PROVISIONAL SUMMARY RECORD OF THE THIRD MEETING

Palais des Nations, Geneva
Thursday, 23 May 2019, scheduled at 14:30

Chairman: Mr H. BARNARD (Netherlands)

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COMMITTEE B

THIRD MEETING

Thursday, 23 May 2019, at 14:35

Chairman: Mr. H. BARNARD (Netherlands)

1. AUDIT AND OVERSIGHT MATTERS: Item 16 of the agenda (continued)

Appointment of the External Auditor: Item 16.4 of the agenda (document A72/42)

The CHAIRMAN said that the six countries that had nominated candidates to be considered for the position of External Auditor were, in alphabetical order, the Congo, France, Ghana, India, Tunisia and the United Kingdom of Great Britain and Northern Ireland. He invited the candidates to make their personal presentations to the Committee, which should be limited to a maximum of 10 minutes, following which a vote would be taken by secret ballot.

The representative of the MANAGING DIRECTOR OF EXCO CACOGES OF THE CONGO outlined the extensive professional training and experience of the Managing Director of the Brazzaville-based Exco Cacoges, an audit firm that he had founded. He highlighted the Managing Director’s work auditing projects financed by international donors, his membership of numerous multilateral professional organizations, and his participation in various international audit-related meetings and conferences.

If appointed as External Auditor, the firm would conduct its work in accordance with best practices, adopting a risk-based approach to its audits of WHO headquarters, regional offices and programmes. There would be an initial planning stage, in which the firm would gain a thorough understanding of the Organization, identify its strategic and operational goals, assess risks and set up an audit plan. During the second stage, the firm would conduct internal controls and financial audits, together with performance audits, to assess the effectiveness and efficiency of WHO activities. During the third and final stage, it would draw up its audit reports, which would be submitted to and discussed with the Director-General.

To conclude, he outlined the candidate’s financial proposal, which would be based on 48 auditor-months per year and an audit fee that would decrease progressively over the four-year period.

The representative of the CHAIR OF THE FRENCH COURT OF AUDIT said that the French Court of Audit, a fully independent and autonomous body, had the broadest range of responsibilities of any national audit office in the world. It also helped to drive reforms at both the national and international levels by ensuring that public spending was effective and transparent. Furthermore, as the Court of Audit was responsible for auditing the national health service and public health policies, it had developed extensive expertise in that area. In addition, it had a wealth of experience in conducting external audits for international organizations and participating in international audit and accounting standardization bodies. It had also won recognition for the quality of its audits.

If appointed as External Auditor, the Court of Audit would focus on ensuring that the principle of accountability was adhered to throughout the Organization, that effective fraud prevention and detection mechanisms were in place, and that International Public Sector Accounting Standards were properly applied. Audit topics would be selected in close collaboration with the Secretariat, the governing bodies and Member States, and in keeping with the Thirteenth General Programme of Work, 2019–2023 and
WHO’s priorities, goals and expected outcomes. It would also work closely with the Office of Internal Oversight Services and the Independent Expert Oversight Advisory Committee and would call on auditors from other national audit offices, where necessary.

The Court of Audit was sensitive to the cost-management pressures faced by WHO, and its proposal represented good value for money. Lastly, it had not previously served as External Auditor and would therefore be able to bring a fresh, new vision to the Organization.

The representative of the AUDITOR-GENERAL OF GHANA said that the Ghana Audit Service was over 100 years old, had become an independent public office in 1992 and currently employed over 2000 people. Prior to his appointment as Auditor-General of Ghana, the Auditor-General had been a senior financial management specialist at the World Bank. He was currently a member of the United Nations Panel of External Auditors, and the service had been a member of the United Nations Board of Auditors for 24 years, during which time it had audited over 10 United Nations organizations. The service was also a member of several African auditing organizations.

If appointed as External Auditor, the service would provide separate audits for WHO’s affiliated entities, and would be available to undertake any special audit request or review the Secretariat might require. Its focus would be on questions of financial policy and practice, with an emphasis on value for money. It would undertake a review of the regulatory framework and corporate governance, an analysis of current and previous budgets and financial statements, and a review of external and internal oversight audit reports. In addition, it would ensure that its reports conformed to WHO and international auditing standards. The service would provide assurances on the adequacy and effectiveness of existing WHO regulations, rules and procedures, on whether approved WHO programmes and activities had been carried out economically, efficiently and effectively to ensure value for money, and on the integrity, reliability and security of information systems.

Past audits carried out by the service had been designed not only to express audit observations, but also to create opportunities for cost savings and improvements in the management of resources. He believed that WHO would benefit immensely from the Ghana Audit Service’s expertise and approach.

The representative of the COMPTROLLER AND AUDITOR GENERAL OF INDIA said that the Supreme Audit Institution of India was an independent body. The institution had 86 years of experience of international auditing and currently had over 36,000 staff. The Comptroller and Auditor General was a member of the United Nations Board of Auditors, which he had chaired in 2017 and 2018, and was the current Vice-Chairman of the United Nations Panel of External Auditors. The institution’s experience of auditing India’s health sector had given it a unique perspective of the developing world and was relevant to WHO’s mandate and objectives. Moreover, as auditor to the United Nations, it had dealt with the Sustainable Development Goals, completing an audit of the United Nations Department of Economic and Social Affairs and, in 2017, producing a report on United Nations preparedness for the implementation of the Sustainable Development Goals.

If appointed as External Auditor, the institution’s work would be based on 56 auditor-months per year, the highest of the competing proposals, while offering the lowest cost. A coordinator would be present in Geneva at no extra cost. Financial, compliance and performance audits would be undertaken, as would audits of the WHO management reforms. Senior independent officers would vet audit reports for quality assurance before submission. All regional offices, together with selected country offices, would be audited as part of a two-year cycle, and thereby audited twice in the four-year period. WHO affiliated entities would also be audited. Audits would be evidence-based and aimed at providing the highest level of assurance to Member States on the implementation of WHO policies and programmes and would make constructive recommendations to bring about systemic improvements.

The institution’s experience would be useful in helping WHO to address its challenges, including management and organizational reforms, achieving the “triple billion” goals and universal health coverage, handling health emergencies and better promotion of health and well-being.
The representative of the TUNISIAN COURT OF AUDIT said that it would conduct its audits in accordance with internationally recognized audit standards. The Tunisian Court of Audit had the necessary skills, expertise and resources to be able to undertake the role of WHO External Auditor, with extensive experience in auditing, financial statements, and compliance and performance monitoring. In addition, it had been carrying out auditing and monitoring in various health-related fields for almost 30 years. It had 20 senior auditors with experience in auditing international organizations and 50 junior auditors who were chartered accountants and conducted audits within the private and public sectors. The Tunisian Parliament had recently passed a law giving the Court of Audit financial and administrative independence, bringing it into line with international standards.

The team would comprise a lead auditor who distributed tasks to two project leaders, one who would manage the audits of the main organization and another who would manage the audits of WHO’s affiliated entities. The audit strategy would take a risk-based approach, including the following phases: gaining a thorough understanding of WHO and its environment; assessing the internal control system; performing appropriate audit procedures; and providing an overview of conclusions and producing an opinion. The team would coordinate its activities with the WHO Office of Internal Audit and Oversight. The audit work would require 45 auditor-months per year.

The representative of the COMPTROLLER AND AUDITOR GENERAL OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND said that the United Kingdom National Audit Office, with its history of independence and working within the United Nations system, understood the responsibilities of being directly accountable to governing bodies and organizations under audit. The Comptroller and Auditor General would be able to draw on his wide-ranging experience of international audits throughout the United Nations system, including his past chairmanship of the United Nations Board of Auditors and his current chairmanship of the United Nations Panel of External Auditors. The team that would be involved was working on the external audit for PAHO and had considerable experience with other field-based organizations. Its members had significant strength in performance audit work and would also draw on the expertise of audit professionals working in relevant health care fields in the United Kingdom, as well as those specializing in information and communication technologies, data analytics and governance systems.

The National Audit Office was committed to delivering high standards of audit and accountability in the international arena and ensuring that good practices were embedded in its work. The Comptroller and Auditor General’s team would provide a supportive audit, focusing on the key issues facing WHO and its related bodies, supporting the decision-making processes and providing useful value-added performance recommendations to help to improve the efficient and effective delivery of the Organization’s objectives. All core audit team members would be chartered accountants, or training to be chartered accountants, assisted by a range of specialist teams.

A risk-based audit approach would be taken, developing a full understanding of how WHO was organized and governed and how it delivered programmes in the field, in order to appreciate the risks and priorities facing the Organization and tailor the audit accordingly. The team would coordinate with the Internal Auditor to avoid duplication of work and would work closely with the Secretariat to ensure that the audit process was effective and continually improved.

The CHAIRMAN, in accordance with Rule 78 of the Rules of Procedure of the World Health Assembly, invited the Committee to proceed to a secret ballot to appoint the External Auditor. He suggested that, in order to be elected, the candidate must receive a simple majority of the votes cast by members present and voting.

It was so agreed.

The LEGAL COUNSEL explained the procedure for the secret ballot. Ballot papers would be distributed only to delegations represented at the Health Assembly and entitled to vote. Those Member
States not represented at the current Health Assembly were: Dominica, Niue and Papua New Guinea. Those whose voting rights had been suspended under Article 7 of the WHO Constitution were: Central African Republic, Comoros, Gambia, Guinea-Bissau, South Sudan, Ukraine and Bolivarian Republic of Venezuela.

Mr Bharadwaj (Australia) and Ms Girón (Honduras) were appointed as tellers.

The CHAIRMAN said that, in order to save time, the Secretariat should pass around the room with ballot boxes to collect the ballot papers.

**A vote was taken by secret ballot.**

The result of the secret ballot was as follows:

| Members entitled to vote | 184 |
| Members absent           | 20  |
| Abstentions             | 2   |
| Papers null and void     | 0   |
| Members present and voting | 162 |
| India                    | 90  |
| France                   | 28  |
| Tunisia                  | 15  |
| Ghana                    | 14  |
| United Kingdom of Great Britain and Northern Ireland | 10 |
| Congo                    | 5   |
| Number required for a simple majority | 82 |

Having obtained the required majority, India’s candidate for the position of External Auditor was elected.

The draft resolution contained in paragraph 7 of document A72/42, completed in accordance with the result of the secret ballot, was approved.¹

The representative of INDIA thanked Member States and said that she was honoured by the confidence placed in her country’s Comptroller and Auditor General. She assured Member States that the external audit would be performed in conformity with the highest professional standards.

¹ Transmitted to the Health Assembly in the Committee’s second report and adopted as resolution WHA72.11.
At the invitation of the CHAIRMAN, the COMPTROLLER AND AUDITOR GENERAL OF INDIA thanked the Health Assembly and said that he accepted the position of External Auditor with the utmost humility. His team would discharge its duties with truthfulness, integrity and professionalism.

2. FINANCIAL MATTERS: Item 15 of the agenda (continued)

Scale of assessments: Item 15.5 of the agenda (documents A72/38 and EB144/2019/REC/1, resolution EB144.R6)

The CHAIRMAN drew attention to document A72/38 and invited the Committee to consider the draft resolution contained in resolution EB144.R6.

The representative of ZAMBIA, expressing support for the draft resolution, said that the latest available United Nations scale of assessment for assessed contributions of Member States was fair and equitable, as it took into account Member States’ capacity to pay. He supported conducting a periodic review of the scale of assessment, as the socioeconomic conditions of Member States could change. He was optimistic that the Secretariat would be better able to deliver on the targets set in the Thirteenth General Programme of Work, 2019–2023 if Member States made the contributions expected of them.

The representative of CHINA said that her Government was committed to paying its assessed contributions in accordance with the draft resolution. It had also been contributing to the financing of WHO through voluntary contributions since 2017. She expressed her Government’s commitment to supporting the implementation of the Thirteenth General Programme of Work.

The representative of THAILAND welcomed the scale of assessments for 2020–2021 and supported the draft resolution. She highlighted the importance of the work previously carried out by the Working Group on Strategic Budget Space Allocation to ensure the transparency, predictability and flexibility of available funding for the Organization.

The draft resolution was approved.1

The meeting rose at 17:15.

1 Transmitted to the Health Assembly in the Committee’s second report and adopted as resolution WHA72.12.