

## **Interim report of the External Auditor**

### **Seventh report of the Programme, Budget and Administration Committee of the Executive Board to the Sixty-fourth World Health Assembly**

1. The fourteenth meeting of the Programme, Budget and Administration Committee of the Executive Board was held in Geneva on 12 and 13 May 2011 under the chairmanship of Dr Ali Jaffer Mohamed (Oman).<sup>1</sup>
2. The Committee welcomed the comprehensive report, which described the role of the External Auditor and the work performed in 2010. This work covered headquarters, the Regional Offices for Africa and the Western Pacific, and two country offices. At headquarters the functioning of the Income and Award Management unit and the Office of Internal Oversight Services had been reviewed. The interim financial statements for 2010 had also been reviewed but no opinion was expressed on them.
3. The Committee noted the following salient points.
  - (a) The Committee agreed with the finding of the External Auditor that the Office of Internal Oversight Services had inadequate resources to undertake its duties effectively. It was noted that the number of staff in the Office had decreased at the the same time as Organization-wide funding had increased, and that the Office had recently taken over responsibility for harassment cases without additional resources.
  - (b) The Committee also supported the implementation of recommendations to align the Comptroller's authority and responsibilities.
  - (c) The need to obtain the report of the External Auditor from the Secretariat sufficiently in advance of the Committee meeting was emphasized, in order to enable the Committee to perform its governance role effectively and give adequate consideration to the important issues raised.
  - (d) The Committee expressed concern that full implementation of the International Public Sector Accounting Standards by 2012 might be in jeopardy given the impediments, but was assured by the Secretariat that a detailed plan was in place to meet that deadline.

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<sup>1</sup> For list of participants, see document A64/45, Annex.

(e) Significant concern was expressed about the increasing rate of waivers granted for procurement requests. The Secretariat said that it would reinforce the need for partnerships to adhere to WHO's policies and procedures, and that Member States serving on the boards of partnerships could help in that regard.

(f) Regarding salary and travel advances outstanding for long periods, the Committee expressed unease that those would result in losses to the Organization at a time of fiscal austerity and increased competition for health sector resources. Although the report referred to a single region only, the Committee was concerned about the extent of the problem identified and that there might be similar cases elsewhere in the Organization. The Secretariat responded that while the matters raised were serious, they were limited to only one region and that action was under way to clear the advances. Furthermore, any write-offs would be reported in the 2010–2011 financial statements, and the Committee would be informed.

#### **RECOMMENDATION TO THE HEALTH ASSEMBLY**

4. The Committee recommended, on behalf of the Executive Board, that the Health Assembly take note of the Interim Report of the External Auditor.

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