
Independent Expert Oversight Advisory Committee

Report by the Secretariat

1. At the Sixty-first World Health Assembly, the discussions on the report of the Internal Auditor included a proposal to establish an independent expert oversight advisory committee and comments thereon.¹ The following have been identified as appropriate areas of work for an oversight advisory committee in line with WHO's current needs:

- **financial reporting** – financial policy, accountability and transparency
- **risk management and internal control** – risk management and control systems, key risks
- **ethics** – high-level ethical issues involving reputational risks
- **internal oversight** – application of standards, review of the workplan, significant results and implementation
- **external audit** – scope of the biennial audit, review of the workplan and significant results.

PREVIOUS EXPERIENCE

2. In January 1999 the Executive Board, in resolution EB103.R8, decided to establish an audit committee. The Audit Committee of the Executive Board held its first meeting in January 2000; it was composed of six members of the Executive Board or their alternates, one from each of the WHO regions. At its first meeting, the Committee reviewed its terms of reference;² and these were subsequently revised in order to ensure that they were harmonized with other Executive Board committees and that roles were appropriate.³ The revised terms of reference clarified that the nature of the work of the Audit Committee was advisory.

¹ See document WHA61/2008/REC/3, summary record of the second meeting of Committee B, section 3.

² See document EB105/38.

³ See document EB106/7 and resolution EB106.R.1

3. Crucial to the work of the Audit Committee was the requirement that its members should have backgrounds in financial, audit and managerial matters.¹ However, in practice the requirement was seldom applied and, in many cases, members' backgrounds were in public health.

4. During the Audit Committee's five-year life there were difficulties and inefficiencies with respect to collaboration with the other Board committees, namely: the Administration, Budget and Finance Committee and the Programme Development Committee. Although the Audit Committee considered programmatic issues reported by the Internal Auditor, there was no linkage to the Programme Development Committee. Further, the functions of both the Audit Committee and the Administration, Budget and Finance Committee included reviewing the External Auditor's reports, thus creating a duplication of effort.

EXISTING MECHANISM

5. As part of the process of reforming the working methods of the Executive Board, and in the interest of efficiency, the Executive Board at its 114th session decided to abolish its three existing committees and establish a single committee, the Programme, Budget and Administration Committee.² That Committee first met in January 2005 and its terms of reference correspond largely to the combined responsibilities of its three predecessors. When compared with those of the three earlier committees, the current Committee's terms of reference maintain the same geographical representation; however, they double the number of members and eliminate any mention of required expertise.³

CONSIDERATIONS

6. The most significant issue for consideration in the creation of any oversight advisory committee is the expertise and independence required of its members. In order to avoid past inefficiencies and respond to WHO's needs, proven multidisciplinary expertise – covering public health, management, finance and accounting, and law – would need to be identified and secured for the committee. Equally important, the committee's members would need to be totally independent of both the Secretariat and the Member States in order to ensure the provision of unbiased expert advice.

7. The creation of an oversight advisory committee would need to be undertaken in accordance with the Organization's governance system and appropriate roles would need to be identified. The responsibility and authority of the Director-General should not be infringed upon, nor should the Director-General's role as chief administrative officer be diminished. The Staff Regulations and Staff Rules and the responsibility of the External Auditor to the Health Assembly would also have to be considered. An oversight advisory committee could operate independently of the Director-General's authority in an advisory capacity for the benefit of Member States; however, there is a risk that such a committee could evolve inappropriately into a management committee with de facto executive authority.

¹ See resolution EB106.R1, Annex.

² Resolution EB114.R4.

³ See resolution EB114.R4, Annex.

8. In order to fulfil its role, any future oversight advisory committee will be dependent upon the unity of purpose of Member States and their commitment to the Programme, Budget and Administration Committee and other oversight processes in place. The task of establishing such a committee involves more than the adoption of an existing model: certain potential models are unproven and may not be appropriate for WHO. In addition, full support for any change on the part of Member States will need to be confirmed and matters such as the expected value added and the transaction cost should be tackled.

9. The options described below could be considered in order to improve the effectiveness of oversight.

- The experiences of other United Nations agencies with respect to the establishment and operation of independent expert oversight advisory committees could be studied, enabling WHO's requirements to be satisfied through the application of best practices and lessons learnt.
- The work and composition of the existing Programme, Budget and Administration Committee could be evaluated and, if necessary, action taken in order to enhance that Committee's effectiveness. This option could be expected to be the least costly and the easiest to realize.
- An oversight advisory committee could be created as a subcommittee of the Programme, Budget and Administration Committee. This option would require some of the latter Committee's members to possess specific expertise and would add marginally to the transaction cost.
- An independent expert oversight advisory committee could be created in addition to and separate from the Programme, Budget and Administration Committee. The following prerequisites would be crucial for the success of this option: agreed definitions of "independent" and "expert", and of the relationship between the advisory committee and the Programme, Budget and Administration Committee; and the Health Assembly's acceptance of both the expected extra cost and source of funding.

ACTION BY THE PROGRAMME, BUDGET AND ADMINISTRATION COMMITTEE

10. The Committee is invited to note the present report and consider how to take this matter forward.

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