



CORTE DEI CONTI



WORLD  
METEOROLOGICAL  
ORGANIZATION

## Report of the External Auditor

*Financial Advisory Committee, 12 June 2025*



CORTE DEI CONTI



## **Audit report: structure overview**

### **Audit report on FS 2024**

The report is presented in two parts: the first part contains our “Opinion” on the 2024 Financial Statements (FS), while the second part contains the long-form report.

The long-form report presents the results of the audit activity through audit findings and observations, which in turn lead to recommendations aimed at improving processes and addressing the identified issues.

### **The follow-up to previous recommendations – Annexes I-IV**

Our audit work also included following up on the recommendations issued in past reports to assess their implementation status.



## The audit opinion

We have audited the financial statements of the World Meteorological Organization (WMO) for the year ended 31 December 2024. In the External Auditor's opinion, the financial statements present fairly, in all material respects, the financial position of WMO as at 31 December 2024 and its financial performance and cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (IPSAS) and the WMO Financial Regulations and Rules as updated in July 2023.



## The long form report: the main findings

- Including the IT audit, we have issued 26 recommendations, discussed with management and presented to the Secretary-General. These resulted from evaluating practices, collaborating with stakeholders, and scrutinizing compliance with standards. This thorough process ensured that the recommendations are targeted, actionable, and aligned with organizational objectives.
- Out of the 26 recommendations, 23 have been accepted by the organization (88%), while the remaining three are currently under review.
- The implementation of the external auditor's recommendations is part of the follow-up process managed by the Organization through the Controller. The Controller presents the action plan for these implementations to Those charged with Governance.



## The audit findings

### Property, Plant and Equipment

Weaknesses have been identified in the planning of extraordinary maintenance works on buildings and equipment, as well as in the adequacy of the terms of reference for the Special Maintenance Fund, particularly regarding funding sources, accountability, and expenses' management. Therefore, we recommended to strengthen the Fund's regulatory framework, define a clear roadmap for extraordinary works and ensure cost-benefit balance in maintenance decisions.



## **Assets register and IT equipment assignment**

Regarding asset management and the asset register, we found that there was room for improvement in the accuracy of the asset register, to ensure that financial records are up to date. Additionally, we recommended improving the tracking of IT assets, through consistent updates on status and usability.

## **Revenue from voluntary contributions**

While no material misstatements were found, the audit revealed weaknesses in the planning, monitoring, and reporting of staff-related costs. In order to enhance accountability and mitigate risks, we recommended a consistent implementation of Standing Instructions Chapters 13 and 16, focusing on structured cost planning, accurate staff expense tracking, improved financial reporting and coordination across all relevant units.



## Other revenue: rental of office facilities

The organization has experienced invoicing delays of up to three years for past services, affecting revenue tracking and IPSAS compliance. Although the management claimed that the issue was resolved in 2025, we recommended to set a transparent cost-recovery framework, including better interdepartmental coordination, timely invoicing, regular cost reviews, and clear contract terms.

On the same subject, the WMO's financial documentation practices show weaknesses, such as the use of vague labels (e.g., "Other Utilities"), unclear tenant charges, and ad hoc reconciliation methods, all of which compromise transparency, accuracy, and auditability. Furthermore, in 2024, WMO offset 689 kCHF of tenant charges to reduce building expenses; on this amount, 184 kCHF did not meet IPSAS conditions and was also recorded as rental income, resulting in double accounting. The Organization acknowledged the issue and is committed to addressing it in 2025.



## Other revenue: rental of office facilities (continued)

For the abovementioned reasons, we recommended strict adherence to IPSAS rules, accurate accounting to avoid anomalies like double counting, and stronger documentation and cost allocation. Building-related expenses should be clearly calculated, traceable, and based on verified figures from building management. Additionally, certain specific hosting agreements were recommended for enhancement.





## Salaries and employee benefits

In 2024, WMO experienced an increase in staff salaries and recruitment while training expenditure declined. Its strategic human resources plan should be further aligned with long-term goals; thus, the link between financial resources and long-term strategic HR planning could be strengthened. In addition, continued investment in staff training – supported by careful cost-benefit evaluation, may need to be prioritised.



## Consultancy and Secondment Costs

Although consultancy costs slightly decreased in 2024, managing this category remains important for ensuring spending quality.

We have issued six recommendations on this matter, which related mainly to:

- Ensure substantive compliance with the rules governing consultancy services, with particular focus on the effectiveness of the selection process, the relevance and impact of consultants' work, and satisfaction with their deliverables.
- Implement stricter controls to ensure compliance with established limits on contract duration.



## Consultancy and Secondment Costs (continued)

- Reassess consultants' roles and consider competitive selection for new contract amendments, while limiting repeated use in line with policy time limits.
- Require certified performance evaluations for all consultants during and after their assignments.
- Update internal procedures to fully track each consultant's contract history, enhancing transparency, accountability, and alignment with operational needs.
- Promote equal opportunity by improving geographical and gender balance in the recruitment process.



## Quantum ERP

We reviewed the Service Level Agreement (SLA) signed with UNDP in October 2023, based on the July 2023 MoU template, and **issued three recommendations** :

- Negotiate cost-limiting measures in the contract, including caps on total project expenses and on UNDP's indirect administrative charges to WMO.
- Include a clause in the MoU ensuring WMO's right to access and retain its records in the event of the agreement with UNDP being terminated.
- Strengthen internal controls over the ERP system, by obtaining, for example, independent reports from UNDP, ensuring auditors access to relevant data and implementing additional oversight and audit measures.



## Travel

We made two recommendations regarding third-party travellers:

- Streamline the DSA recovery process to improve efficiency and analyze the best practices within the UN system to assess the effectiveness of providing 100% DSA advances.
- Enhance the recovery process by implementing an automatic block in the system or setting up an alert to notify travel preparers and finance officers, thereby strengthening internal controls.

## Procurement

We issued five recommendations to improve procurement practices, including:

- Amending the Standing Instructions to provide clear guidance on Long-Term Agreements (LTAs), piggybacking, mini-bids, and collaborative procurement;
- Training WMO personnel on Sustainable Procurement to foster collaboration and promote SP integration wherever feasible.
- Integrating Sustainable Procurement and promoting sustainability, when feasible, in tenders under FRR 113.17 (exceptions to competition).
- Using supplier surveys for high-value procurements with limited vendor participation;
- Ensuring clear and precise Technical Specifications to streamline procurement, ensure supplier compliance, and maintain competition.



## The system of internal controls

Previous reports from the AOC, JIU, and EA highlighted that the 2020 Secretariat restructuring weakened accountability and clarity, particularly for second-line functions, with misaligned roles and reporting lines among key officers.

In response, Service Note 2024/17 reorganized functions and units, and established a new Controller and Management Services Division, comprising Audit Coordination and Internal Controls, Finance and Budget, and Corporate IT. As of 1 November 2024, the division is led by a D1-level controller. Furthermore, Service Note 2025/07, further transferred several responsibilities from the Director of Governance Services to the Controller. However, issues related to role clarity and potential overlaps remain under review.

Therefore, we recommended that WMO clearly define and separate the Controller's roles to prevent potential overlaps and to strengthen the second line function, using appropriate documentation.

We also recommended establishing a central exception register, using the new ERP system and relevant tools, with clear definitions and regular updates.



## Pooled Treasury

We audited the organization's pooled treasury process for 2024 to assess governance, control, and risk management effectiveness.

We recommended that WMO formalize the pooled treasury process in a dedicated policy or guideline, with a focus on interest distribution among bank accounts.





## The Follow-up to previous recommendations

Reports on FS Follow-up Statistics	2020	2021	2022	2023	2024
	Issued	Issued	Issued	Issued	Issued
Recommendations	21	30	23	19	26
Suggestions	0	1	1	3	0

TOTAL OF RECOMMENDATIONS (2020-2023)	ISSUED	CLOSED	Superseded	In progress	ONGOING
Recommendations of previous years (2020-2023)	93	68	6	5	14
Recommendations issued by the SFAO (still pending at the beginning of our mandate)	12	11	1	0	0

## The Follow-up (continued)

The follow-up review covered past financial audit recommendations as well as IT-related ones, focusing on governance, control, and risk management in cybersecurity, which was also the subject of a special report. The review included actions from January to December 2024 and the subsequent audit period. Cybersecurity frameworks were assessed for compliance with WMO policies.

The audit found significant improvements and confirmed the implementation of most prior recommendations, although some remain in progress. Certain IT-related recommendations were excluded from this year's scope, as Management reported their implementation with the new ERP starting in 2025.

The details of the cybersecurity-related follow-up, are presented in the table below.

Rec/Sugg	Issued	Closed	Ongoing
Cybersecurity audit report	15	12	3



THANKS FOR YOUR ATTENTION

