



**World Health
Organization**

**PROGRAMME, BUDGET AND ADMINISTRATION
COMMITTEE OF THE EXECUTIVE BOARD
Fortieth meeting
Provisional agenda item 2.1**

**EBPBAC40/2
3 May 2024**

Independent Expert Oversight Advisory Committee: annual report

The Director-General has the honour to transmit herewith to the Programme, Budget and Administration Committee of the Executive Board, for the Committee's consideration at its fortieth meeting, the report submitted by the Chair of the Independent Expert Oversight Advisory Committee (see Annex).

ANNEX

**REPORT OF THE INDEPENDENT EXPERT OVERSIGHT ADVISORY
COMMITTEE (IEOAC) TO THE PROGRAMME, BUDGET AND
ADMINISTRATION COMMITTEE, MAY 2024**

BACKGROUND

1. This report covers the forty-third meeting of the IEOAC, held in March 2024. The main recommendations from this in-person meeting are indicated below.
2. The members of IEOAC who participated in this meeting were: Mr Darshak Shah (Chair), Mr Rob Becker, Mr Greg Johnson and Ms Beatriz Sanz Redrado. Mr Bert Keuppens was not able to participate in the meeting. At the same time, Ms Aseya Galadari, who will join the IEOAC as of 1 May 2024, was invited to participate in the meeting as an observer in the context of her induction.
3. The Committee received the required support from the Secretariat, including regular updates on major developments by senior management. In addition, it had the opportunity to brief the Director-General on the discussions held at the end of the meeting.
4. Ahead of the opening of the meeting, all members of the Committee submitted their Declaration of Interest to the WHO Office of Compliance, Risk Management and Ethics and confirmed that no conflict existed with their current mandate.
5. The remainder of this report consists of the following chapters:
 - (a) Financial Statements for 2023: financial highlights
 - (b) External audit: update
 - (c) Internal audit and investigations: update
 - (d) Prevention of sexual exploitation, abuse and harassment (PRSEAH)
 - (e) Ethics
 - (f) Evaluation
 - (g) Risk management
 - (h) Business management system (BMS)
 - (i) Other matters reviewed by the Committee
 - (j) Membership of the Committee
 - (k) Summary of highlighted recommendations.

A. FINANCIAL STATEMENTS FOR 2023: FINANCIAL HIGHLIGHTS

6. The Committee reviewed the draft Financial Statements for the year 2023 and was provided with financial highlights by the Secretariat. In particular, the Committee noted the record high level of expenditures at US\$ 4.1 billion, driven by increased expenses in countries and related to emergencies and funded by drawing down on the accumulation of revenue. It further noted with appreciation the level of funding of After-Service Health Insurance liability at 88%.

7. It was noted that the draft Financial Statements included the changes requested (and comments made) by the IEOAC as well as those of the External Auditor in the areas of in-kind contributions, intangible assets related to software as a service and foreign exchange movements in imprest cash.

8. The Committee members expressed their appreciation for the quality and timeliness of the Financial Statements produced, the new statement of internal control and the scope of the external audit coverage.

9. The Committee raised some questions concerning the impact of the new BMS on the Secretariat's ability to produce the Financial Statements, as well as the implementation of the new International Public-Sector Accounting Standards (IPSAS). In this regard, in view of the importance of producing accurate Financial Statements in the future,¹ it recommended that the Secretariat prepare a plan, as part of the overall project plan for BMS, on how the IPSAS changes would be implemented, including the various phases as well as any required supplementary human and financial resources.

10. Further, after hearing about the challenges faced by the Secretariat in meeting the publication deadlines for the Executive Board and World Health Assembly reports, the Committee advised the Secretariat to coordinate with the External Auditor to find ways to expedite the timing of the long-form audit report, and to address the issues of the frequent turnover of audit staff and the overlap of the audit queries sent to the Secretariat.

11. Recommendation 1: The Committee recommends that the overall project plan for BMS provide for the implementation of any process changes to meet the new IPSAS standards, including any required supplementary human and financial resources.

12. Recommendation 2: The Committee recommends that the Secretariat and the External Auditor jointly review the process and timeline for finalizing the Financial Statements and long-form audit report prior to the end of 2024 to identify any possible acceleration in completion dates and future audit timelines.

B. EXTERNAL AUDIT: UPDATE

13. The Committee was presented with the preliminary outcomes of the External Auditor's performance audits, its financial and compliance audit and the audit of the Regional Office for Africa and country offices of Congo and Nigeria. In addition, it took note of the performance audit on emergency preparedness added to the External Auditor's audit plan for 2023 and thanked the Auditor for their collaboration with the Secretariat. It further encouraged continued cooperation between the Office of Internal Oversight Services (IOS) and the rest of the Secretariat to facilitate efficient and coordinated oversight activities.

¹ In 2026, for the calendar year 2025.

14. With regard to the performance audit on the supply management function, the Committee heard that the Organization should develop a criteria and timeline for concluding long-term agreements, especially for emergency procurement.
15. With regard to the performance audit on data management, based on the conclusion of the External Auditor, the Committee believes that the World Health Data Hub project implementation could be improved, in particular through more stable funding, in order to deliver the expected results.
16. With regard to the performance audit of emergency preparedness and response, it was noted that some challenges still exist (e.g. the lack of a comprehensive emergency preparedness framework, delays in the recruitment and deployment of staff, and the inadequate monitoring and evaluation of the emergency response), and welcomed the Secretariat's actions to address the recommendations.
17. Concerning the audit of the Regional Office for Africa and country offices of Congo and Nigeria, the Committee took note of the progress in implementing the transformation agenda at the regional level and the improvement of programme delivery in countries.
18. Finally, the Committee was pleased to hear that the External Auditor may issue an unmodified audit opinion on the WHO Financial Statements for the year ending on 31 December 2023.
19. As is usual practice, private sessions were also held with the External Auditor.

C. INTERNAL AUDIT AND INVESTIGATIONS: UPDATE

20. In its meeting with the Director of the Office of IOS, the Committee reviewed the risk-based audit plan for 2023–2024 and supported it, also noting the coordination with the External Auditor workplan for the same period. As for the future, the IEOAC will work with the Secretariat to ensure that the review of the workplans be done earlier on so as to facilitate the work of the auditors.
21. The Committee reviewed the draft reports containing the independent reviews of the audit and investigative functions. It was pleased to hear that the independent reviews confirmed the high standards of the Internal Auditor's office general performance and recommended that an implementation plan be prepared to address the recommendations of the independent reviews. In this regard, the Committee received reassurance by the Secretariat that such work was already ongoing.
22. In relation to the financial situation of the Office of IOS, the Committee noted the significant increase in financial resources allocated to it over the last two biennia, – from US\$ 8 million to US\$ 25 million. The Committee acknowledged that the increase was mainly due to PRSEAH investigations. Going forward, while recognizing the importance of predictable funding in this area, the Committee advised the Secretariat to prioritize action towards addressing the highest-risk areas should the IOS face budgetary constraints.
23. The Committee noted with appreciation the surge in staffing of the investigative function. This increased capacity allows for a better triage of the allegations involving benign managerial issues not requiring full investigation and that can be addressed through different mechanisms and structures, such as the office of the Ombudsperson and Mediation Services. At the same time, the enhanced triage leads to better focus on more serious cases. This is especially important given the growing number of cases in 2023 compared to the previous year.

24. The Committee took note of the audit rating (i.e. partially satisfactory with major improvements) related to the global security audit. On the other hand, it was satisfied to hear that the shortcomings identified were being addressed and invited the Secretariat to continue to work to prevent issues in this area, which is key to the emergency operations.

25. In closing the meeting, the IEOAC asked that the IOS provide regular updates on the progress of the implementation of its recommendations, and called for continued coordination and support among the different levels and functions of the Organization to address the audit findings, thus enhancing the performance and accountability of the Organization.

26. A private session was also held with the Director of the IOS.

D. PREVENTION OF SEXUAL EXPLOITATION AND ABUSE, AND HARASSMENT (PRSEAH)

27. The Committee was briefed on the status of implementation of the recommendations from the PwC audit report on PRSEAH at WHO.

28. The IEOAC was pleased with the significant progress made in this area and congratulated the Secretariat for the 91% implementation rate of the said recommendations. However, the Committee noted that a significant recommendation related to the cultural and behavioural dimension of PRSEAH is outstanding, although work is under way to address this.

29. In addition, the Secretariat explained that action is being taken to address the remaining recommendations related to the cultural and behavioural dimension of PRSEAH, outlining the road map for a culture change strategy that aims to foster the desired behaviours among all members of the workforce and align them with the WHO values charter. It was clarified that the strategy involves using internal capacity, behavioural science, data analysis and cross-cutting collaboration. Also, it was pointed out that culture change was already in progress, as demonstrated by the exponential number of allegations of sexual misconduct reported to the IOS, thus signalling a change from a silent bystander culture to a speak-up culture.

30. In relation to this strategy, the Committee was pleased with the directions taken, as described in the conceptual paper shared with the Committee. While acknowledging that cultural change should be viewed as a mid-term goal, it requested that the strategy be translated into an action plan to be communicated to all stakeholders.

31. Meanwhile, appreciation was expressed that a monthly forum was convened by the senior management with the heads of WHO country offices to implement the strategy on cultural change.

32. Along the same lines, the Committee invited the Secretariat to consider appointing a cultural champion to promote and advance this change, and to recognize managers and staff who actively contributed to the cultural change.

33. The importance of conducting a new staff survey that would include questions on preventing and responding to sexual misconduct has been raised by the Committee and it was suggested that this feed into senior management's performance review.

34. **Recommendation 3: The Committee recommends that the conceptual paper on cultural change be translated into an action plan, with distinct phases, clear timelines and measurements. This should be shared with all stakeholders.**
35. **Recommendation 4: The Secretariat should consider appointing a cultural champion, at the top management level, who can be a sponsor for this change.**
36. **Recommendation 5: The Organization should consider establishing a mechanism to publicly recognize and, in line with existing policies, reward managers and staff who have exemplary achievements with respect to cultural change.**
37. **Recommendation 6: The Secretariat should soon conduct a new biennial staff survey that includes pertinent questions on PRSEAH and harassment. There should also be a series of short pulse surveys that provide regular indicators of the evolution of culture. The results of these surveys should contribute to the culture change strategy.**

E. ETHICS

38. The Committee was briefed about the work currently ongoing in the area of ethics. In particular, it was highlighted that the work of the Office of Compliance, Risk Management and Ethics includes managing conflicts of interest, providing ethics advice and support, protecting against retaliation, and conducting ethics outreach and education.
39. In addition, the IEOAC was informed of the challenges and risk that the function faces due to its understaffing and the vulnerability of the current case management system.
40. The IEOAC members expressed their appreciation for the work being done in the area of ethics and encouraged the Secretariat to continue with its good work. It further suggested some ways to improve the efficiency and effectiveness of the ethics function.
41. In particular, the Secretariat was invited to adopt a robust case management system for ethics, exploring the potential interoperability with already existing platforms within the Organization, with the ultimate view of having a single case management system across all relevant functions, including internal audit, the Ombudsperson and mediation services, and human resources.
42. In addition, the Committee suggested that the Secretariat carry out a review of the Declaration of Interest process, including extending its coverage and leveraging innovative artificial intelligence technology, and to consider outsourcing the financial disclosure component of the process.
43. Based on the presentation from the Office of Compliance, Risk Management and Ethics, the Committee was alerted to the need of aligning ethics policies with the overall policy framework in related areas (e.g. those of the IOS and the Department of Human Resources and Talent Management). The Committee supports such an approach.
44. In relation to the ethics-related recommendation in the PwC audit report on PRSEAH at WHO, the Committee reiterates its recommendation that the ethics function should be fully independent, a standalone office reporting directly to the Director-General. Not only would this align WHO with the best practice recommended by JIU, but also it is essential to ensure the transparency and accountability expected from UN system organizations in this important field.

45. **Recommendation 7: The Committee recommends that the ethics function should be fully independent, a standalone office reporting directly to the Director-General.**

F. EVALUATION

46. The Committee was briefed on the content of the comparative study of the WHO evaluation function with those of selected UN entities (i.e. the Food and Agriculture Organization of the United Nations, the International Labour Organization, the United Nations Development Programme, the United Nations Educational, Scientific and Cultural Organization, the United Nations Population Fund, the Office of the United Nations High Commissioner for Refugees, the United Nations Children's Fund and the World Food Programme), including the study's findings and recommendation.

47. Based on the findings of the study, which was carried out by an external consultancy firm, the IEOAC noted that the WHO is lagging behind and more work is required to enhance the evaluation function and keep pace with the standards for evaluation among comparable agencies in the UN system. In particular, while the comparative study did not provide enough specific elements, it was highlighted that action is needed to strengthen the existing policy framework, systems and processes and to develop the decentralized evaluation approach, for which an agreed definition appears to be missing, aligning the human and financial resources accordingly.

48. The Committee also highlighted the need to link key performance indicators to the revised policy so to be able to measure its impact and suggested that an evaluation officer be appointed in all regional offices.

49. At the same time, the IEOAC took note that action is already being taken by the Secretariat, for example through the re-establishment of the Global Network on Evaluation.

50. Further to this discussion, the Committee recommended that the Secretariat prepare a full action plan to implement the comparative study's recommendations, and that in anticipation of this a draft skeleton road map be presented at the meeting of the IEOAC to be held in June 2024.

51. For this to be accomplished, the Committee stressed that it would be essential for the Secretariat to launch an upfront one-time study on decentralized "evaluations" and other reviews in order to better understand what is currently being done in this area across the three levels of the Organization. It was suggested that the study be introduced through a letter from the Director-General to all major offices. This will indicate a strong sign of sponsorship at the highest level of the Organization. The letter should also include a clear definition of what is (or is not) an evaluation, while encouraging the respondents to include other reviews in response to the survey for the study.

52. **Recommendation 8: In the context of the comparative study of the WHO evaluation function with those of selected UN entities, the Committee recommended that a full action plan be prepared with phases. Prior to the action plan, the Secretariat should present a draft skeleton road map that includes "quick wins" at the June 2024 meeting of the IEOAC.**

53. **Recommendation 9: As part of the full action plan, the Secretariat should launch a one-time survey to identify evaluations and similar activities that have occurred at all three levels of the Organization.**

G. RISK MANAGEMENT

54. Further to the briefing provided by the Secretariat last year, the Committee received an update on the status and the actions currently being taken by the Secretariat to enhance the WHO risk management framework and move to a higher level of maturity, based on the model developed by the UN High-level Committee on Management (see Fig. below).

Fig. Risk Management Maturity Model



55. The discussion touched upon the already established Global Risk Management Committee, the mechanism for determining the principal risks and identifying corporate mitigation measures, the risk appetite statement and the risk tolerance of the Organization, the risk indicators and reporting, the implementation of risk management processes at the regional and country level, as well as the risk culture.

56. The IEOAC took note of the Secretariat's many challenges of implementing the risk management framework in a decentralized Organization such as the WHO, and the need for a coordinated approach to risk management across the different levels and functions of the Organization. It also highlighted the importance of risk management in the context of the current uncertainty in relation to the funding partners and stakeholders across the UN system.
57. Despite these challenges, the Committee was pleased to hear about the progress made in building the risk management capability of the Organization, including the development of a new risk management tool in conjunction with the roll-out of the BMS and the recruitment of additional compliance and risk management officers in high-risk country offices.
58. As far as the new tool is concerned, the Committee looks forward to being given a demonstration as soon as the tool is available. Meanwhile, the Secretariat should establish a way to capture, as a minimum requirement, the risks escalated from the regional level, as a priority.
59. In relation to the global risk management network, the Committee recommended that the Secretariat consider having risk officers in all regions and establishing dual reporting line for the risk officers in the regions. This would entail a direct supervisory line within each region and an overall functional coordination role for the Office of Compliance, Risk Management and Ethics.
60. Finally, the Committee acknowledged the progress made by the Secretariat in rolling out the risk management framework across the three levels of the Organization. At the same time, to ensure that WHO will reach an established risk maturity, it is important to further harmonize risk identification, management processes and reporting across all three levels. This will allow the Secretariat to aggregate risk across the Organization and decide which mitigating measures need to be taken at what level.
61. It further recommended that the Secretariat progress rapidly towards the advanced level of risk maturity across all dimensions. This will require continued investment and management attention over the years, based on a comprehensive plan, including deliverables by phase, appropriate resourcing and timelines. The Secretariat should present the plan to the Committee at its next meeting.
62. Going forward, the IEOAC would be interested in receiving an update on residual risks across the different regions and at corporate level at its future meetings.
63. **Recommendation 10: The Committee requested that the Secretariat, through the Global Risk Management Committee, prepare a comprehensive detailed project plan to fully reach the "established" level of maturity, in its journey towards the "advanced" level, taking into account the existing road map for the risk management strategy. The plan should include phases, resources required and timelines. The Committee also asked the Secretariat to prepare a high-level road map laying out the path towards the "advanced" level of maturity.**
64. **Recommendation 11: To enable this risk maturity development, the Secretariat should consider establishing dual reporting lines (i.e. a direct supervisory line within each region and an overall functional coordination role for the Office of Compliance, Risk Management and Ethics) for risk officers in the regions.**

H. BUSINESS MANAGEMENT SYSTEM (BMS)

65. The Committee was pleased to receive an update on the progress made in the implementation of the BMS project. As it covers all areas of management and administration, including planning and budgeting, the new system will be a key accelerator towards the completion of the Transformation Agenda. Therefore, the success of this project should be one of the key priorities of the Organization for the next 12 months.

66. The Committee acknowledges the complexity of the BMS programme, including its many interdependencies due to the “best of breed” design, involving multiple systems. The programme implementation has fallen short of expectations in some areas. Further delays and budget challenges may be inevitable to ensure delivery of sufficient functionality at launch date (i.e. the minimum viable product).

67. Notwithstanding these issues, the Committee was reassured to hear that action is being taken to mitigate the identified risks and that a contingency plan has been developed to ensure that the deadlines are respected. At the same time, the Committee believes that the project deadlines remain ambitious and it invited the Secretariat to continue to ensure a strong programme management and close monitoring by senior management.

68. Finally, the IEOAC suggested that the launch of the new systems be based on minimum functional criteria, to be collectively decided by the programme board (including the business owners and other relevant stakeholders). This will help avoid reputational and business continuity risks for the Organization.

69. The IEOAC recommends that over the next 18 months BMS should be one of the key priorities and considers that continued attention from the WHO leadership is essential. There should be contingency planning and strong project management, through key performance indicators and dashboards, to ensure the viability of the BMS programme.

70. The Committee will continue to monitor the status of the project, including its change management strategy, at subsequent meetings.

71. Recommendation 12: The Committee recommends continued attention from the WHO leadership and prioritization over the next 18 months, including contingency planning, to ensure the success of the BMS programme.

72. Recommendation 13: The Committee recommends that the go-live of BMS components be based on the availability for deployment of a minimum set of pre-agreed functionalities.

I. OTHER MATTERS REVIEWED BY THE COMMITTEE

73. As in previous meetings, the IEOAC reviewed the status of implementation of previous recommendations issued by this Committee and agreed on updates to implementation status.

74. The IEOAC was pleased to note that 86% of the recommendations issued since 2015 have been closed as at March 2024, with the remaining 14% in progress. All recommendations issued before 2020 and all those issued during 2021 have been implemented. The Committee notes that the net percentage of implemented recommendations fluctuates as those recommendations issued more recently cannot be implemented immediately.

75. In order to ensure a better follow-up, the Committee suggested that all recommendations, to the extent possible, be assigned a precise timeline by management for implementation tracking. This will allow the Committee to focus on overdue recommendations in the future. In addition, those where a high residual risk exists should have a tighter implementation date.

76. The IEOAC has reviewed the open Joint Inspection Unit recommendations with a view to ensuring adequate follow-up by the Secretariat and assessing areas of disagreement, if any. This will continue to be monitored by the Committee at subsequent meetings.

77. The Committee was briefed by the Secretariat about the ongoing Member State-led consultations to finalize the process for handling and investigating potential allegations against the Director-General. The Committee took note of the plan to present a revised process for consideration by the Seventy-seventh World Health Assembly in May 2024.

78. In line with its terms of reference, the Committee conducted a self-assessment of its performance in 2023, with the contribution of key staff in the Secretariat. This included the Chief de Cabinet, the Assistant Director-General for Business Operations, the Comptroller, the Director of the Evaluation department, the Director of the IOS and the Director of the Office of Compliance, Risk Management and Ethics. The feedback received will guide further refinement of the agenda of the Committee meetings going forward.

79. Finally, the IEOAC had the opportunity to brief the Director-General on the findings and conclusions of its forty-third meeting.

J. MEMBERSHIP OF THE COMMITTEE

80. Mr Bert Keuppens notified the Secretariat of his decision not to extend his mandate beyond 30 April 2024. As a consequence, effective from 1 May, the Committee will welcome its new member, Ms Aseya Galadari.¹ The IEOAC joined the Secretariat in thanking Mr Keuppens for his invaluable contribution to the work of the Committee.

K. SUMMARY OF HIGHLIGHTED RECOMMENDATIONS FROM THE FORTY-THIRD MEETING OF THE COMMITTEE

Recommendation number	Recommendation	Reference
1	The Committee recommends that the overall project plan for BMS provide for the implementation of any process changes to meet the new IPSAS standards, including any required supplementary human and financial resources.	Paragraph 9
2	The Committee recommends that the Secretariat and the External Auditor jointly review the process and timeline for finalizing the Financial Statements and long-form audit report prior to the end of 2024 to identify any possible acceleration in completion dates and future audit timelines.	Paragraph 10
3	The Committee recommends that the conceptual paper on cultural change be translated into an action plan, with distinct phases, clear timelines and measurements. This should be shared with all stakeholders.	Paragraph 30

¹ See document EB155/10.

Recommendation number	Recommendation	Reference
4	The Secretariat should consider appointing a cultural champion, at the top management level, who can be a sponsor for this change.	Paragraph 32
5	The Organization should consider establishing a mechanism to publicly recognize and, in line with existing policies, reward managers and staff who have exemplary achievements with respect to cultural change.	Paragraph 32
6	The Secretariat should soon conduct a new biennial staff survey that includes pertinent questions on PRSEAH and harassment. There should also be a series of short pulse surveys that provide regular indicators of the evolution of culture. The results of these surveys should contribute to the culture change strategy.	Paragraph 33
7	The Committee recommends that the ethics function should be fully independent, a stand-alone office reporting directly to the Director-General	Paragraph 44
8	In the context of the comparative study of the WHO evaluation function with those of selected UN entities, the Committee recommended that a full action plan be prepared with phases. Prior to the action plan, the Secretariat should present a draft skeleton road map that includes “quick wins” at the June 2024 meeting of the IEOAC.	Paragraph 50
9	As part of the full action plan, the Secretariat should launch a one-time survey to identify evaluations and similar activities that occur at all three levels of the Organization.	Paragraph 51
10	The Committee requests that the Secretariat, through the Global Risk Management Committee, prepare a comprehensive detailed project plan to fully reach the “established” level of maturity, in its journey towards “advanced” level, taking into account the existing road map for the risk management strategy. The plan should include phases, resources required and timelines. The Committee also requests the Secretariat to prepare a high-level road map laying out the path towards the “advanced” level of maturity.	Paragraph 61
11	To enable this risk maturity development, the Secretariat should consider establishing dual reporting lines (i.e. direct supervisory line within each region and an overall functional coordination role for the Office of Compliance, Risk Management and Ethics) for risk officers in the regions.	Paragraph 60
12	The Committee recommends continued attention from the WHO leadership and prioritization over the next 18 months, including contingency planning, to ensure the success of the BMS programme.	Paragraph 69
13	The Committee recommends that the go-live of BMS components be based on the availability for deployment of a minimum set of pre-agreed functionalities.	Paragraph 68

**Mr Darshak Shah (Chair), Mr Rob Becker, Mr Greg Johnson, Mr Bert Keuppens,
Ms Beatriz Sanz Redrado.**

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