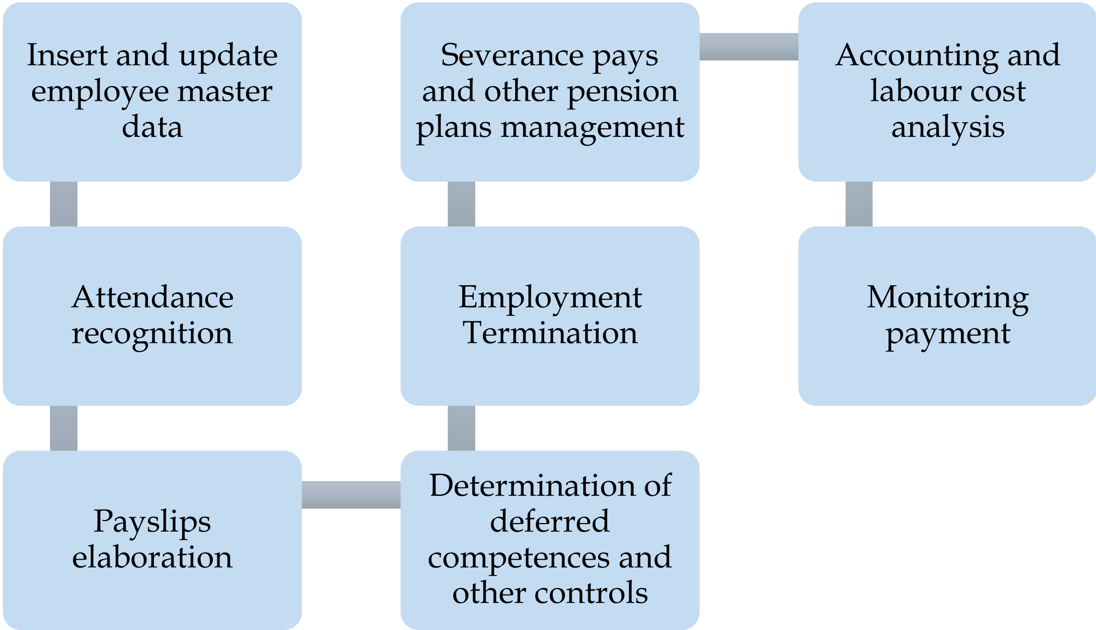
- The regulatory framework and other relevant guidance were reviewed to ensure that the payroll processes are compliant with WMO's policies and procedures.
- Pay slips and related allowances were tested to ensure that they were appropriately authorized, and that there were no unauthorized changes.
- Reconciliations and other control activities were reviewed to evaluate their effectiveness on payroll process.

286) Therefore, the audit approach included a comprehensive review of the payroll processes through key personnel interviews and documentation analysis, with a focus on risk exposure and risk management practices.

287) The audit team carried out specific analysis to assess the design and effectiveness of control activities, to identify potential risks, and to eventually provide recommendations for improvement.

288) The team also maintained open communication with management and other stakeholders throughout the audit and ensured that the audit was conducted in a professional and objective manner.

289) Below, we have listed the main phases of the process related to the payroll:



Follow-up to previous recommendations and suggestions

290) The report ends with the follow-up tables that resume the status of implementation of the open recommendations issued in previous reports. Please refer to "ANNEX I – Follow-up to recommendations issued by the Corte dei Conti in the financial audit reports".

291) We asked the Controller and the relevant Management for an update on the current status of implementation, and we received the answers and the related documentation. We have analysed them and assessed the actual implementation.

292) The recommendations that were considered as "closed" will not appear in the follow-up table of our next reports.

Conclusion

293) Through the combination of walkthroughs and operating effectiveness testing performed, we were able to assess the design and operating effectiveness of organization control over payroll process, covering the full period from 1 January to 31 December 2024.

294) The activities described in this report did not identify any recommendations. The details of the controls performed are shown in the following table:

Appendix B – Evaluation of controls and recommendations

ID	*Process Phase*	*Controls Description*	*Testing Procedures*	*Evaluation*
1	*Policy and Procedure*	Policy and procedures discipline the payroll process	It has been inspected the presence of policy and procedure regarding the payroll process	**No Deviation Noted**
2	*Insert and update employee master data*	All employees are entered into the employee master file	It has been verified that all employees (regular, temporary) are insert into the system	**No Deviation Noted**
3		The system does not allow to insert an employee that already exists, with the risk of duplication	It has been verified that the system generates an alert or block in the attempt to insert an employee that already exists	**No Deviation Noted**
4		The completeness of employee master data entry is ensured by the presence of mandatory fields	It has been verified that the system requires mandatory fields during the creation of a new user on the employee master data and that, based on the type of contract (full-time, part-time and half-time), the system reports the hours worked and the associated salary scale.	**No Deviation Noted**
5		Changes to IBAN made to the employee master data are accurate, approved and monitored.	It has been verified that changes to the IBAN number are authorized and monitored for ensure accurateness.	**No Deviation Noted**
6	*Attendance recognition*	Vacation, leave and sick leave are properly recorded and authorized	It has been verified that the vacation or sick leave are properly recorded and authorized.	**No Deviation Noted**
7		Overtime is properly recorded and authorized	It has been verified that the overtime is properly recorded and authorized.	**No Deviation Noted**
8	*Payslips elaboration*	All benefits programs (healthcare, pension, executive) promoted by the company are accounted for according to correct accounting principles	It has been verified that the benefits program is accounted correctly.	**No Deviation Noted**
9		The salary scales used for the processing of the payslip are	It has been checked on a sample basis that the salary scales used for	**No Deviation Noted**

ID	Process Phase	Controls Description	Testing Procedures	Evaluation
		correctly inserted and updated to the system	the processing of the payslip are correctly inserted and updated to the system.	
10		All the Personnel Actions are correctly updated	It has been checked on a sample basis that all the Personnel Actions are correctly updated.	**No Deviation Noted**
11		The exchange rate used for the processing of the payslip are correctly inserted and updated to the system	It has been verified that the exchange rate updating process is correctly managed.	**No Deviation Noted**
12		Wages are properly paid to employees depending on a base (minimum) salary and post adjustment	It has been verified that the wages are properly paid to the employees.	**No Deviation Noted**
13	*Severance pays and other pension plans management*	Retirement plans is documented and tracked	It has been verified that the retirement plan is tracked.	**No Deviation Noted**
14	*Employment Termination*	The interruption of the employment relationship complies with the company provisions and current legislation	It has been verified that users that left the organization are timely disabled.	**No Deviation Noted**
15		Severance indemnities are correctly adjusted in relation to regulatory and contractual provisions	It has been verified that the severance indemnities are correctly adjusted based on the contractual provisions.	**No Deviation Noted**
16	*Determination of deferred competences (severance pay, additional monthly payments, etc.) and other controls*	All severance indemnities are properly calculated and accounted for.	It has been checked on a sample basis the evidence of reconciliation checks for any additional payments.	**No Deviation Noted**
17	*Accounting and cost analysis*	Personnel costs are correctly and appropriately accounted for in the general ledger and monitored.	It has been verified that a control activity of the employee's costs reported in the financial statements was carried out by the Organization	**No Deviation Noted**
18	*Monitoring payment*	All payments made are authorized	It has been verified that the payment is authorized regarding the check of the treasury.	**No Deviation Noted**

Pooled Treasury

295) The purpose of this audit was to ensure that the governance, control and risk management processes in the pooled treasury operations of the Organization are appropriately designed and effectively functioning.

296) The audit focused on testing control design and effectiveness related to pooled treasury for the period from 1 January to 31 December 2024.

Approach and methodology

297) In order to identify any potential risks that may lead to errors, omissions, or non-compliance with regulations or internal policies potential, audit procedures were carried out, below listed:

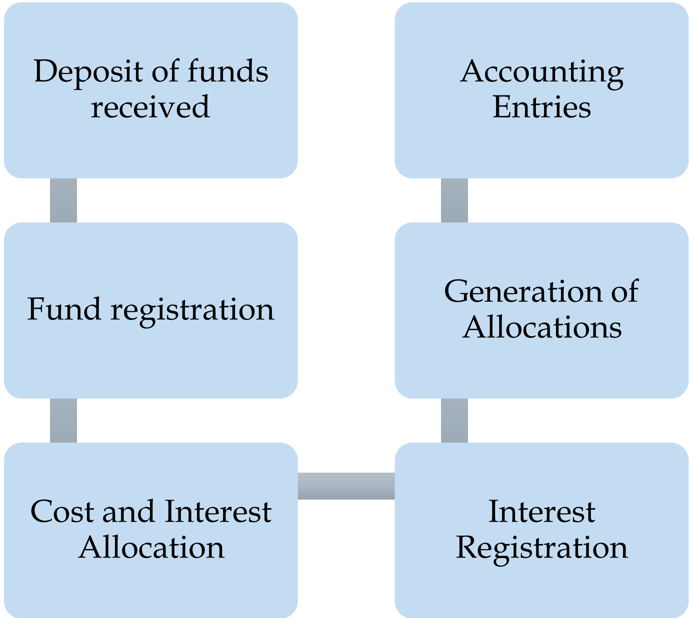
- The regulatory framework and other relevant guidance were reviewed to ensure that the pooled treasury processes are compliant with WMO's policies and procedures.
- System configuration analysis to verify the automatic control related to the interest allocation associated with WMO bank accounts, which are initially recorded in an interest distribution account and then, monthly, redistributes among the various funds through an automated program (Generate Mass Allocations).

298) Therefore, the audit approach included a comprehensive review of the pooled treasury processes through key personnel interviews and documentation analysis, with a focus on risk exposure and risk management practices.

299) The audit team carried out specific analyses to assess the design and effectiveness of control activities, to identify potential risks, and to eventually provide recommendations for improvement.

300) The team also maintained open communication with management and other stakeholders throughout the audit and ensured that the audit was conducted in a professional and objective manner.

301) Below, we have listed the phases of the process related to pooled treasury:



Conclusion

302) Through the combination of walkthroughs and operating effectiveness testing performed, we were able to assess the design and operating effectiveness of organization control over pooled treasury process, covering the full period from 1 January to 31 December 2024.

303) We issued one recommendation, aimed at formalizing and defining a specific procedure or operation guideline for pooled treasury. The details of the controls performed are shown in the following table:

- "Appendix C – Evaluation of controls and recommendations" for the pooled treasury process controls.

Appendix C – Evaluation of controls and recommendations

<table>
<tr><th>ID</th><th>Process Phase</th><th>Controls Description</th><th>Testing Procedures</th><th>Evaluation</th></tr>
<tr><td>1</td><td>Policy and Procedure</td><td>Policy and procedures discipline the pooled treasury process</td><td>It has been inspected that there are "standing instructions" that govern aspects such as bank accounts opening and closing and authorized signatories, but those documents do not provide specific details on interest distribution.</td><td>Deviation Noted
We observed that no specific policy or procedure regarding the pooled treasury process has been formalized.</td></tr>
<tr><td colspan="5">Recommendation n. 26
We recommend that WMO define and formalise the process related to pooled treasury in a specific policy, procedure or operational guideline, specifically for interest distribution among bank accounts.</td></tr>
<tr><td colspan="5">Comments by the Secretary-General
WMO accepts this recommendation and confirms that the policy and related operational guidance related to distribution of interest will be included in the update to the Standing Instruction on Financial Management that is currently ongoing.</td></tr>
<tr><td>2</td><td>Interest allocation</td><td>An automatic programme (‘Generate Mass Allocations’) allocates interest between the different funds, every end of the month. The allocation criteria are proportional to the interfund balance of each fund in relation to the overall total, according to the formula:
Interest to be allocated = (Fund Interfund Balance ÷ Total Interfund</td><td>System configuration analysis to verify the automatic control related to the interest allocation associated with WMO bank accounts, which are initially recorded in an interest distribution account and then, monthly, redistributes among the various funds through an automated program</td><td>No Deviation Noted</td></tr>
</table>

ID	Process Phase	Controls Description	Testing Procedures	Evaluation
		Balance) × Total Interest		

Cybersecurity

304) The purpose of the follow-up activities performed was to assess the implementation status of previous recommendations related to the governance, control, and risk management processes in the cybersecurity operations of the Organization.

305) The follow-up activities concentrated on evaluating the actions taken in response to prior recommendations concerning the cybersecurity process, specifically for the period from 1 January to 31 December 2024.

Approach and methodology

306) To identify any potential risks that may lead to errors, omissions, or noncompliance with regulations or internal policies, and to assess the Organization's ability to prevent, detect, and respond to cyber threats promptly and effectively, follow-up audit procedures were conducted, as outlined below:

- Key personnel were interviewed to assess the implementation of previous recommendations related to the cybersecurity governance and control processes.
- Documentation was analysed to verify any updates to procedures or the issuance of new procedures in the cybersecurity operations.
- Relevant cybersecurity frameworks and guidelines were reviewed to ensure compliance with WMO’s policies and procedures.

307) The audit team carried out specific analyses to assess the design and effectiveness of control activities, to identify potential risks, and to eventually provide recommendations for improvement.

308) The team also maintained open communication with management and other stakeholders throughout the audit and ensured that the audit was conducted in a professional and objective manner.

Conclusion

309) The audit activities reveal significant improvements for FY 2024, also considering the implementation of some of the recommendations detected in previously conducted audits, even if some of the recommendations are still ongoing.

310) The activities described in this report didn’t identify any new recommendations in addition to those that are still open or not completely closed. The details of the follow-up activities and cybersecurity related recommendation are shown in the follow-up tables.

Follow-up to previous recommendations and suggestions

311) Our long form report ends with the follow-up tables that resume the status of implementation of the open recommendations and suggestions issued in previous reports; not only our recommendations, but also the recommendations issued by our predecessors, both in the financial reports and in the special reports.

312) We asked the Controller for an update on the current status of implementation, and we received the answers he collected from relevant Management. We have analysed them and assessed the actual implementation.

313) The recommendations that were considered as "closed" will not appear in the follow-up table of our next reports.

ANNEX I – Follow-up on recommendations issued by the Corte dei conti in the financial audit reports for financial years 2020-2021-2022- 2023

N.	Recommendation	Comments received from Secretary General at the date of the audit report	Status as reported by WMO Management	Status as assessed by the Corte dei conti
1/2023 (FS) (2024/1)	We recommend that Management considers whether the new system that will replace the ERP is compatible or potentially adaptable to the current asset register capture and update system.	Management accepts the recommendation. The new Quantum ERP system, which is, like the current ERP, Oracle-based, will include all needed major and minor assets categories to ensure that the migration between the old and the new system will be done correctly. The asset register update through a global physical inventory will also be included in the new system.	**Implemented** **March 2025:** The inventory has migrated successfully into the Quantum ERP system and additional functionality has been implemented. ***Update as of September 2024:*** *At the CRP2 stage, all assets major and minor categories taken into consideration, migration tests done and conclusive, manual addition of assets agreed upon, physical inventory functionality initially included in Quantum FA module.*	SUPERSEDED BY NEW RECOMMENDATION N.2
2/2023 (FS) (2024/2)	We recommend that actuarial assumptions be made more adherent to inflation rate and to the data owned by WMO and in particular: i) regarding administrative costs, that the individual amount be calculated by applying the inflation rate to the prior year amount; ii) that the family costs be calculated by including in the input file the detailed list of retirees and their dependents; iii) that WMO and its actuarial consultant use updated "turnover rates" to calculate the actuarial liability, considering the significant impact of such data on the calculation.	Management accepts the recommendation and will coordinate with the actuaries to determine the appropriate response to each of the elements referred to above in the valuation for 2024.	**Implemented** **March 2025:** Additional information and observations have been shared with the Organization's actuaries. The additional points requested by the auditors have been incorporated in the actuarial valuation for 2024, including an updated turnover rate calculation. ***Update as of 26 September 2024:*** *In Progress* *Additional information and observations have been shared with the Organization's actuaries. The additional points requested by the auditors will be discussed in the planning meeting with the actuaries in the first half of October 2024.*	CLOSED

3/2023 (FS) (2024/3)	We recommend linking the financial strategies, the preventive evaluation of the needs of skills and work forces and the hiring of consultants.	Management accepts the recommendation, which was addressed in 2024 through the issuance of SN 2024/7 (Employment of Consultants).	**Implemented** **March 2025:** The Planning, Foresight and Performance Office reviewed the Special Service Agreement (SSA) process, expenditures and substantive justification of the need for the consultancies contracted. The report was presented to the Global Management Team in November 2024. At the same time, the HR section has further strengthened controls related to the hiring of consultants codified in Service Notes 2024/7 and 2024/15. The Annual Operating Plans include an estimate of consultant requirements prior to the beginning of the year and the related expenditure is monitored throughout the year to ensure alignment with plans and to identify significant discrepancies that may be occurring. The AOP is completed before the year begins and on a results-focused rather than activity basis. As such, the non fixed-term staff human resources are grouped together (including consultants and short-term staff) for planning purposes and they make up less than 5% of the total planned regular budget. At the time of implementation, the final determination of whether consultants, short-term staff or another modality of implementation is required. The Terms of Reference for either the short-term staff or consultant are subject to review and approval to ensure that the functions align with contractual modality. Given the controls at implementation and the general low level of materiality, we believe that the spirit of the recommendation is fully met. Further, given the materiality of the full grouping of non fixed-term staff human resources, planning these resources at a disaggregated level would bring neither materially increased accuracy or control and would be an administrative burden.	PARTIALLY IMPLEMENTED

N.	Recommendation	Comments received from Secretary General at the date of the audit report	Status as reported by WMO Management	Status as assessed by the Corte dei conti
4/2023 (FS) (2024/4)	We recommend that WMO carries out a comprehensive revision of the accountability and internal control framework in order to set clear roles and responsibilities for different WMO functions and to allocate them to different offices and persons in such a way that a clear distinction and effective segregation between the three lines of defense is ensured.	Management accepts the recommendation and is in the process of reviewing the application of the 3 lines of defense mechanism to ensure an effective and clear segregation of duties.	**Partly Implemented** **March 2025:** On 19 July 2024, Service Note 17/2024, "Realignment of Certain Functions and Organizational Units" was issued. This Service Note made several adjustments, including: Creation of a Controller and Management Services Division that includes three Sections (Finance, IT and Audit Coordination and Internal Controls). The Controller and Management Services Division is headed by a D1 Controller. This Controller position was filled on 1 November 2024 and a new Internal Control Manager position was created, but the filling of the position was deferred due to funding considerations. Chief of Staff functions in former CSG were reduced and rationalized such that the function is responsible only for the UN office in New York and the SG Coordination Unit. Moved the reporting lines of various offices (e.g strategic communications and monitoring and performance) to the ASG to support the three lines of defence. As the creation of the Controller function was only implemented at the end of 2024, the full implementation will only be evidenced during 2025. As such, this recommendation is deemed partially implemented. ***Update as of 26 September 2024:*** *Completed.* *Service Note 1/2024 was issued, which formally moved the Legal Office to report directly to the Secretary-General. The Director, Legal Counsel and Administration was revised to be the Director Administration and the Legal Counsel was assigned to a different Staff Member.* *A new ASG, Thomas Asare, was hired and took up his post on 1 May 2024. The functions and post*	ONGOING

N.	Recommendation	Comments received from Secretary General at the date of the audit report	Status as reported by WMO Management	Status as assessed by the Corte dei conti
			description for the ASG were updated to provide for an improved assignment of responsibilities. *On 19 July 2024, Service Note 17/2024, "Realignment of Certain Functions and Organizational Units" was issued. This Service Note made several adjustments, including:* *Creation of a Controller and Management Services Division that includes three Sections (Finance, IT and Audit Coordination and Internal Controls). The Controller and Management Services Division is headed by a D1 Controller. This position and a new Internal Control Manager position have been advertised and recruitment is ongoing. As a result of this, IOO is no longer responsible for coordination of overall audit functions.* *Chief of Staff functions in former CSG were reduced and rationalized such that the function is responsible only for the UN office in New Yor and the SG Coordination Unit.* *Moved the reporting lines of various offices (e.g strategic communications and monitoring and performance) to the ASG to support the three lines of defence.*	
5/2023 (FS) (2024/5)	We recommend that WMO issue a rental policy that: i) ensures that all costs and risks - including those related to security, identification, monitoring and protection of all people in the building, and to the use of common spaces, as well as variable costs such as utilities, insurance, etc. - be regularly identified, calculated, monitored, and financially covered by the rent; ii) sets out clear guidelines and transparent criteria on areas that are sensitive in terms of real and perceived transparency of the Organisation, including tenants' eligibility and economic and logistic conditions applied to different categories of tenants.	Management accepts the recommendation and will promulgate a rental policy that both consolidates existing guidance and procedures while addressing any gaps or ambiguities as identified by the audit team.	**Partially Implemented** **March 2025:** A revised rental agreement has been drafted by LC and will be used for all future rentals of office space. During 2025, WMO will prepare an Annex for each agreement that summarizes the key terms. This will allow all parties to ensure there is a common understanding of the terms.	PARTIALLY IMPLEMENTED

N.	Recommendation	Comments received from Secretary General at the date of the audit report	Status as reported by WMO Management	Status as assessed by the Corte dei conti
6/2023 (FS) (2024/6)	We recommend that WMO drive forward and integrate the new procurement tool into the operating and managerial process in order to exploit all its potential, through: i) developing a strong culture of contract management across the Organisation, also through appropriate training of involved functions (i.e. focal points, contract and project managers, etc.), aiming to strengthen contract and project management competencies, and awareness of responsibilities and opportunities related to the new tool; ii) ensuring adequate monitoring of ex post facto cases, in order to identify, prevent and address inherent causes, and to mitigate risks (i.e. financial, legal, operational, reputational etc.) related to inadequate procurement planning (i.e. increased costs or penalties due to overspending or to late extension of contracts, service disruptions, litigations, etc.)	Management accepts the recommendation and will develop policies and processes to enhance contract management across the organization and to ensure adequate monitoring of ex post facto cases.	**Implemented** **March 2025:** In 2024, the new procurement and activity tracking tool was implemented. Although there is room for improvement, the tool proved to be successful. PCM had the opportunity to plan its tender processes better, and to finalize them on time. In 2025, upon request by the technical departments, two separate planning tools were implemented, one to reflect the corporate procurement needs, and the other to cover the procurement requirements linked to projects. ***Update as of September 2024:*** *The new procurement and activity tracking tool has been implemented as of January 2024. The tool is meant to be tested during a pilot phase at the end of which improvement based on users' suggestions for improvement may be made. Although PCM has received a few requests well beyond the initial deadline of 30 April 2024 for the submission of procurement needs, an improvement in procurement planning has been noted. The 2024 procurement plan is available here:* *Governance Services (sharepoint.com)*	CLOSED
7/2023 (FS) (2024/7)	We recommend that the General Terms and Conditions be revised by including full acceptance of the UN Supplier Code of Conduct as a mandatory requirement.	Management accepts the recommendation and will revise the General Terms and Conditions.	**Implemented** **March 2025:** A new version of the GTC including reference to the UN Supplier Code of Conduct has been finalized and published in English and French languages on WMO public website (procurement page **https://wmo.int/procurement).** ***Update as of September 2024:*** *The General Terms and Conditions have been revised to include, inter alia, reference to the UN Supplier Code of Conduct as well as sustainable business practices. The new GTC may be accessed here: WMO GTS September 2024.docx (sharepoint.com)*	CLOSED

N.	Recommendation	Comments received from Secretary General at the date of the audit report	Status as reported by WMO Management	Status as assessed by the Corte dei conti
8/2023 (FS) (2024/8)	In order to enhance competition and transparency, we recommend that, when a procurement is carried out using a Request for Quotation (RFQ), the maximum threshold foreseen for this solicitation method be disclosed to the vendors.	Management accepts the recommendation and the threshold for RFQ will be disclosed in our Procurement webpage on the internet site of WMO.	**Implemented** **March 2025:** WMO procurement thresholds have been published on WMO internet site (procurement page **https://wmo.int/procurement/business-opportunities).** ***Update as of September 2024:*** *PCM is revamping the Procurement page of WMO public website. The threshold for formal and informal tenders is meant to be included in the section "How to do business with WMO". The draft content, currently being reviewed by WMO Department of Communication, is available here: Revamping WMO webpage 27.09.2024.docx (sharepoint.com)*	CLOSED
9/2023 (FS) (2024/9)	We recommend that: i) contract management knowledge and responsibilities be strengthened and contract budget estimation and management processes be improved; ii) PCM closely monitor the contracts who receive an NTE increase, in order to timely identify and prevent and to properly address the causes of such phenomena.	Management accepts the recommendation.	**In progress** **March 2025:** PCM has planned to strengthen contract management and contract administration across the Organization through proper training and by improving its contract archive. An updated version of Chapter 10 is being worked on, and will include additional information on contract management and responsibilities. Training will start by Q2 2025. ***Update as of 01-OCT-2024:*** *These issues will to a large extend be addressed by Quantum, the new ERP. Quantum will also make the reporting on these issues more comprehensive.*	ONGOING
10/2023 (FS) (2024/10)	We recommend that the Procurement and Contract Management functions periodically check compliance with the WMO Standing Instructions 10 related to procurement and to intervene in case of deviations from the procedure set out by Standing Instructions 10.4. (low value procurement).	Management accepts the recommendation to enhance the periodic review of the LVP process to spot possible irregularities and verify adherence to our procedures	**Implemented** **March 2025:** Further improvements were made by PCM to monitor LVP POs. In Quantum, a new feature has been introduced to allow PCM to capture exceptions and collect supporting documentation related to the procurement process undertaken.	CLOSED

N.	Recommendation	Comments received from Secretary General at the date of the audit report	Status as reported by WMO Management	Status as assessed by the Corte dei conti
			Update as of September 2024: *PCM has been issuing regular reports to monitor the proper use of LVP POs. It is anticipated that accountability and reporting on LVP Pos will be strengthen in Quantum.*	
11/2023 (FS) (2024/11)	In order to prevent ad hoc approaches regarding staffing, and to mitigate subsequent risks (i.e. understaffing, turn-over, need for consultants, etc.) and ensure that WMO is adequately and timely sourced, we recommend that WMO adopt an integrated comprehensive staffing policy ensuring that: i) staffing tables be periodically revised according to its needs; ii) subsequent staffing planning is timely performed and implemented.	Management accepts the recommendation. Chapter 4 of the Standing Instructions will be revisited to include a comprehensive staffing policy, to ensure that staffing tables are up to date and that subsequent staffing planning is timely performed and implemented.	**Implemented** **March 2025:** Staffing needs are determined by managers and formalized as part of the annual budget discussions. Once agreed by Executive Management, they are documented in the post table maintained by the Finance Section. With the implementation of Quantum, the post table will become the position planning and monitoring tool of WMO. It will allow transparency and visibility of existing posts and ensure the table is always up to date. ***Update as of September 2024:*** *Staffing needs are determined by managers and formalized as part of the annual budget discussions. Once agreed by Executive Management, they are documented in the post table maintained by the Budget Unit. With the implementation of Quantum, the post table will become the position planning and monitoring tool of WMO. It will allow transparency and visibility of existing posts and ensure the table is always up to date.*	CLOSED
12/2023 (FS) (2024/12)	We recommend that WMO: i) adopt a data protection and privacy policy in line with UN policies; ii) update subsequently all impacted internal rules and policies, including HR, procurement, finance, IT, conferences and travels, etc.	Management accepts the recommendation. WMO obtained the UN policy related to data protection and privacy in March 2024. Based on the policy received from the United Nations, WMO will develop a data protection and privacy policy in 2024.	**In progress.** **March 2025.** In March 2025, a position was reprofiled to hire a data protection and privacy officer. The position will be recruited shortly and the policy and processes will be implemented as a matter of urgency. ***Update as of September 2024:*** *A draft Data protection and privacy policy has been developed. WMO would need to hire a data protection officer or consultant to ensure proper implementation and monitoring in the Secretariat.*	ONGOING

N.	Recommendation	Comments received from Secretary General at the date of the audit report	Status as reported by WMO Management	Status as assessed by the Corte dei conti
13/2023 (FS) (2024/13)	We recommend that WMO take advantage of the new ERP by having it set up in such a way that it may increase automation in performing transactions, and in particular the most relevant ones both in financial and operational terms, such as those related to payroll, travels and assets. This would reduce operational risks implied by manual processes, strengthen effectiveness in their monitoring and mitigation, and would also alleviate the operational burden implied on staff involved in manual transaction, thereby freeing resources and working hours that can be reallocated and refocused on controls.	Management accepts the recommendation. The selection of the Quantum ERP was made with a focus on improving automation in all processes, where possible, through taking advantage of standard Oracle cloud functionalities and automation processes implemented by UNDP in connection with their initial implementation. Such automation is a key element of the project.	**Partly Implemented** **March 2025:** Significant improvements were made in the use of automation in many business processes as a result of the ERP implementation. Some specific examples include: - Automation of invoice creation for consultants - Automation of the payment process without manual intervention in banking platforms based upon segregated supplier creation processes - Implementation of host-to-host payment processing - Outsourcing of payroll resulting in automation and improved control of exchange rate updates, salary scale updates, bank detail review, etc. - Elimination of manual payroll calculations for certain offices that had not been set-up in Oracle - Centralized automation of update of global DSA rates This has been listed as Partially Implemented as the project is in its stabilization phase and the External Auditors will likely only be able to verify the implementation in connection with the 2025 financial statement audit. ***Update as of 30/09/2024:*** *The implementation of Quantum ERP is progress as planned. The project is aligned to the overall approach of adopting and aligning with the business processes used in UNDP, including outsourcing of business functions to UNDP Service Centre.*	ONGOING

N.	Recommendation	Comments received from Secretary General at the date of the audit report	Status as reported by WMO Management	Status as assessed by the Corte dei conti
14/2023 (FS) (2024/14)	In a forward-looking perspective, based on the suggestions/recommendations issued in the prior audit report and on what observed, we recommend: - Completing the Business Impact Analysis (BIA), including disruption scenarios for IT, as recommended in "2023 Cybersecurity Audit - Recommendation No. 9"; - Closing, within the specified timelines (Q2, Q3, Q4 of 2024), all open or partially closed suggestions/recommendations ("2023 Cybersecurity Audit - Recommendations No. 1, 2, 3, 5, 6, 7" and "2023 Cybersecurity Audit - Suggestions No. 2, 5").	Management accepts the recommendation. The organizational resilience management system was approved in October 2023; based on this framework, a Business Impact Analysis (BIA) will be carried out in 2024 for critical organizational processes including disruption scenarios for IT. The prior year audit recommendations will be completed during 2024.	**In progress** **March 2025:** Initial analysis of continuity analysis of disrupting scenarios (i.e no people, no facilities, no suppliers, no IT services, etc) for ICT critical services completed. Working on the development of the BC plans for IT critical services. Recommendations No. 2, 3, 6, 7 and 2023 Cybersecurity Audit - Suggestions No. 2, 5, have been documented and dates of implementation have been readjusted to allow time for completion. **Due Date: 30/06/2025** ***Update as of 30/09/2024:*** *In progress. BIA for ITD part of the Organization Resilience Management system is planned for Q4 2024.*	ONGOING

N.	Recommendation	Comments received from Secretary General at the date of the audit report	Status as reported by WMO Management	Status as assessed by the Corte dei conti
15/2023 (FS) (2024/15)	In a forward-looking perspective, in light of the upcoming introduction of the new ERP system as of 2025, we recommend: i) improving the SoD framework by including the associations between organizational roles/processes and access rights granted in the system (roles/profiles/authorizations, etc.); ii)that the revised SoD framework based on the above suggestion be described within a procedure that details the entire process: - From "functional" to "systemic" segregation of duties; - From defining/updating SoD rules and compensatory controls to mitigating risks for the "Medium compatibility".	Management accepts the recommendation. The implementation of the Quantum ERP solution will incorporate an examination of the Segregation of Duties through functional role-based access and responsibility provision.	**Partly Implemented** **March 2025:** Responsibility and access are controlled in Quantum via a formal Role provisioning process - IDAM. Within this process, incompatible responsibilities are not able to be given to the same individual. The role creation and definition were done based upon the roles utilized by UNDP (which have been evaluated by UNDP Internal Audit as effectively segregated), modified where were required for the differences in business processes at WMO. The incompatibility matrix has been implemented within WMO's IDAM set-up. The formal documentation of the related Internal Control element is currently in process. This has been listed as Partially Implemented as the project is in its stabilization phase and the External Auditors will likely only be able to verify the implementation in connection with the 2025 financial statement audit. Due date: 30/06/2025 ***Update as of September 2024:*** *The Quantum implementation is currently ongoing. As part of the project, roles, responsibilities and delegated authorities are currently being defined.*	ONGOING

N.	Recommendation	Comments received from Secretary General at the date of the audit report	Status as reported by WMO Management	Status as assessed by the Corte dei conti
16/2023 (FS) (2024/16)	In a forward-looking perspective, based on the observations made regarding the current system and considering the upcoming implementation of the new ERP in 2025, we recommend: - Enhancing segregation of duties between the actors involved in the process; - Enforcing mandatory completion of all relevant fields in the asset register to ensure data accuracy and integrity; - Automating the categorization of assets as "capitalized" or "not capitalized" based on predefined value thresholds.	Management accepts the recommendation. The implementation of the Quantum ERP solution will incorporate an examination of the Segregation of Duties, including in the asset management process, through functional role-based access and responsibility provision. Additionally, the new Quantum ERP system will include be examined to ensure that all relevant fields for assets will be made mandatory and that the process appropriately categorizes assets as capitalized or not within the asset register.	**Partly Implemented** **March 2025**: In Quantum, there are designated roles for asset creation and asset accounting. Hence it is not possible to have both the roles as it would create a conflict. Also in each role, the actions that the person can perform are limited to that role. If the mandatory fields are not completed, system will not save the transaction and it will prompt the user to enter all the mandatory information. This has been listed as Partially Implemented as the project is in its stabilization phase and the External Auditors will likely only be able to verify the implementation in connection with the 2025 financial statement audit. Due date: 30/06/2025 ***Update as of September 2024:*** *The concerns of the external auditors have been integrated into the discussions and planning relating to the design of the new ERP system and will be addressed to the extent possible by the system.*	ONGOING
17/2023 (FS) (2024/17)	In a forward-looking perspective and in view of the implementation of the new ERP in 2025, we recommend: - Implementing automation for organizational processes currently performed manually to ensure sufficient data availability for conducting quantitative risk analysis; - Implementing a tool for conducting risk assessments; - Implementing a predictive approach in risk assessment.	Management accepts the recommendation. Included in the ERP project is the automation of processes for improved internal control and enhanced data availability for risk and performance analysis. Additionally, requirements for a risk management module/tool were defined; however, the implementation of such a tool will be dependent upon resource availability. The implementation of the predictive approach in risk management is contingent on data availability and the existence of a risk management tool.	**In progress** **March 2025:** Implementation of this recommendation is contingent upon the implementation of the new ERP system. Following its recent launch, we are awaiting the next release which includes monitoring and reporting components as well as risk assessment for projects. **Due date: 31/12/2025**	ONGOING

N.	Recommendation	Comments received from Secretary General at the date of the audit report	Status as reported by WMO Management	Status as assessed by the Corte dei conti
18/2023 (FS) (2024/18)	In a forward-looking perspective, based on the recommendations issued in the prior audit report and on what observed on the current system, in view of the implementation of the new ERP in 2025, we recommend that: i) steps in the payroll process that are currently done manually (e.g., updates to salary scales and exchange rates) be adequately automatized; ii) automated controls adequate to prevent errors and to manage the activities more efficiently (e.g., setting blocks in case of duplicate master data, mandatory fields required for employee identification, etc.) be set up in the new ERP system.	Management accepts the recommendation. As agreed in the overall recommendation above, one of the goals of the Quantum ERP implementation is the automation of processes for improved internal control and efficiency of the process. This continues to be a key area of focus for the implementation plan.	**Partly Implemented** **March 2025:** Significant improvements were made in the use of automation in the payroll processes as a result of the ERP implementation and related outsourcing. Some specific examples include: - Outsourcing of payroll resulting in automation and improved control of exchange rate updates, salary scale updates, bank detail review, etc. - Elimination of manual payroll calculations for certain offices that had not been set-up in Oracle This has been listed as Partially Implemented as the project is in its stabilization phase and the External Auditors will likely only be able to verify the implementation in connection with the 2025 financial statement audit. **Due date: 30/06/2025** ***Update as of 26 September 2024:*** *In Process* *The Quantum ERP implementation includes the outsourcing of the payroll process to UNDP. A review of overall controls at UNDP supporting the payroll process is being discussed between WMO and UNDP.* *It has been confirmed that the UNDP solution regarding updates of salary scales are controlled within the UNDP process.*	ONGOING

N.	Recommendation	Comments received from Secretary General at the date of the audit report	Status as reported by WMO Management	Status as assessed by the Corte dei conti
19/2023 (FS) (2024/19)	In a forward-looking perspective, based on what observed on the current system, in view of the upcoming implementation of the new ERP in 2025, we recommend: - Automating steps in processes currently performed manually (e.g., updating standard costs and DSA for travels) to streamline operation; - Implementing automated controls to prevent errors and enhance efficiency (e.g., blocking overrides for voluntary contributions) within the new ERP system.	Management accepts the recommendation. The selection of the Quantum ERP was made with a focus on improving automation in all processes, where possible, through taking advantage of standard Oracle cloud functionalities and automation processes implemented by UNDP in connection with their initial implementation. Such automation is a key element of the project.	**Partly Implemented** **March 2025:** With respect to the allocation of funds, budgetary control has been improved through the improvement of the Chart of Accounts implementation. Control is now further automated with respect to set-up of budgetary control based upon the type of budget (allotment or cash-based) and allows for greater reporting flexibility (project lifetime budget vs. cash availability). Budget overrides are only allowed by a very limited number of people, ensure strong control and utilization of this automated process. This has been listed as Partially Implemented as the project is in its stabilization phase and the External Auditors will likely only be able to verify the implementation in connection with the 2025 financial statement audit. Due date: 30/06/2025 ***Update as of 27 September 2024:*** *In progress* *For manual steps in travel, the UNALL proposed solution is being tested and analysed to streamline and automate the travel operation to the extent possible.* *For manual steps in voluntary contributions, the accounts receivable process is being analyzed and automated to the extent possible within the new ERP system (Quantum).*	ONGOING

N.	Recommendation	Comments received from Secretary General at the date of the audit report	Status as reported by WMO Management	Status as assessed by the Corte dei conti
1/2022 (FS) (2023/1)	We recommend that management should further develop the activities to improve the accuracy of the asset register, as for each activity it must always be recorded where they are located and the person to whom they are assigned for use. We recommend in particular to strengthen the procedure concerning IT portable equipment that are assigned to people (like some computer equipment), in order that the association of the item with the person, who at that time uses/owns it, is correctly indicated and updated, as well as the mention of the Department where each asset is placed.	Management accepts the recommendation. The process of recording the assignment of assets, including IT portable equipment, will be reviewed to reflect up-to-date information related to the user and the Department where the asset is placed throughout the lifecycle of the asset.	**Implemented** **March 2025:** All unissued IT equipment in the storage room has been assigned in the inventory to the responsible staff member. ***Update as of September 2024:*** *IT storage room has been equipped with an Access Control A/C system where non-assigned IT portable equipment are stored. IT staff in charge of the management of the storage have been named by ITC. All the stored IT portable equipment are being assigned to the IT person in charge of managing the stock.*	SUPERSEDED BY NEW RECOMMENDATION N.2
2/2022 (FS) (2023/2)	We recommend that all items not under the control of WMO and assigned to people in charge of funds or entities that are different from the Organization, should be properly checked and not recorded in the WMO fixed asset register but separately listed.	Management accepts the recommendation and will appropriately segregate the assets owned by entities administered by WMO but not under its control.	**Implemented** **March 2025:** Asset registry updated - assets of other entities are no longer included in the WMO asset register. All assets funded by these entities are now managed directly by them. ***Update as of September 2024:*** *The Asset registry has been updated as recommended - no more assets assigned to entities different from the organization. All assets funded by these entities are now managed directly by them.*	SUPERSEDED BY NEW RECOMMENDATION N.2

N.	Recommendation	Comments received from Secretary General at the date of the audit report	Status as reported by WMO Management	Status as assessed by the Corte dei conti
3/2022 (FS) (2023/3)	As also stated in past year report, "considering that, in substance, Member States have completely financed the WMO Headquarters Building through the Regular Budget and these resources have not been duly allocated to core scientific activities, and also considering that the clauses in the Leasehold Agreement signed on 15 December 2015 (like Article 14, point 1 and 2) are limiting WMO Headquarters' market value, not only through a series of costs and refunds that will be charged but also through the passage of the building's ownership to FIPOI at the end of ground lease (2048 or 2068)", we acknowledge that management has started Ongoing negotiations with Swiss Authority and we recommend that Management submit to a future Executive Council session all the issues related to our current and past recommendations in this field.	The progress on these recommendations will be routinely reported to the Executive Council. We continue to work with the Swiss authorities on the above matters and will provide additional information in due course.	**Implemented** **No new comments** **Update as of 01-OCT-2024:** This issue relates to the "droit de superficie". The Legal Counsel has provided to the EA a legal assessment of the risks associated with the lease agreement. The conclusion being that the "droit de superficie" poses little to no risk to the functioning of the Organization. The Swiss Authorities have indicated that they are not willing to renegotiate or change in substance the "droit de superficie" which would be necessary to meet the observations of the EA. The Swiss Authorities have indicated their willingness to extend the "droit de superficie" beyond its current term.	CLOSED.
5/2022 (FS) (2023/5)	In order to minimise risks (security, safety and potential conflict of interest) that non-UN entities' staff (renting office spaces in WMO premises) might have unmonitored access to WMO offices, infrastructures and staff, we recommend that Management should start an assessment on the feasibility and cost-benefit of enhancing security by physically restricting access to dividing office spaces dedicated to UN (then subject to UN privileges and immunities), from offices rented to no-UN organizations.	Management accepts the recommendation and will undertake an internal assessment of the feasibility and cost of segregating access for staff of non-UN entities to areas occupied by UN entities.	**Implemented** **February 2025 update** The study has been completed and approved by the ASG. In effect isolating certain tenants was determined to be impractical, disruptive, and not cost effective given the extremely low and at best theoretical risks presented by the current configuration. ***Update as of September 2024:*** *A study of the feasibility and cost of segregating access for staff of non-UN entities to areas occupied by UN entities has been completed by FMCS. Final estimates, security assessment and cost-benefit analysis will be presented to executive management for their review in Q4 2024.*	CLOSED

N.	Recommendation	Comments received from Secretary General at the date of the audit report	Status as reported by WMO Management	Status as assessed by the Corte dei conti
6/2022 (FS) (2023/6)	Considering the importance of the revenue generated by tenants for WMO, we recommend that i) all current contractual clauses in current contracts that could generate additional revenues be applied, for instance the depreciation for furniture provided to tenants, ii) market prices for office spaces' rentals will be assessed and applied by WMO when renewal and new agreements will be considered with non-UN entities.	Management accepts the recommendation and notes that it already fully enforces all clauses in existing contracts relating to cost recovery going forward, and in line with the concept of having standard templates (Recommendation n. 4) Management will establish two separate rates (furnished and unfurnished) for non-UN entities. The supplemental cost for furnished rent would include an element for both its use and depreciation in a transparent manner. This would also mirror the standard market practice for such issues.	**Partially Implemented** Different rates for furnished and unfurnished contracts for non-UN entities have been established. Basis rate for UN entities is taken from UNITAR and adjusted accordingly with the IPC Swiss index (for furnished offices). For non-UN entities and unfurnished, the rates will be defined based on the prevailing market rate at the time of signature of the lease. The new lease templates developed in response to 2022-FS-4 specifically provide distinct furnished or non-furnished options and rates. During 2025, WMO will prepare an Annex for each agreement that summarizes the key terms. This will allow all parties to ensure there is a common understanding of the terms.	PARTIALLY IMPLEMENTED
7/2022 (FS) (2023/7)	We acknowledge that rental conditions might differ amongst different entities, however, having detected during our audit that a systematic and effective cost-benefits analysis has not been carried out by Management when more favourable conditions have been granted to UN organization renting offices spaces at WMO, therefore, we recommend that Management will prepare, internally, a document that will summarize all the cost-benefits, material and immaterial, generated by every specific rental agreement: in this way, FIN will have the possibility to consider whether these amounts needs appropriate disclosure according to IPSAS.	Management accepts the recommendation and will prepare an internal document that identifies any benefit (material or non-material) realized by WMO from colocation with a UN entity having received favourable rental conditions. This document will be evaluated to see if and how these benefits could be reflected according to IPSAS procedures.	**In progress** **Feb 2025:** Consultations to identify the non-material benefits of UNDRR's colocation in the WMO Headquarters are continuing with the technical departments and management. **Due date: 30/06/2025** ***Update as of September 2024 -*** *In Progress. Inventory of nonmaterial benefits of colocation is being developed in cooperation with Management and the technical departments* *Executive Management to be consulted to identify material and non-material benefits with UN entities renting space at the WMO building. Once completed, Finance will review, confirm if these benefits need to be reflected under IPSAS standards.*	ONGOING

N.	Recommendation	Comments received from Secretary General at the date of the audit report	Status as reported by WMO Management	Status as assessed by the Corte dei conti
8/2022 (FS) (2023/8)	While acknowledging the potential limitations stated by Management that Member States and/or other entities funding WMO might require WMO to utilize specific agreement templates, we believe that a lack of specific templates and/or internal guidance may give rise to risks of applying different conditions to similar class of contributions and potentially not having an effective legal protection of WMO's rights and immunities. Therefore, we recommend that Management harmonizes, wherever possible, agreements through specific templates and prepares internal guidance for assuring that funding conditions are transparent for future agreements and to which extent being subject to Legal Office revisions for protecting WMO interests.	While the risk highlighted by the External Auditor is mitigated by the formal review process for agreements with external entities defined in Chapter 12 of the Standing Instructions, WMO will develop internal guidance for contribution agreements to provide information regarding the elements that should be incorporated in such agreements, particularly related to ensuring appropriate and effective legal protection of WMO's rights and immunities. It should be noted that EU contributions are subject to EU conditions (disputes are submitted to Belgian courts; limited privileges and immunities; data protection requirements). These conditions are currently under discussion between the European Commission and the UN system (UN Legal Network).	**Partially Implemented** **No new comments** **Update as of 26 September 2024:** Completed The contribution agreement template has been prepared and shared on the Hub as a template: Contribution-Agreement-Template.docx (sharepoint.com) The preparation of the template was coordinated between Finance and Legal Counsel to ensure the related risks have been identified and considered. During 2025, in conjunction with the update of the Standing Instructions, further information regarding the key terms to be included within contribution agreements shall be added.	PARTIALLY IMPLEMENTED

N.	Recommendation	Comments received from Secretary General at the date of the audit report	Status as reported by WMO Management	Status as assessed by the Corte dei conti
9/2022 (FS) (2023/9)	Given the variety of voluntary contributions and the related cost components of such contributions, we also recommend that processes exist, or are put in place, to assess the planned costs, including direct costs, technical support and administrative support costs, and ensure they are sufficient to meet the delivery of the planned outputs. This would reduce the risk of requiring regular budget resources being utilized to support voluntary contribution activities without appropriate compensation to the regular budget.	Management accepts the recommendation The project management processes that outlines the key steps to be taken for effective and efficient utilization of costs in projects are being strengthened in all stages of the lifecycles to ensure a reduced risk of dependency on potential subsidization from RB. The strengthened processes will ensure sufficient indirect cost recovery through the programme support cost (PSC) rate utilized and will ensure the PSC Special Account it the funding source for the relevant costs, not the Regular Budget. In the first phase, WMO is reviewing best practices across the UN to identify appropriately scaled approaches. This will be followed by a further revision of the project management regulatory framework to include key broad processes to facilitate better identification, management and control of project financial resources.	**In progress** **March 2025:** WMO has engaged a consultant to review the approach to projects, including the elements related to the framework for budget and planning of such projects. Upon completion of this activity, which is foreseen in the first quarter of 2025, the overall planning process (including related to planning) will be reviewed in line with recommendations expected to be made by the consultant. **Due date: 30/09/2025** **Update as of 18 September 2024:** There is an ongoing internal review regarding the costing of projects, specifically to ensure that staff working on voluntary contributions are sufficiently funded through these contributions and that regular budget staff time is equally compensated.	ONGOING

N.	Recommendation	Comments received from Secretary General at the date of the audit report	Status as reported by WMO Management	Status as assessed by the Corte dei conti
12/2022 (FS) (2023/12)	We recommend that the organisation define the rules for the delegation of power and for composing the selection panel in the recruitment system and in the procedures referred to in Service Note 13/2021, with provisions ensuring: i. transparency; ii. traceability of decisions; iii. effectiveness and accuracy of the delegated power; iv. guarantee of no conflict of interest or existence of causes of incompatibility, including external experts when required (for example, by means of a statement which does not contain information or incompatibility issued by members for each selection).	Management accepts the recommendation and will examine the language in the Service Note regarding the delegation of authority to further clarify the limitations on such delegations. Management will implement a mechanism to prevent any conflicts of interest with regards to the composition of the selection panel.	**Implemented** The composition of WMO selection panels is prescribed in Chapter 4 of the Standing Instructions and is in line with the Best Practices within the UN Common System. The process provides for segregation of power between the Secretary-General who makes the final decision and the selection panel, particularly with respect to the hiring manager, who only make recommendations to the Secretary-General. Furthermore, the process is always overseen by an ex-officio HR officer who does not have a vested intrest in the process. The entire process for each recruitment is documented in writing, ensuring tracability of the decision. **Finally, HR has introduced a statement in all interview reports ensuring that the panel is free from conflicts of interest. The statement reads:** : *"By approving this report, the Selection Panel members confirm their independence and absence of any conflict of interest related to this process."*	CLOSED

N.	Recommendation	Comments received from Secretary General at the date of the audit report	Status as reported by WMO Management	Status as assessed by the Corte dei conti
14/2022 (FS) (2023/14)	During the audit we observed that WMO Standing instructions Chapter 10 (Procurement and Contract Management), as modified in 2022, included the topic of Sustainable Procurement but there is a need to further consider the sustainability in procurement we, therefore, recommend: 1) WMO should implement an annual organizational procurement strategy on sustainable procurement 2) during a procurement process try to implement, during a procurement process, as much as possible, the twelve Sustainable Procurement Indicators (ungm.org) adopted by the working group of the HLCM Procurement Network.	Management accepts the recommendation and will further revise the Standing Instructions for Procurement to be in line with best practices within the UN common system with respect to sustainability	**In progress** **March 2025**: PCM has been including the twelve SP indicators in all its 2024 competitive tenders, the list of which may be retrieved from the UNGM web platform available at www.ungm.com. Although a formal training in sustainable procurement has not yet been provided, internal clients were provided with an explanation on the reasons for the inclusion of such criteria and the appropriate selection of the same in line with the level of sustainability maturity of the markets and products/services to be acquired. A SP strategy has also been drafted. A training on SP is being developed and the first session of the training will be held in Q2 2025. **Due date: 30/06/2025** ***Update as of September 2024:*** *PCM has been including the twelve SP indicators in all its 2024 competitive tenders the list of which may be retrieved from the UNGM web platform available at www.ungm.com. Although a formal training in sustainable procurement has not been yet provided, internal clients were provided with an explanation on the reasons for the inclusion of such criteria and the appropriate selection of the same in line with the level of sustainability maturity of the markets and products/services to be acquired.* *The SP strategy for 2024 has been drafted and it is available here: 2. Annex B - SP Action Plan 2024.docx (sharepoint.com)*	ONGOING
17/2022 (FS) (2023/17)	Management forwarded to us, on 20 April 2023, the Service Note 10/2023, which assigns all tasks and duties previously assigned to the Controller function to different units. However, considering the relevance of	Management accepts the need for the functions and elements of controlling to be carried out in an appropriate and efficient manner. In this regard, and after careful consideration, a service note 10/2023 has been issued	**Superseded by events** **March 2025:** On 19 July 2024, Service Note 17/2024, "Realignment of Certain Functions and Organizational Units" was issued. This Service Note made a number of adjustments, including:	SUPERSEDED BY NEW RECCOMANDATION N. 24

N.	Recommendation	Comments received from Secretary General at the date of the audit report	Status as reported by WMO Management	Status as assessed by the Corte dei conti
	having a specific unit entitled with such functions, and the position of this unit in the second line of defence, in order to enhance its independence in monitoring and risk assessment tasks, we recommend, also in line with what was stated by our predecessors and by the JIU in its report 2021/1, that: a) Controller's office should be restored, in order to have a unit with no operational tasks; b) the recommendations of JIU linked to the Controller function should be promptly implemented, in order to establish not only the correct reporting line of the Controller but also the strengthen the second line, with a cross-cutting monitoring activity; c) in line with the above and in line also with our recommendation n. 21/2022, the Controller reports, to be issued on a regular basis, be part of the assessment that the Internal Oversight Office should carry out on the Controller function.	by the Secretary-General following the retirement of the controller. This note outlines the distribution of the controlling functions in line with defined lines of defence following the COSO framework highlighted in the updated chapter 1 of the standing instructions. There are clear responsibilities and reporting lines identified in the service note which cover all of the essential functions. This arrangement of distributed responsibilities in the expertise between CSG, GS and IOO areas ensure maximum transparency and highest efficiency. The function of this new system will be reported to the Audit and Oversight Committee at its upcoming meeting describing the role of the different entities in ensuring comprehensive control system and processes and reviewed on a regular basis to ensure high-quality delivery.	Creation of a Controller and Management Services Division that includes three Sections (Finance, IT and Audit Coordination and Internal Controls). The Controller and Management Services Division is headed by a D1 Controller. This position and a new Internal Control Manager position have been advertised and the position was filled effective 1 November 2024. As a result of this, IOO is no longer responsible for coordination of overall audit functions. Chief of Staff functions in former CSG were reduced and rationalized such that the function is responsible only for the UN office in New York and the SG Coordination Unit. Moved the reporting lines of various offices (e.g strategic communications and monitoring and performance) to the ASG to support the three lines of defense. ***Update as of 26 September 2024:*** *Completed.* *Service Note 1/2024 was issued, which formally moved the Legal Office to report directly to the Secretary-General. The Director, Legal Counsel and Administration was revised to be the Director Administration and the Legal Counsel was assigned to a different Staff Member.* *A new ASG, Thomas Asare, was hired and took up his post on 1 May 2024. The functions and post description for the ASG were updated to provide for an improved assignment of responsibilities.* *On 19 July 2024, Service Note 17/2024, "Realignment of Certain Functions and Organizational Units" was issued. This Service Note made a number of adjustments, including:* *Creation of a Controller and Management Services Division that includes three Sections (Finance, IT*	

N.	Recommendation	Comments received from Secretary General at the date of the audit report	Status as reported by WMO Management	Status as assessed by the Corte dei conti
			and Audit Coordination and Internal Controls). The Controller and Management Services Division is headed by a D1 Controller. This position and a new Internal Control Manager position have been advertised and recruitment is ongoing. As a result of this, IOO is no longer responsible for coordination of overall audit functions. *Chief of Staff functions in former CSG were reduced and rationalized such that the function is responsible only for the UN office in New Yor and the SG Coordination Unit.* *Moved the reporting lines of various offices (e.g strategic communications and monitoring and performance) to the ASG to support the three lines of defense.*	
19/2022 (FS) (2023/19)	We recommend implementing a block in the HR system to prevent the creation of duplicate users that already exist. This will help avoid potential errors and data inconsistencies in the system and ensure accurate and reliable payroll processing.	Management accepts the recommendation. We will investigate the possibility and practicality of blocking a potential duplicate that is about to be created. If such control modification is not possible or impractical from the business process or available in the setup of the current version of the ERP system, this will be made a requirement for the implementation of the new ERP solution.	**Implemented** **March 2025:** This recommendation was addressed in the original comment and should be closed, especially considering the decommissioning of Oracle EBS. Quantum provides the necessary controls to ensure it fulfills the criteria of the recommendation. **Update as of 01-OCT-2024:** *In general:* *A supplier management specialist has joined the Secretariat in September 2024. She will look into the issue of duplicates in a broader context. Quantum needs an accurate supplier management system covering HR, Procurement, Finance, Travel, without duplicates.* *See comments below (20/2022 and 2023/20) for HR and duplicate users.*	CLOSED

N.	Recommendation	Comments received from Secretary General at the date of the audit report	Status as reported by WMO Management	Status as assessed by the Corte dei conti
20/2022 (FS) (2023/20)	We recommend including in the HR system first name and passport ID as mandatory fields for employee records. This will help ensure that all necessary information is captured accurately and completely and will enable efficient and effective management of employee data.	Management accepts the recommendation We will investigate the possibility and practicality of implementing additional mandatory fields, in addition to the ones already set in the current version of the ERP system, to the extent the business process can be adapted to manage the new mandatory fields. This will also be made a requirement for the implementation of the new ERP solution.	**Implemented** **March 2025:** This recommendation was addressed in the original comment and should be closed, especially considering the decommissioning of Oracle EBS. Quantum provides the necessary controls to ensure it fulfills the criteria of the recommendation. **Update as of September 2024:***This recommendation should be closed. A change to the system was introduced to avoid duplicate persons in the system. The system now blocks persons with the same first name, last name, and date of birth.*	CLOSED
22/2022 (FS) (2023/22)	We recommend implementing an automated double-check for updates to salary scales in the payroll system to prevent manual errors. This will help ensure the accuracy of salary scales and avoid the risk of errors in payslip elaboration.	Management currently performs a manual control of a sample of position grades and steps to confirm that the revised salary scales have been included in the master data in an accurate manner. Such manual control will be continued for the foreseeable future. When the new ERP system is completed, the controls over salary scale update will again be reviewed.	**Implemented** **March 2025:** The Quantum ERP implementation includes the outsourcing of the payroll process to UNDP. A review of overall controls at UNDP supporting the payroll process is being discussed between WMO and UNDP. ***Update as of 26 September 2024:*** *In Process* *The Quantum ERP implementation includes the outsourcing of the payroll process to UNDP. A review of overall controls at UNDP supporting the payroll process is being discussed between WMO and UNDP.* *It has been confirmed that the UNDP solution regarding updates of salary scales are controlled within the UNDP process.*	CLOSED

N.	Recommendation	Comments received from Secretary General at the date of the audit report	Status as reported by WMO Management	Status as assessed by the Corte dei conti
1/2021 (FS) (2022/1)	We acknowledge that a process related to a global verification of all assets is in progress; however, in order to increase the accuracy of the register, also for enhancing the effectiveness of WMO asset management, we recommend that all items should be properly labelled and recorded in the fixed asset register, including information like the location, the assignment, etc.	Management accepts the recommendation. The process of performing the global verification is currently in process and the above recommendation will be addressed as part of the completion of this process.	**Implemented** **March 2025:** The Global Physical inventory has been completed and all assets have been reported in the inventory, including IT portable equipment. Only some special assets (such as some rugs or sculptures) remain unlabelled and due to their category or material, even though they are reported in the asset registry. Evidence can be found in the shared folder. As per standing instructions, Global Physical Inventories take place every two years. The next global physical inventory will be completed in 2025. **Update as of September 2024:** *The Global Physical inventory has been completed. All assets have been reported in the inventory. Only some special assets (such as some rugs or sculptures) remain unlabelled and due to their category or material, even though they are reported in the asset registry. Evidence in the shared folder.* *As per standing instructions Global Physical Inventories take place every two years. The next global physical inventory will be completed.in 2025.*	SUPERSEDED BY NEW RECOMMENDATION N.2

8/2021 (FS) (2022/8)	We recommend that Management accurately investigate what could be the risks and the possible impact for the WMO financial resources (potential loss) for remedial actions to contaminations, as indicated on the Geneva land register, reporting to stakeholders if further costs are due to the État de Genève.	The requested investigation will be carried out and any potential liability resulting therefrom will be reported to the Executive Council.	**Implemented** **Legal Counsel:** In order to determine if there has been any identification of the WMO parcel 5039 being identified as a source of contamination, Finance undertook an investigation into the online portal of polluted sites (SITG | Carte interactive). When investigating the two specific elements of potential contamination, it was noted that the dates of last contaminations were references as (Date dernière mention) 1990 (31033) and 1980 (40012). Given the fact that WMO did not begin the construction of the WMO Headquarters Building until 1994, it is impossible for WMO to have been responsible for the contamination identified within the online portal and there are no other indicators of potential pollution. Article 17.2 of the *droit de superficie* foresees that WMO can only be held responsible for any new pollution that originates from WMO. In addition, FIPOI must demonstrate that WMO is at the source of the pollution. Moreover, WMO is not aware of any additional contamination and FIPOI has not informed WMO of any occurrence thereof. As such, no accounting or financial disclosure related to potential contamination is required at this point in time. Further, there have been no indications of any issues of concern resulting from the periodic testing of water or air quality within the WMO Headquarters building. As such, given there are no indications whatsoever of there being further contamination since those shown in the online portal of polluted sites and the nature of WMO's activities, WMO Management does not believe	ONGOING

N.	Recommendation	Comments received from Secretary General at the date of the audit report	Status as reported by WMO Management	Status as assessed by the Corte dei conti
			further costs should be incurred to perform a specific environmental study at this point in time.	
11/2021 (FS) (2022/11)	We recommend that Management follow up timely the trend of the consultancy costs, in order to assess if their increase could jeopardise the expected impact of the Reform as a compensation for the reduction of staff, especially in case consultants are employed in supporting administration services instead of scientific services. In line with Service Order 15/21, we also recommend that an independent monitoring unit be created (or the task be assigned to an existing structure), able (i) to assess timely the quality of the performance delivered by consultants (ex-post) and/or (ii) to perform an ex-ante assessment of the necessity of hiring consultants to be dedicated to administrative tasks.	The performance of consultants is recorded and documented. A completed performance report documenting satisfactory performance is a requirement before a final payment is made. The delegation to approve the hiring of consultants is delegated to Department Directors who confirm that there is a technical necessity to hire a consultant. Department Directors also oversee the selection process. WMO agrees on the importance to monitor and control the appropriate use of consultants. To this end WMO will initiate a special audit to assess whether the delegated authority is exercised appropriately. IOO and/or MERP will be charged to carry out such an assessment. For future consultant recruitments, the details of the modality of the monitoring process are to be determined.	**Implemented** **March 2025:** Significant actions concerning consultancies have been implemented (e.g. the revised consultant policy implemented in early 2024 and further clarified in July 2024). The impact has been an overall reduction of consultancy cost of 15% in 2024 as compared to 2023, with regular budget funded consulting expenditure down by over 30% in 2024. Furthermore, the Internal Oversight Office was tasked to conduct a specialized audit to assess whether consultants were used for the appropriate purpose and whether the performance was adequate. The audit found that consultants were used appropriately and not to cover for regular posts after the restructuring. It also found that there were no significant issues regarding the performance of the consultants. Rather, IOO has agreed to undertake periodic reviews of the consultancy process, including those related to the quality of the performance by the consultants. Additionally, it was determined that creating a separate unit focusing solely on monitoring the performance of consultants was not cost-effective and as such, this component of the recommendation will not be implemented	SUPERSEDED BY NEW RECOMMENDATION N. 13
21/2021 (FS) (2022/21)	We recommend that Director IOO should also carry out a regular assessment of the Office of the Controller, to check if resources, both financial and human, are adequate to fulfil its tasks.	The Office of the Controller was established recently, and its functions and mandate are evolving. Since then, the context in which it was established has also evolved. IOO will try to include an engagement in the POW 2022 to review the functioning of Controllers office.	**Implemented** **No new comments** **Update as of 01-OCT-2024:** The office of Controller has been established in 2024. It will be included in the IOO's risk universe and audited as per IOO's strategy on assurance.	CLOSED

N.	Recommendation	Comments received from Secretary General at the date of the audit report	Status as reported by WMO Management	Status as assessed by the Corte dei conti
4/2020 (FS) (2021/4)	We recommend implementing a clear regulatory framework with reference to the lists of signatories authorized to operate all bank accounts, both for internal procedure and for external relationships with financial institutions. Moreover, we recommend that this framework be clearly communicated to involved Offices, and to banks.	WMO accepts the recommendation and has already initiated the strict process to revise bank signatory lists and confirm that the banks have updated the signature lists in accordance with the instructions provided by WMO.	**Partially Implemented** Bank signatory lists have been updated and communicated to all banks and published as a Service Note in 09/2024 "Designation of Bank Signatories". WMO Management recognizes that some financial institutions did not timely update their internal signature panels. WMO will, upon the next update of signature panels and as part of the forward looking process, request confirmation from the banks that the updates have been made.	PARTIALLY IMPLEMENTED

ANNEX II - Follow-up to suggestions issued by the Corte dei conti in the financial audit report on financial statements for year 2023

N.	Suggestion made by the Corte dei conti	Comments received from Secretary-General at the date of the audit report	Status as reported by WMO Management	Status as assessed by the Italian Corte dei conti
1/2023 (FS) (2024/1)	We suggest that the organisation improve the physical storage solutions available in the secure donations room to better ensure the preservation and value of donated items.	Management accepts the suggestion and will install additional shelving and cabinets to enhance the storage of donations in the secure room.	**Implemented.** Shelves and cabinets have been installed **Update as of September 2024:** These works are underway. New shelving and cabinets will be fully installed by Q4 2024.	CLOSED
2/2023 (FS) (2024/2)	We suggest that management further develop the resource management procedure and sensitize the staff, giving clear instructions to enhance the respect and care of assets owned by WMO that are assigned for use, especially portable equipment.	WMO accepts this suggestion and will further develop the existing procedure to sensitize staff and give clear instructions.	**Implemented** **No new comments** **Update as of September 2024:** Regular reminders are sent to all staff about the need to respect the inventory management labelling system, particularly relating to mobile phones and laptop computers.	CLOSED
3/2023 (FS) (2024/3)	We suggest that WMO strengthen its low-emission approach in travel policy, aiming to encourage remote working and on-line participation to events, thereby reducing travels, especially those of high financial and environmental impact.	Management accepts this suggestion and will develop a policy related to planning of travel, including the number of attendees for each meeting. The same applies to the remote working and on-line participation to events and meetings. Upon approval of the policy an implementation plan will be developed.	**In progress** **March 2025:** pending stabilization of Quantum. The policy is being drafted. Due date: 31/12/2025 ***Update as of 27 September 2024:*** *Under continuous review and updates:* *The Travel Policy will be updated to further strengthen WMO's low emissions approach in line with UN best practice.*	ONGOING

ANNEX III – Follow-up of recommendations issued in the cyber security audit

N.	Recommendation	Target End Date	Status as reported by WMO Management	Status as assessed by the Italian Corte dei conti
2023 Cybersecurity Audit - Rec n.1	Cybersecurity policies are outdated and do not exhaustively cover all cybersecurity topics. We recommend updating the Information Security Policy and establishing the new planned standards (Mobile Device and Teleworking Standard, Identity and Access Management Standard, Vulnerability Management Standard) as stated in action plan "ID.RA.2 - Risk Treatment Plan" and "2022 10 - WMO Policy Framework". 56. Furthermore, we have noticed that many IT procedures (e.g., change management, back-up) are outdated; we recommend updating them periodically.	Q4/2024	**Implemented** **April 2025:** New Information Security Standards has been developed updated including End User Security Standard, Identity and Access Management Standard, Vulnerability Management Standard, Network Security Standard, updated Backup and Restore Procedure , etc. Other procedures have been also reviewed and updated. Evidence was provided to the auditors. https://wmoomm.sharepoint.com/:f:/s/ControllerandManagementServices/Ei7xAGponmhDsIYp3RL2LHEBPiHk7_3o9ARSDK3zhfnaiA?e=pvkFGa Therefore we recommend the closure of this recommendation**Update as of 30/09/2024:** **Completed. End User Device Security Standard, Identity and Access Management Standard, Vulnerability Management Standard drafted, approved and published. Other procedures have been also updated.**	CLOSED
2023 Cybersecurity Audit - Rec n.2	In relation to "ID.RA.2 – Risk Treatment Plan", we recommend establishing an information security standard and implementing a data loss prevention solution that enables automatic tools to classify the information. We also recommend assessing the possibility of forcing the users to apply data classification for all documents.	Q4/2024	**In progress** **April 2025: The Information security classification, labelling and handling standard has been approved. Discussion is currently ongoing on who will own it and implement it. The due date has been updated to Q2 2025 to allow for the discussion to happen.** **Due date: 30/06/2025** ***Update as of 30/09/2024:*** *In progress. An Information security classification, labelling and handling standard has been drafted by IT and shared with the ISSAC for review and approval.* *However after the review from ISSAC and ASG. all subgroup participants agreed to recommend that the "UN approach to Information Classification should be followed, but that this should be a policy defined by SG. It will then be decided if IT security controls need to be implemented by ITC".* *Therefore, IT will handover Information Classification Standard to Office of Secretary-General. It will then be decided if IT security controls need to be implemented by ITC.*	ONGOING

N.	Recommendation	Target End Date	Status as reported by WMO Management	Status as assessed by the Italian Corte dei conti
2023 Cybersecurity Audit - Rec n.3	Considering that, after the migration to Office 365 solutions, users can access the e-mail and Teams server also from mobile phones, and, in addition, the phones are used for the multi factor authentication, we recommend monitoring all mobile devices for anomalous activity (e.g., the installation of not official or malicious apps) and implementing a remote locking/wiping solution, using an MDM/EMM solution.	Q3/2024	**Implemented** **April 2025:** MDM solution for WMO owned devices implemented and devices enrolled into the Intune platform. Procedures has been developed on how to enroll new and existing devices into MDM. Evidences were provided to the auditors. https://wmoomm.sharepoint.com/:f:/s/ControllerandManagementServices/Ei7xAGponmhDsIYp3RL2LHEBPiHk7_3o9ARSDK3zhfnaiA?e=pvkFGa Therefore we recommend the closure of this recommendation **March 2025:** 50% completed. Validation from the ISSAC in progress. The MDM will be rolled out to all WMO owned phones starting end of Q1 2025 Date has been adjusted to allow time to fully implement ***Update as of 30/09/2024:*** *In progress. MDM solution for WMO owned mobile phones devices implemented, and initial pilot successfully completed.* *After the validation from the ISSAC, the MDM is being rolled out to all WMO owned mobile phones.* *New end date Q4/2024.*	CLOSED
2023 Cybersecurity Audit - Rec n.5	In relation to the cyber security supply chain, we have taken note that, for new IT acquisitions, assessments of the suppliers are performed, and that an annual vendor compliance review has been implemented. We recommend defining a specific procedure, with the support of the Procurement office, that contains specific security and compliance requirements in the contracts, and the involvement of the information security team in the acquisition evaluation, as well as a periodical audit of the suppliers.	Q2/2024	**Implemented** **April 2025:** Cybersecurity questionnaire added to the RFPs, and CISO review done as part of the acquisition evaluation. Procurement confirmed that security clauses are included in the contract, and cybersecurity questionnaire added to the RFPs. Evidences were provided to the auditors. https://wmoomm.sharepoint.com/:f:/s/ControllerandManagementServices/Ei7xAGponmhDsIYp3RL2LHEBPiHk7_3o9ARSDK3zhfnaiA?e=pvkFGa Therefore we recommend the closure of this recommendation **Update as of 30/09/2024:** **Completed. Procurement confirmed that security clauses are included in the contract, and cybersecurty questionnaire added to the RFPs.**	CLOSED

N.	Recommendation	Target End Date	Status as reported by WMO Management	Status as assessed by the Italian Corte dei conti
2023 Cybersecurity Audit - Rec n.6	In relation to the Information security training & awareness, we recommend planning and performing a Cyber security Tabletop training, with the involvement of top management and key people, to simulate a disaster cyber security scenario	Q2/2024	**In progress** **March 2025:** Procurement of tabletop exercise process done with UNICC. Date and scope of tabletop is currently being defined but will happen during Q2 2025. **Due date: 31/03/2025** ***Update as of 30/09/2024:*** *In progress. Procurement process ongoing to acquire cybersecurity tabletop exercise service.*	ONGOING
2023 Cybersecurity Audit - Rec n.7	All laptop devices have installed Endpoint Protection Solution provided by Windows Enterprise. The mobile devices have no Endpoint Protection Solution at all. In relation to "ID.RA.2 – Risk Treatment Plan", we acknowledge the action plan and recommend implementing an Endpoint Detection & Response/Extended Detection & Response (EDR/XDR) solution on all WMO assets (included BYOD mobile devices), to monitor and manage security threats. Following the deploy of the EDR/XDR solution, we recommend establishing a SOC as a Managed Security Services Provider service, or an internal SOC.	Q4/2024	**Implemented** **April 2025:** SOC onboarding project completed. SOC service live including incident response support since 1st April 2025. Evidence was provided to the auditors. https://wmoomm.sharepoint.com/:f:/s/ControllerandManagementServices/Ei7xAGponmhDsIYp3RL2LHEBPiHk7_3o9ARSDK3zhfnaiA?e=pvkFGa Therefore we recommend the closure of this recommendation **March 2025: Procurement of SOC services is done and implementation is in progress.** **Due date: 31/03/2025** **Update as of 30/09/2024:** In progress. Procurement process ongoing to acquire SOC services. New end date Q1/2025.	CLOSED

N.	Recommendation	Target End Date	Status as reported by WMO Management	Status as assessed by the Italian Corte dei conti
2023 Cybersecurity Audit - Rec n.9	Although most of the IT systems used by WMO are managed or outsourced, WMO should increase the governance of the activities in Business continuity and Disaster recovery perimeter, at least for monitoring the suppliers. We, therefore, recommend completing the drafting of the Disaster Recovery Plan and performing a Business continuity analysis of disruption scenarios (e.g., No people, no facilities, no suppliers, no building, no IT services).	Q3/2023	**In progress** **April 2025:** WMO ITD BC - Analysis of Disaster Scenarios done as part of the audit recommendation. In addition, ICT BIA (in draft) done as part of the Organization Resilience Management System and Organizational BIA activity. Evidence was provided to the auditors. https://wmoomm.sharepoint.com/:f:/s/ControllerandManagementServices/Ei7xAGponmhDsIYp3RL2LHEBPiHk7_3o9ARSDK3zhfnaiA?e=pvkFGa **No new comments** **Update as of 30/09/2024:** Completed. DR plan updated, and IT completed the continuity analysis of disruption of disrupting scenarios (i.e no people, no facilities, no suppliers, not IT services, etc) for its critical systems. This analysis will then be embedded in the larger BIA being currently conducted organization wide.	ONGOING
2023 Cybersecurity Audit - Suggestion n.2	Following the SOC implementation, for better synergy, we suggest including Incident Response services in the SOC activities.	Q4/2024	**Implemented** **April 2025:** SOC onboarding project completed. SOC service live including incident response support since 1st April 2025 Evidences were provided to the auditors. https://wmoomm.sharepoint.com/:f:/s/ControllerandManagementServices/Ei7xAGponmhDsIYp3RL2LHEBPiHk7_3o9ARSDK3zhfnaiA?e=pvkFGa Therefore we recommend the closure of this recommendation **March 2025:** SOC services procured in Dec 2024. SOC onboarding project in progress. SOC implementation project and ongoing service including IR support to be in place in Q1 2025. **Due date: 31/03/2025** **Update as of 30/09/2024:** In progress. Procurement process ongoing to acquire Incident Response services. New end date Q1/2025.	CLOSED

N.	Recommendation	Target End Date	Status as reported by WMO Management	Status as assessed by the Italian Corte dei conti
2023 Cybersecurity Audit - Suggestion n.5	The Wi-Fi access in the WMO HQs is not protected by a password, and anyone could connect to the network. Even if the physical perimeter is protected, if a threat agent manages to avoid physical security and connects to internal Wi-Fi, he could use it to gather information that could be used for malicious actions. We suggest to implement a solution to guarantee authentication (e.g., password), authorization (e.g., user ID or company mail), and accounting (logging) of the users using the Wi-Fi.	Q4/2024	**Implemented** **March 2025:** New network implemented including Wi-Fi protected by password. **Update as of 30/09/2024:** New wireless (Wi-Fi) network with authentication is going live on Thursday 03 October 2024 and legacy one will be decommissioned few days after.	CLOSED

ANNEX IV – Follow-up of recommendations issued by the Sfao

N.	Recommendation made by the SFAO	Comments received from Secretary-General at the date of the audit report	Status as reported by WMO Management	Status as assessed by the Corte dei conti
3/2019 (FS) (2020/3)	SFAO recommends that WMO actively carry out activities related to the second line of defence, in particular by: (i) Defining roles and responsibilities to avoid any incompatibility concerning front-line functions; (ii) Formalizing processes relating to business planning, reporting and follow-up measures; (iii) Establishing a direct and formalized system for reporting to executive management; and (iv) Regularly discussing the ICS at management meetings.	The recommendation is accepted. The WMO Standing Instructions relating to the three lines of defence are currently being updated. The duties of the Controller's functions are being updated and approved by the Secretary-General (detached from operational budget responsibilities). Regular reporting by the D/CSG, MERP unit and the Controller to the Board of Directors is planned in the context of business processes and follow-up measures. ICS matters will be a dedicated item at future Board of Directors regular meetings, and the Controller ad interim will be requested to implement follow-up actions based upon the decisions taken.	**Superseded by events** **No new comments** **Update as of 26 September 2024:** Completed. Service Note 1/2024 was issued, which formally moved the Legal Office to report directly to the Secretary-General. The Director, Legal Counsel and Administration was revised to be the Director Administration and the Legal Counsel was assigned to a different Staff Member. A new ASG, Thomas Asare, was hired and took up his post on 1 May 2024. The functions and post description for the ASG were updated to provide for an improved assignment of responsibilities. On 19 July 2024, Service Note 17/2024, "*Realignment of Certain Functions and Organizational Units*" was issued. This Service Note made a number of adjustments, including: Creation of a Controller and Management Services Division that includes three Sections (Finance, IT and Audit Coordination and Internal Controls). The Controller and Management Services Division is headed by a D1 Controller. This position and a new Internal Control Manager position have been advertised and recruitment is ongoing. As a result of this, IOO is no longer responsible for coordination of overall audit functions. Chief of Staff functions in former CSG were reduced and rationalized such that the function is responsible only for the UN	SUPERSEDED BY NEW RECOMMENDATION N.24

N.	Recommendation made by the SFAO	Comments received from Secretary-General at the date of the audit report	Status as reported by WMO Management	Status as assessed by the Corte dei conti
			office in New York and the SG Coordination Unit. Moved the reporting lines of various offices (e.g strategic communications and monitoring and performance) to the ASG to support the three lines of defense.	
INMET /1	The SFAO recommends that WMO assume its responsibility for the project in accordance with the agreement. It should fulfil its responsibility consistently so that the strategic objectives are achieved.	The recommendation is accepted. This situation was rectified after the approval of the second extension of the agreement (May 2018). The work plan was jointly approved by WMO [Annex II, signed on May 18, 2018 by the Secretary-General] and INMET (available) and also the corresponding Project Work plan and Budget Implementation Plan (also available). The two main activities planned for 2019 were (1) purchase of HPC equipment to expand the power of the INMET supercomputer; and (2) continuation of the consulting and training activities, in relation to the established work plan. Continuation of the consulting and training activities was responsibility of INMET with WMO responsible for contracting administrative aspect of consulting services on request. For the HPC a tendering process in 2019 resulted in contracts signed with Vendor in late 2019. Reception of goods and customs clearance is the responsibility of INMET. Delivery was scheduled for 1st quarter 2020 – this has been on hold due to COVID-19.	**Implemented** **April 2025:** The refund of the remaining balance to INMET, which had been initially rejected in the first quarter of 2024 was completed in April 2025. Confirmation from the ministry in Brazil of the full receipt of funds and the completion of the refund was received. As such, all elements of the project, including the final administrative element, is now fully complete.	CLOSED