The meeting was the third and last of three IEOAC meetings planned for 2015. The agenda for this meeting is attached at Annex 1 and the list of participants as Annex 2.

The meeting was originally planned to be held at Brazzaville, however due to the security assessment made by the UN heads of agency in Brazzaville on 16th October, it was concluded that non-critical missions could not take place between 20th to 30th October, thus it was decided to shift the meeting venue to Geneva. The meeting agenda already agreed was followed as much as possible with colleagues from AFRO joining through Video Conferencing (VC).

In attendance throughout: Bob Samels (Chair), Steve Tinton, Farid Lahoud, Mukesh Arya. Ms Mary NcCube joined in from the afternoon of 20th October.

Item 1 – Opening and administrative matters

1) The Chair confirmed a quorum with four members present and all declarations of interest or updates duly submitted (no conflicts of interest recorded). The agenda for the 17th meeting was adopted.

Item 2 – Briefing on Financial Dialogue and Overall Financial Update

2) The Committee was briefed about the progress and preparation in respect of upcoming Financing Dialogue in the first week of November. It was noted that there has been a steady progress in the predictability of funding in the last three biennia – WHO had 62% funding before the start of PB 2012-13, the same increased to 70% before 2014-15. The Programme Budget 2016-17, even with an increase of 8%, is expected to be 75% funded before the start of the biennium. However the areas of alignment and flexibility, despite making a significant progress, still pose some critical challenges.

3) A discussion followed about the financing of WHO which is dependent primarily on voluntary contributions. The Committee expressed its concerns about the issues related to the funding patterns, duration of funding commitments, dependence on polio financing, to carry out tasks related to non-polio functions, and need for alignment of priorities with the Sustainable Development Goals (SDGs) The projected elimination of polio financing and the adoption of SDGs could make WHO more vulnerable to the risk
of raising adequate resources. In the near term WHO will need to realign its priorities and funding requirements with the new Sustainable Development Goals.

4) The Committee was provided with a report providing an expenditure analysis for the period January to June 2015 and a Financial Update from January 2014 to September 2015.

5) The Committee considers that in respect of financing WHO’s operation in medium and long term, there are risks related to - (a) dependence on voluntary contribution, (b) small donor base; (c) meeting long term SHI liability; (d) building renovation project; (e) Polio funding being used to fund cross cutting normative functions, and (f) sustainable funding for emergency operations. The IEOAC recommends WHO to raise these risks related to medium and long term sustainable financing with its governing bodies.

6) The Committee would like to be briefed in its April 2016 meeting about the impact and implications on WHO’s operations related to funding and HR issues with the projected ending of Polio programme.

Item 3 – Introduction and Overview of AFRO

7) The Regional Director of AFRO, in her opening remarks to the Committee, regretted the last minute shift of venue from Brazzaville to Geneva and hoped that the IEOAC would be able to host one of its future meeting in the regional office. She complimented the Committee for its contribution in enhancing the effectiveness of WHO’s policies in the areas of financial management, internal control, compliance and risk management. She also informed the Committee about the Transformation Agenda that AFRO has adopted to fast track WHO Reform to ensure that systemic weaknesses are addresses in a holistic manner. She referred to some of the measures being undertaken by the Regional Office to strengthen the internal control framework for improving compliance. The IEOAC also received a presentation providing an overview of priorities in the African region.

8) In respect of challenges being faced by the region, the RD identified the HR issue – ‘matching the staffing to functions as per the strategic priorities’ as critical. The IEOAC noted that AFRO is in the process of aligning staffing with the programmatic priorities as identified in the Transformation Agenda.

9) The Committee was pleased to observe the strong commitment of the Regional Director and her senior management team to take forward the Regional Transformation Agenda. It was encouraged to note the extent of activities and initiatives undertaken in the implementation of AFRO Accountability and Internal Control Strengthening Project. The Committee is very supportive of the development of an AFRO dash-board with Key
Performance Indicators, and the measures taken in the region to improve internal controls. It considers that the results of all these improvements will take time to translate into more satisfactory reports from IOS, however it is encouraged to see the RO taking positive action.

**Item 4 – Session with AFRO DAF and Compliance Officer**

10) The Committee was updated by Director, Administration and Finance, about measures taken under AFRO Accountability and Internal Control Strengthening Project (AICS). The project links directly to one of the outcomes of WHO Reform – ‘Managerial accountability, transparency and risk management’. AICS Project aims to strengthen control, streamline processes, measure the progress while improving accountability, transparency and compliance. AFRO has embarked upon a major transformation project so as bring all the pieces of Reform together in a cohesive manner, making it “real” for all staff. An important part of the project is that a number of KPIs are measured over time, and performance targets linked to staff performance. The Committee is very supportive of this initiative and the other measures taken in the region to improve efficiencies. It looks forward to seeing this endorsement being translated into some tangible results in the upcoming audit reviews of AFRO country offices. The Committee further recommended that other regional offices should explore the possibility of adapting this model to their region’s specific requirements.

11) The Committee was apprised about certain other measures taken by the AFRO DAF to improve compliance and controls in the region, such as translating the critical guidelines, SOPs, Policy Notes and Manual provisions into French. AFRO has also taken steps to upgrade its IT architecture for easy accessibility. It has created an interactive ‘collaborative space’ for country staff to access documents, share best practices and to use it as forum to discuss common issues.

12) The IEOAC is very encouraged to see the strong determination and commitment of AFRO RD and her team in providing the necessary tools and trainings to country managers to improve compliance with internal controls.

**Item 5 – Update on Internal Oversight Services (IOS)**

13) The Committee received a briefing from Director IOS on the recent developments in Internal Oversight Services including HR update, status of work 2015 internal audit plan, IOS 2016 initial draft work plan, status of implementation of recommendations, results of country audits AFRO 2012-2015, investigations and main findings and recommendations under Ebola Audit.
14) IEOAC noted the progress made in the implementation of audit report recommendations and the closure of several audits since its last meeting. It was encouraged to learn that ‘open’ recommendations have consistently been falling over the last three years and there is now a strong focus from auditees to report on action taken and implementation of IOS recommendations. However there are still a number of open audit recommendations from prior years that should be addressed and the Committee will closely monitor the progress in its future meetings.

15) In respect of AFRO country audits over the last few years, the Committee noted that key recommendations for AFRO are more or less the same as found in the global analysis. The main areas of concern are DFCs, inventory and fixed asset management and procurement. It noted that good progress has been made on improving DFC reporting. The Committee observed the trend of improvement in addressing observed weaknesses in IOS reports of AFRO country offices but advised that the trend needs to be accelerated so that a satisfactory rating is reflected in the outcomes of future IOS reports.

16) In respect of fixed assets and inventory management, the Committee considers that the organization must ensure that adequate resources are allocated to ensure full compliance with IPSAS for fixed assets and inventory management. It also encouraged the secretariat to manage the materiality issues related to fixed asset, with external auditors.

17) The Committee also received an update on the Ebola Performance Audit. The audit recommendations have been provided to the committee responsible for developing the new ‘unified platform’ for outbreaks and emergencies.

18) As per the usual practice, the Committee also held a private session with the Director IOS.

**Item 8 – Update on Compliance, Risk Management and Ethics (CRE)**

19) The Committee continues to follow the progress being made by CRE with keen interest. It received an update on corporate risk policy, status of risk register, analysis of top risks, hotline for whistle blowers and work in progress on ethics.

20) The Committee acknowledges and appreciates the significant progress made in the development of the risk register in a comprehensive bottom-up approach with a 100% response rate in risks identification and validation process. Three out of the five top
corporate risks before validation by the budget centre heads relate directly or indirectly to the financing of WHO operations especially in regions where polio funding will cease in a few years. The Committee is concerned about the risks associated with the financing of the organization in the medium and long term horizon.

21) The IEOAC re-emphasised its suggestion for the reconciliation of risks identified through bottom-up and top-down approach. The top-down view would provide a holistic view of corporate risks, identify gaps in the bottom-up approach and ensure consistent risk names and definition throughout the organization. The IEOAC looks forward to receiving senior management’s view and analysis of the most critical corporate risks.

22) The Committee further recommended to make use of excellent data which has been gathered during the bottom up risk identification approach for developing mitigation measures and mapping it to internal controls.

23) The Committee is still concerned with the number of significant initiatives running in parallel under the CRE area. At the next meeting the IEOAC would like to see a clear implementation plan with dedicated resources, timeline and concrete deliverables for all initiatives under CRE.

Item 10 – Ebola Crisis Assessment: Session with RD AFRO and Chair of the Ebola Interim Assessment Panel

24) For this session, Dame Barbara Stocking, the Chair of the Ebola Interim Assessment Panel joined through VC from Cambridge, UK to brief the Committee on the key finding and the recommendations of the panel. The AFRO Regional Director along with senior staff also participated in the session through VC. The final report of the Ebola Interim assessment panel, WHO secretariat response to the report of the panel and Road map for action was shared as background documents with the Committee before the meeting. The Committee also received a presentation on ‘Reform of WHO work in outbreaks and emergencies with health and humanitarian consequences’ from WR Mozambique, currently seconded to HQ to lead on delivering the new ‘Unified Platform’.

Dame Stocking enumerated some of the key issues facing WHO however she informed the Committee the Panel considers WHO to be best placed and capable of being the lead agency for Global Health.

25) The IEOAC recognizes the challenges WHO faces in terms of its capacity to act rapidly and its ability to gear-up in emergencies while continuing with its normative work in parallel. It also recognizes the importance of sustainable funding for emergencies and the
significance of expanding the ongoing partnerships with other organizations in a formal manner.

26) The Committee noted with satisfaction the culture of transparency within the organization which has enabled it to make a detailed analysis of the shortcomings and required action. However it remains concerned about the pace of the emergency reform and the capacity of the organization to change at the scale required.

27) The Committee recognises the significant work already undertaken by the Secretariat, but consideration should be given to quickly put in place a cost effective preliminary structure for emergencies with functions, roles and responsibilities defined across the spectrum of preparedness. The SOPs and policies can evolve with more precision over time. There is also a need for a dialogue with governing bodies to determine how to provide sustainable long term funding.

28) The Committee considers the following as critical success factors for creating an efficient and responsive emergency structure - strong leadership driving the change, clear definition of the scope of the project, preliminary budget envelope, annual operating costs and a clearly defined time line with concrete deliverables for completion of the new structure.

**Item 11 – Update on Evaluation and Organization Learning**

29) The Committee reviewed the Evaluation Work plan for the biennium 2016-17. It noted that the work plan including both corporate/centralised and decentralised evaluations; has been developed in consultation with senior management. It looks forward to reviewing the results of the upcoming evaluations.

**Item 12 – Presentation from head of Country Office (WR Ethiopia)**

30) This presentation and overview of the transformation agenda from country level perspective was well received by the Committee. For this session, WR Ethiopia, joined through VC to brief the Committee about the measures taken at country level to implement reform, strengthen internal control framework, accountability and status of implementation of IOS recommendations. The IEOAC noted the significant progress made in the areas of clearing outstanding DFCs.
Item 14 – Technical Area Briefing: Director Health Systems, AFRO

31) Director, Health Systems and Services, AFRO provided a technical presentation to the Committee on its work and approach. The Committee received an update and discussed a number of issues, such as the top risks for the programme, prioritization criteria, its financing structure and challenges, roles and responsibilities at three levels, coordination and alignment with ministries of health, assessment of performance in terms of measurable indicators for goals and objectives etc.

Item 15 – Discussion with DDG and senior management

32) The IEOAC held a concluding session with DDG and other senior members from the secretariat, with AFRO DAF and DPM joining through VC, to discuss the critical issues, concerns and recommendations as set out in this meeting report.

Item 16 – Other matters

33) The Committee in consultation with the secretariat agreed to invite the two new members (whose tenure would start from May 2016) to participate in April 2016 meeting as observers. The next three meeting of IEOAC are tentatively scheduled from

- 4<sup>th</sup> to 6<sup>th</sup> April 2016
- 26<sup>th</sup> July (Induction); 27<sup>th</sup> to 29<sup>th</sup> July 2016
- 17<sup>th</sup> to 19<sup>th</sup> October 2016 (to be confirmed with SEARO).

---------------------------