



Programme budget and financial matters

Terms of reference of the Administration, Budget and Finance Committee

Report of the Administration, Budget and Finance Committee of the Executive Board to the 102nd session of the Executive Board

1. In accordance with its terms of reference contained in resolution EB93.R13, the Administration, Budget and Finance Committee (ABFC) of the Executive Board met on 8 May 1998 under the chairmanship of Dr B. Wasisto to consider *inter alia* expansion of the terms of reference of the Committee to include the functions of an audit committee, and that it should be renamed Administration, Budget, Finance and Audit Committee (ABFAC).
2. The list of participants is attached (Annex).
3. The report of the Director-General containing the proposed revised terms of reference, drawn up in consultation with the External Auditor, were submitted to the Committee.¹
4. In presenting these revisions, the Committee was informed of the diverging views with regard to a separate audit committee on the one hand, and an expansion of the ABFC terms of reference to cover this function, on the other. It was noted that the focus of this function would be on accounting and audit matters.
5. The Committee considered the various issues involved, and in response to a question raised, the External Auditor stated that although expansion of the terms of reference of ABFC was not their preferred choice, it would be acceptable.
6. A member of the Executive Board who was not a member of the Committee, expressed concern at having the functions of an audit committee included in those of ABFC. In this regard, he emphasized the precepts of transparency and accountability, and queried the ability of ABFC to examine critically its own responsibilities.
7. In clarification of these concerns, the Committee was informed that it was legally possible to establish a separate audit committee of the Executive Board.
8. In conclusion and taking into account the positive results of the consultations with the External Auditor, the Committee decided to recommend that its mandate should include expressly the functions of an audit

¹ Document EBABFC9/3.

committee, and recommended to the Executive Board at its 102nd session adoption of the following resolution (additions indicated in bold, deletions in square brackets):

The Executive Board,

Having considered the report of the Administration, Budget and Finance Committee (ABFC) on express provision for the function of an audit review committee;¹

Considering resolution EB93.R13 establishing the Programme Development Committee (PDC) and ABFC,

DECIDES that ABFC shall be renamed the Administration, Budget, Finance and Audit Committee (ABFAC) and shall have the following terms of reference:

to assist the Board in discharging its responsibilities relating to administrative, budgetary, [and] financial **and audit** matters, and in particular:

- (a) to review the guidance for the preparation of the proposed programme budget and to analyse administrative, budgetary and financial aspects of the programme budget itself in liaison with PDC, and make comments or recommendations thereon to the Board;
- (b) to advise the Board on resource mobilization policies or WHO programmes, including funds raised for special and cosponsored programmes;
- (c) to examine the accounts of the Organization, **accounting and auditing issues raised in** [and] the reports of the External Auditor thereon, and make comments or recommendations to the Board **and, on behalf of the Board to the Health Assembly**;
- (d) to review any other matters on the agenda of the session of the Board in the administrative or financial fields, and make comments or recommendations thereon to the Board;
- (e) to undertake any other tasks in the administration and finance fields which the Board may decide to delegate to it.

¹ Document EB102/8.

ANNEX

LIST OF PARTICIPANTS**Members, alternates and advisers**

Dr B. Wasisto (Chairman)

Dr A. Badran (alternate to Professor I. Sallam)

Dr C. Morel (member)

Dr A. Sanou Ira (member)

Dr Y.S. Shin (member)

Mr H. Voigtländer (member)

Mr U. Kalbitzer (adviser)

Other Executive Board members, alternates and advisers

Mr O.T. Christensen

Mr T.S. Stamps

Mr E. Vanderval

Mr E. Varela

Mr G.M. Warrington

Mr J. Waslander

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