WEATHER CLIMATE WATER

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Submitted by:
Chair of the Audit and
Oversight Committee

3.VI.2026

REPORT BY THE CHAIR OF THE AUDIT AND OVERSIGHT COMMITTEE

Membership and sessions

1. Resolution 17 (EC-72) describes the terms of reference of the Audit and Oversight Committee (AOC) while Decision 16 (EC-78) establishes the AOC membership. The AOC members are Mr Hock-Chye Ong (Malaysia, Chair), Mr José Mendez (Costa Rica, Vice-Chair), Mr Stamatios Anthis (Greece), Ms Renis Onguka (Kenya), Ms Purnima Mishra (India), Mr Roberto Fernandez (Argentina), and Mr Naoyuki Hasegawa (Japan). There has been no change to AOC membership since the seventy-ninth session of the Executive Council (EC-79).

2. Since EC-79, AOC has held two formal sessions: (a) AOC-45 (Geneva, 17–19 November 2025) and (b) AOC-46 (Geneva, 11–13 May 2026), and in line with the practice introduced at AOC-45, has held virtual check-ins with the Secretariat between sessions to monitor the financial and restructuring.

3. Following its mandate, AOC continued to discharge its oversight and advisory roles on the following matters:

(a) Financial status of WMO and the reorganization of the Secretariat;
(b) Status of AOC recommendations and their impact;
(c) Financial Statements for 2025, Letter of Representation, Report of the External Auditors, and the Management Action Plan;
(d) Statement on Internal Control and Terms of Reference for the engagement of external auditors 2028–2031;
(e) Internal oversight, including the Annual Accountability Report of the Internal Oversight Office (IOO) and the joint IOO and the Planning, Finance, Programmes and Performance Office (PFPO) Key Performance Indicator framework for the transformation;
(f) Risk Management and Strategic Foresight, the new Risk Management Policy, and the update of the Executive Council Task Force on the Strategic and Operating Plans for 2026–2027;
(g) Joint Inspection Unit (JIU) reports, including the JIU Review of WMO Constituent Body Structures;
(h) Quantum (ERP) implementation and the Exception Register;
(i) Ethics, fraud management, and the meeting with the Ombudsperson;
(j) AOC Self-Assessment and Stakeholder Surveys;
(k) Recommendations of the Executive Council to the AOC and other matters.

4. Based on the work done, we wish to bring to your attention the following pertinent matters: (a) WMO financial status, (b) Key oversight concerns, and (c) the Joint Inspection review of the WMO governance.

WMO financial status

5. WMO is operating under acute liquidity pressure with the non-payment of assessed contributions by its largest contributor now extending into a third consecutive year.

6. Management undertook cost-containment measures during the year which generated meaningful savings; the Secretariat transformation undertaken in 2025 has resulted in a further structural saving each year; the WMO Commons initiative has attracted an initial mobilization of resources; and discussions with the Swiss authorities resulted on loan repayment forgiveness for two years. On these foundations, current projections indicate that WMO can sustain operations into the second half of 2027, with near-full utilization of the Working Capital Fund.

7. The Secretariat restructured the technical functions under new departments, established a Regional Coordination Office to strengthen Member support, and reduced posts. While the financial situation remains volatile, AOC is supportive of avoiding any further workforce reductions through Financial Year 2026 to preserve employee motivation and productivity.

8. At AOC-45, AOC took the view that the success of the restructuring had to be demonstrable. Accordingly, AOC asked IOO, in conjunction with the PFPO, to develop a Key Performance Indicator framework for Executive Council to track the restructuring and transformation. The framework, which combines backward-looking indicators of structural efficiency with forward-looking key risk indicators on financial sustainability and transformation execution, was presented to AOC-46, endorsed by Executive Management, and will yield its first results before the end of 2026. AOC considers this a tangible example of its preferred mode of constructive oversight.

9. We also welcome the rigorous methodology of the Executive Council Task Force on the Strategic and Operating Plans for 2026–2027, which has prioritized the scaling and sequencing of programme outputs in different scenarios.

10. Despite these measures, the outlook remains fragile and depends substantially on factors outside the Secretariat's control. We recommend that the Executive Council formally designate a minimum threshold at which the Working Capital Fund needs to be maintained when considering the Task Force recommendations.

Key oversight concerns

11. We reviewed reports from the IOO, the External Auditor and JIU. Here are the issues that need your attention.

12. **Third-party Travel** – The IOO audit found 60% of WMO travel budget pays for Member representatives and other non-staff travellers. In nearly half of the cases that IOO checked, there was no proper documentation clarifying the eligibility of the third-party traveller and the purpose of travel, showing that the travel was in accordance with Executive Council rules. We noted that potentially a large number of cases may be non-compliant with the rules and encouraged the Secretariat to undertake a root cause analysis in line with the audit recommendation and, where appropriate, submit the results to the Executive Council.

13. **Staff performance appraisals** – The IOO audit found that the staff performance system does not work as intended. Very few staff members completed their appraisal on time, ratings were almost all at the same level (no real spread), and the human resource system (Quantum) is underused. **The Secretariat must fix this urgently. A functioning performance system is a basic accountability tool.**

14. **IOO continues to be under-resourced** – It has no dedicated Evaluator and Investigator. This means IOO cannot do the job that Congress asked it to do. We know money is tight. But the need for independent oversight grows during a crisis, when WMO is cutting costs, restructuring and changing systems. Such events stretched the oversight capacity most. AOC has reminded the Secretariat to prioritize resources towards IOO required capacity. **We continue to flag this risk. Please note it as well.**

15. **External auditor cannot fully audit Quantum** – WMO received a clean (unqualified) audit opinion for 2025. However, the External Auditor added a formal warning (an "Other Matter" paragraph) about the IT controls in Quantum. The United Nations Development Programme (UNDP) hosts Quantum. The WMO External Auditor cannot audit UNDP (the United Nations-adopted "single audit" principle). UNDP does not provide a standard Systems and Organization Controls (SOC) report or any equivalent assurance. A letter from the UNDP Controller is useful, but it is not enough for a system that holds WMO core financial data. **We are raising this issue at the United Nations level. This concern is a United Nations system-wide challenge.**

The JIU review of WMO governance

16. The JIU found the WMO governance to be outdated. It makes 12 formal and 33 informal recommendations covering how the Secretary-General is held accountable, how Members oversee the Secretariat, the limited oversight role of the Executive Council, and the roles of the Financial Advisory Committee (FINAC) and AOC. The recommendations bring WMO closer to modern United Nations governance practice. The Policy Advisory Committee recommends that the Executive Council create a task force to deliver a road map by the eighty-second session of the Executive Council (EC-82) in February 2027. AOC is ready to help the task force, the Executive Council and the Secretary-General in their analysis, internalization and implementation of the recommendations. Also, we have delayed updating our own terms of reference until we see the outcome of your discussions on the JIU report.

Other matters

17. AOC supports the new Risk Management Policy and asks for your approval.

18. We checked whether our recommendations were being implemented. The Secretariat has been acting on them promptly, and this has improved governance and oversight at WMO. Furthermore, the JIU expressed appreciation for WMO high acceptance and implementation rates of its recommendations, and we ask that you also endorse Secretariat's responses to the JIU recommendations.

19. In response to the recommendation of the Executive Council at EC-79, the AOC has completed a stakeholder survey and self-assessment. The annex describes the results and actions that AOC will take. We will report back on the progress at the next Executive Council and FINAC session in 2027.

20. AOC-47 will hold its next meeting virtually between mid-November and December 2026. AOC thanks the Secretariat, the External Auditor, the JIU and the United Nations Ethics Office for their professionalism and constructive engagement during the period covered by this report.

ANNEX

STAKEHOLDER SURVEY AND SELF-ASSESSMENT REPORT OF THE AUDIT OVERSIGHT AND ADVISORY COMMITTEE

Introduction

This report brings together feedback from three groups: the Executive Council (EC), WMO staff and the Audit Oversight Committee (AOC) members, all of which were administered by the Internal Oversight Office. The surveys look at what AOC does well and where it can improve. These three groups were chosen because they work most closely with AOC. The EC survey had a 43% response rate, while the WMO staff and AOC member surveys had high participation rates.

AOC conducted this assessment to understand how AOC can work better in support of WMO management and Governance Bodies. The assessment is in line with the JIU recommendation calling for a periodic review of the work of AOC, which was also supported by EC and Congress to enhance oversight and accountability.

Overall observation

AOC is a strong and valuable committee. It has helped WMO improve how it manages risks and keeps things on track.

The surveys showed where AOC can improve, and this report explains what AOC will do to address them.

1. Make the AOC role clearer

People are confused about the difference between the AOC and the Financial Advisory Committee (FINAC). Making roles clearer will help everyone work together more smoothly.

Information AOC obtained:

- **Executive Council:** AOC needs to work better with FINAC. When EC expanded the role of FINAC, it raised concerns. The two committees (AOC and FINAC) should help each other, not compete.
- **WMO staff:** Sometimes AOC exceeds its intended scope. This causes confusion about who is responsible and adds extra work for already-busy staff.
- **AOC members:** AOC listed overlap with FINAC as one of its biggest challenges.

What AOC will do:

(a) **Review AOC rules (Terms of Reference)** to clearly spell out what AOC does and how it fits with FINAC and WMO.

(b) **Invite designated FINAC representatives** to participate in AOC meetings to ensure AOC and FINAC work together and avoid duplicating work.

2. Give more forward-looking advice

People like how AOC checks on current work, but they want AOC to spend more time looking ahead. AOC also needs to track whether our advice is actually being used.

Information AOC obtained:

- **Executive Council:** Give us "independent, broad, and more connected strategic advice on risks". Help us think about future challenges, such as the UN80 Initiative. Check major plans, such as the Strategic and Operating Plans.
- **WMO staff:** Focus on big-picture issues such as risk and accountability. Ask for information only on what really matters. Make time to talk deeply about the biggest risks so that routine items do not take up all the meeting time.
- **AOC members:** We find it hard to keep up with changes at WMO and with global risks. We also need to know whether the Secretariat has implemented our recommendations.

What AOC will do:

(a) **Improve the AOC annual work plan** to make time for in-depth discussions on major risks, including cybersecurity, financial challenges and restructuring.

(b) **Create a way to track AOC recommendations** to see whether the Secretariat follows AOC advice and its impact.

(c) **Look ahead in every meeting** to spot emerging risks, such as AI, global politics and budget pressures.

3. Fix how AOC works

People praise AOC expertise. Fixing these gaps will show that AOC values their time and wants to work more efficiently.

Information AOC obtained:

- **WMO staff:** Be more aware of how busy people are at WMO. Sometimes requests come at the wrong time or ask for too much detail.
- **AOC members:** New members do not always get a good introduction. AOC also does not always get information in a timely way between meetings.

What AOC will do:

(a) Ensure that transition arrangements are in place to enable new members to be effective in their roles.

(b) Agree on clear rules with the Secretariat to provide information that is timely, complete and in the same format every time, reducing follow-up questions and making both parties accountable.

Conclusion

These actions will help AOC work more effectively with FINAC, focus on future risks and respect staff time. AOC will report back on its progress at the next EC and FINAC sessions in 2027.

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