



WORLD HEALTH ORGANIZATION

EXECUTIVE BOARD
105th Session
Provisional agenda item 7.4

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14 January 2000

Financial Regulations: update

(Amendments adopted at the Fifty-first and Fifty-second World Health Assemblies)

WHA51.20 Amendments to the Financial Regulations

The Fifty-first World Health Assembly,

Having considered the amendments to the Financial Regulations proposed by the Director-General and endorsed by the Executive Board at its 101st session,¹

ADOPTS the proposed amendments to the Financial Regulations.

PROPOSED AMENDMENTS TO FINANCIAL REGULATIONS

PRESENT FINANCIAL REGULATIONS	AMENDED TEXT (with deletions in square brackets and additions underlined)	PURPOSE
4.3 Appropriations shall remain available for the financial period following the end of the financial period to which they relate, to the extent that they are required to discharge the obligations incurred under regulation 4.2. The cash balance of the appropriations shall be surrendered.	4.3 Appropriations shall remain available for the financial period following the end of the financial period to which they relate, to the extent that they are required to discharge the obligations incurred under regulation 4.2. The cash balance of the appropriations shall be surrendered <u>and credited to casual income</u> .	<i>To reflect established practice whereby the cash balance of the appropriations is credited to casual income.</i>

¹ Document EB101/1998/REC/1, Annex 6, Appendix.

4.4 At the end of the following financial period provided in regulation 4.3 above, the then remaining balance of any appropriations retained will be surrendered. Any unliquidated obligations from the prior financial period shall at that time be cancelled and, where the obligation remains a valid charge, an obligation against current financial period appropriations shall be established.

4.4 At the end of the following financial period provided in regulation 4.3 above, the then remaining balance of any appropriations retained will be surrendered and credited to casual income. Any unliquidated obligations from the prior financial period shall at that time be cancelled and, where the obligation remains a valid charge, an obligation against current financial period appropriations shall be established.

To reflect established practice whereby the cash balance of the appropriations is credited to casual income.

5.1 The appropriations, subject to the adjustments effected in accordance with the provisions of regulation 5.2, shall be financed by contributions from Members, according to the scale of assessments determined by the Health Assembly. Pending the receipt of such contributions, the appropriations may be financed from the Working Capital Fund or, if the cash balance of the Working Capital Fund is inadequate for such interim financing, by internal borrowing from other available cash resources of the Organization, excluding Trust Funds. Any balances of such internal loans outstanding at the end of the financial period shall be reported to the Executive Board.

5.1 The appropriations[, subject to the adjustments effected in accordance with the provisions of regulation 5.2,] shall be financed by contributions from Members, according to the scale of assessments determined by the Health Assembly. Pending the receipt of such contributions, the appropriations may be financed from the Working Capital Fund or, if the cash balance of the Working Capital Fund is inadequate for such interim financing, by internal borrowing from other available cash resources of the Organization, excluding Trust Funds. Any balances of such internal loans outstanding at the end of the financial period shall be reported to the Executive Board.

To reflect the amendment of regulation 5.2 whereby the reductions on contributions are no longer generally applied against assessments but rather against contributions, either for the current or for prior financial periods.

5.2 In the assessment of the contributions of Members, adjustments shall be made to the amount of the appropriations approved by the Health Assembly in respect of:

(a) Supplementary appropriations for which contributions have not previously been assessed on Members;

(b) Casual income for which credits have not previously been taken into account, and any adjustments in estimated casual income previously taken into account;

(c) Contributions resulting from the assessment of new Members under the provisions of regulation 5.10;

(d) Any balance of the appropriations surrendered under regulation 4.4.

5.2 [In the assessment of the contributions of Members, adjustments shall be made to the amount of the appropriations approved by the Health Assembly in respect of]: Casual income appropriated by the Health Assembly to reduce contributions is credited to the contributions in the order in which the Member was assessed.

(a) Delete

(b) Delete

(c) Delete

(d) Delete

To reflect the amendment of regulation 6.1 whereby the reductions on contributions are no longer generally applied to assessments but rather to contributions, either for the prior financial periods or for the current period.

As a consequence of the modification of the first part of regulation 5.2, these subparagraphs have lost their relevance

5.10 New members shall be required to make a contribution for the financial period in which they become Members at rates to be determined by the Health Assembly.

5.10 New members shall be required to make a contribution for the financial period in which they become Members at rates to be determined by the Health Assembly. When received, such unbudgeted assessments shall be credited to casual income in accordance with regulation 7.1.

To reflect established practice whereby collected unbudgeted assessments are credited to casual income.

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| 6.1 There shall be established a General Fund for the purpose of accounting for the income and expenditures of the regular budget of the Organization. The contributions paid by Members under regulation 5.1, casual income, and any advances made from the Working Capital Fund to finance general expenditures shall be credited to the General Fund. Advances from the Working Capital Fund in excess of the balance available in the fund may be secured through the internal borrowing facility under regulation 5.1, against other available cash resources of the Organization, excluding Trust Funds. | 6.1 There shall be established a General Fund for the purpose of accounting for the income and expenditures of the regular budget of the Organization. The contributions paid by Members under regulation 5.1[, casual income,] and any advances made from the Working Capital Fund to finance general expenditures shall be credited to the General Fund. Advances from the Working Capital Fund in excess of the balance available in the fund may be secured through the internal borrowing facility under regulation 5.1, against other available cash resources of the Organization, excluding Trust Funds. | <i>To reflect the change that casual income is used to reduce contributions and therefore no longer accounted for as budgetary income.</i> |
| – | 6.8 <u>Obligations incurred under extrabudgetary funds are subject to the application of a programme support cost charge as decided by the World Health Assembly, or to fees or to other applicable interagency reimbursement arrangements for the costs incurred by the Organization in the execution of such activities.</u> | <i>To reflect in the Financial Regulations the effect of resolution WHA34.17 (following the deletion of former regulation 6.4, with other amendments in accordance with resolution WHA48.21 on review of the Working Capital Fund, regulations 6.5-6.8 became 6.4-6.7, as indicated in document EB95/1995/REC/1, Annex 12, Appendix 1).</i> |
| 7.1 All other income, except: | 7.1 All other income, <u>after deduction of any direct expenditure incurred in connection with the earning of other income,</u> except: | <i>Self-explanatory</i> |

(a) Contributions to the budget;	(a) Contributions to the <u>regular</u> budget;	<i>For clarity</i>
(b) Direct refunds of expenditures made during the financial period; and	(b) Direct refunds of expenditures made during the financial period, <u>except refunds on the Organization's insurance policies covering events attributable to the performance of official duties on behalf of the Organization which may be credited to the Special Fund for Compensation to help finance compensation payments; and</u>	<i>Self-explanatory</i>
(c) Advances or deposits to funds,	(c) Advances or deposits to funds,	
shall be credited to casual income.	shall be credited to casual income.	
11.1 The Director-General shall maintain such accounts as are necessary and shall prepare final accounts for each financial period showing:	11.1 The Director-General shall [maintain] <u>establish</u> such accounts as are necessary and shall <u>maintain them in a manner consistent with the United Nations System Accounting Standards. He shall</u> prepare final accounts for each financial period [showing:], <u>presented in conformity with and in the formats established under those standards and taking into consideration within the flexibility afforded therein, the nature and character of the Organization's financial and accounting requirements. The accounts will comprise:</u>	<i>Self-explanatory</i>

(a) The income and expenditure of all funds;

(a) [The income and expenditure of all funds;] Statement of income and expenditure and changes in reserves and fund balances (Statement I);

(b) The status of appropriations, including:

(b) [The status of appropriations, including:] Statement of assets, liabilities and reserves and fund balances (Statement II);

(i) The original budget appropriations;

[Items (i) to (vi) deleted and transferred to new item (d)]

(ii) Any supplementary appropriations;

(iii) The appropriations as modified by any transfers;

(iv) Credits, if any other than the appropriations voted by the Health Assembly;

(v) The amounts charged against the appropriations and against any other credits;

(vi) The operation of the exchange rate facility under regulation 4.6;

(c) Statements of assets and liabilities at the close of the financial period.

(c) [Statements of assets and liabilities at the close of the financial period.] Statement of cash flow (Statement III);

(d) Statement of appropriations (Statement IV), covering:

- (i) The original budget appropriations;
- (ii) Any supplementary appropriations;
- (iii) The appropriations as modified by any transfers;
- (iv) Credits, if any other than the appropriations voted by the Health Assembly;
- (v) The amounts charged against the appropriations and against any other credits;
- (vi) The operation of the exchange rate facility under financial regulation 4.6.

He shall also give such other information as may be necessary to indicate the current financial position of the Organization.

He shall also give such other information as may be necessary to indicate the current financial position of the Organization.

11.3 At the end of the first year of the financial period the Director-General shall establish an interim financial report on significant financial developments that have affected the Organization during the year. At the end of the second year of the financial period the Director-General shall prepare a final financial report for the financial period including the final accounts prepared by the Director-General pursuant to financial regulation 11.1.

11.3 At the end of the first year of the financial period the Director-General shall establish an interim financial report on significant financial developments that have affected the Organization during the year. Such report will be prepared and presented in accordance with the United Nations System Accounting Standards. At the end of the second year of the financial period the Director-General shall prepare a final financial report for the financial period including the final accounts prepared by the Director-General pursuant to financial regulation 11.1.

Self-explanatory

WHA52.16 Amendments to Financial Regulations and Rules

The Fifty-second World Health Assembly,

Having considered the amendments to the Financial Regulations proposed by the Director-General and endorsed by the Executive Board at its 103rd session,¹

1. ADOPTS the proposed amendments to the Financial Regulations;
2. CONFIRMS the amendments to the Financial Rules as annexed to the Director-General's report.

¹ See document EB103/1999/REC/1, Annex 3.

PROPOSED AMENDMENTS TO FINANCIAL REGULATIONS

PRESENT FINANCIAL REGULATIONS	AMENDED TEXT (with deletions in square brackets and additions underlined)	PURPOSE
Appendix – Additional terms of reference governing the external audit of the World Health Organization		
<p>5. The Auditor(s) shall express and sign an opinion in the following terms:</p> <p>I/We have examined the following appended financial statements, numbered ... to ... properly identified, and relevant schedules of the World Health Organization for the financial period ended 31 December My/Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as I/we considered necessary in the circumstances.</p> <p>and which states, as appropriate, whether:</p> <p>(a) the financial statements present fairly the financial position as at the end of the period and the results of the operations for the period then ended;</p>	<p>5. The Auditor(s) shall express and sign an opinion [in the following terms] <u>on the financial statements of the Organization. The opinion shall include the following basic elements:</u></p> <p>[I/We have examined the following appended financial statements, numbered ... to ... properly identified, and relevant schedules of the World Health Organization for the financial period ended 31 December My/Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as I/we considered necessary in the circumstances.</p> <p>and which states, as appropriate, whether:]</p> <p>(a) [the financial statements present fairly the financial position as at the end of the period and the results of the operations for the period then ended;] <u>identification of the financial statements audited;</u></p>	<p>To bring the format of the audit opinion in line with the text suggested by the Panel of External Auditors of the United Nations, the Specialized Agencies and the International Atomic Energy Agency and as proposed by WHO's External Auditor.</p>

(b) the financial statements were prepared in accordance with the stated accounting principles;

(c) the accounting principles were applied on a basis consistent with that of the preceding financial period;

(d) transactions were in accordance with the Financial Regulations and legislative authority.

(b) [the financial statements were prepared in accordance with the stated accounting principles;] a reference to the responsibility of the entity's management and the responsibility of the Auditor(s);

(c) [the accounting principles were applied on a basis consistent with that of the preceding financial period;] a reference to the audit standards followed;

(d) [transactions were in accordance with the Financial Regulations and legislative authority.] a description of the work performed;

(e) an expression of opinion on the financial statements as to whether:

- [(a)] the financial statements present fairly the financial position as at the end of the period and the results of the operations for the period [then ended];
- [(b)] the financial statements were prepared in accordance with the stated accounting [principles] policies;
- [(c)] the accounting [principles] policies were applied on a basis consistent with that of the preceding financial period;

(f) [(d)] an expression of opinion on the compliance of transactions [were in accordance] with the Financial Regulations and legislative authority;

(g) the date of the opinion;

(h) the Auditor's(s') name and position;

(i) the place where the report has been signed;

(j) should it be necessary, a reference to the report of the External Auditor on the financial statements.

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