



# WORLD HEALTH ORGANIZATION

FIFTY-FOURTH WORLD HEALTH ASSEMBLY  
Provisional agenda item 15.1

A54/35  
11 May 2001

## **Unaudited interim financial report on the accounts of WHO for 2000; report of the External Auditor; report of the Internal Auditor**

### **First report of the Administration, Budget and Finance Committee of the Executive Board to the Fifty-fourth World Health Assembly**

1. The fifteenth meeting of the Administration, Budget and Finance Committee (ABFC) took place in Geneva on 11 May 2001 under the chairmanship of Professor T. Zeltner (Switzerland). The list of participants is annexed.
2. The Chairman of the Audit Committee reported on its fourth meeting (10 to 11 May 2001), at which it had considered reports from the External Auditor, the Internal Auditor and the United Nations Joint Inspection Unit (JIU).
3. The Audit Committee had noted that the interim report of the External Auditor<sup>1</sup> indicated that satisfactory progress was being made by the Organization on the implementation of several of his recommendations. The Committee also noted the comments by the External Auditor on outstanding assessed contributions and on other matters including the internal audit functions.
4. The Chairman of the Audit Committee reported that the Committee had further noted that the interim report of the External Auditor revealed that in general the financial records were reliable and well maintained and that adequate internal controls had been implemented by the Organization.

### **UNAUDITED INTERIM FINANCIAL REPORT ON THE ACCOUNTS OF WHO FOR 2000**

5. ABFC noted that:
  - the report includes for the first time comprehensive information on implementation for all sources of funds in comparison with the programme budget;
  - the overall level of implementation for all sources of funds was 71%; the level for the regular budget was 66% and that for other sources of funds 75%;
  - total income increased by 18% (on an annualized basis);

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<sup>1</sup> Document A54/21.

- extrabudgetary contributions increased by 40% compared with 1999, an increase of US\$ 208 million, to give a total of US\$ 731 million income for 2000 from these sources;
- the rate of collection of assessed contributions was 87%, the highest for 15 years;
- by comparison with 1999, the increase in the rate of expenditure (40%) was more than the increase in the rate of income (18%) resulting in an improvement in the overall level of implementation and a reduction of fund balances.

6. The Committee suggested that the Secretariat should review the level of implementation at the end of the first year of the biennium in relation to the full financial period, with a view to establishing appropriate parameters. The Committee heard that the Organization's rate of collection of assessed contributions was among the highest of the specialized agencies of the United Nations system.

7. The Committee noted that the financial and budgetary terms commonly used in WHO, set out in Annex 2 of the report on the WHO financial framework,<sup>1</sup> were helpful and in full compliance with the Organization's Financial Regulations and Financial Rules. The Secretariat was asked to expand the glossary to include further terms and definitions and to design a graphic illustration to show the complete cycle of the flow of funds from different sources through the Organization.

8. ABFC considered the rate of implementation of regular budget funds at the country level and noted the importance of review procedures to ensure that country allocations are fully spent within the budget period, having regard to circumstances prevailing in different countries.

9. It noted that the Organization was continuing to move in the right direction. The levels of income and implementation were rising, the rate of collection of assessed contributions was improving, and the levels of internal borrowing and of arrears of assessed contributions were falling.

## **RECOMMENDATION TO THE HEALTH ASSEMBLY**

10. The Committee, after consideration of the interim financial report on behalf of the Executive Board and having taken due account of the report of the Chairman of the Audit Committee, recommends to the Fifty-fourth World Health Assembly adoption of the following resolution:

The Fifty-fourth World Health Assembly,

Having examined the unaudited interim financial report for the year 2000 of the financial period 2000-2001;<sup>2</sup>

Having noted the report of the Administration, Budget and Finance Committee of the Executive Board,

ACCEPTS the Director-General's unaudited interim financial report for the year 2000.

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<sup>1</sup> Document A54/INF.DOC./3.

<sup>2</sup> Documents A54/20, A54/20 Add.1 and A54/20 Add.1 Corr.1.

ANNEX

**LIST OF PARTICIPANTS**

**Switzerland**

Professor Thomas Zeltner (Member, Chairman)

Mrs Jacqueline Gallmann Jakob

**Belgium**

Dr Godfried Thiers (Member)

**Comoros**

Dr Ahamada Msa Mliva (Member)

**Democratic People's Republic of Korea**

Dr Kim Won Ho (Member)

Mr Ri Si Hong (Adviser)

**Japan**

Mr Osamu Tasaka (Alternate)

Dr Masami Sakoi (Adviser)

Mr Masaru Watanabe (Adviser)

Mr Akito Yokomaku (Adviser)

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