



# WORLD HEALTH ORGANIZATION

FIFTY-SIXTH WORLD HEALTH ASSEMBLY  
Provisional agenda item 16.1

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## Interim report of the External Auditor

### Second report of the Administration, Budget and Finance Committee of the Executive Board to the Fifty-sixth World Health Assembly

1. The nineteenth meeting of the Administration, Budget and Finance Committee (ABFC) was held in Geneva on 15 May 2003 under the chairmanship of Dr A.A. Yoosuf (Maldives).

#### INTERIM REPORT OF THE EXTERNAL AUDITOR

2. The Chairman of the Audit Committee of the Executive Board, Dr Y.-J. Om (Republic of Korea), reported to ABFC on the interim report of the External Auditor<sup>1</sup> which had been considered by the Audit Committee at its eighth meeting, held in Geneva on 14 May 2003.

3. The Audit Committee had been reassured to note the statement of the External Auditor that the Secretariat welcomes the recommendations made in the interim report and will be taking steps to implement improvements. It had also noted the External Auditor's satisfaction with the progress being made by the Organization in implementing external audit recommendations from previous bienniums. After detailed review, the Audit Committee had confirmed the progress, noting that all recommendations had been adequately addressed.

4. ABFC observed that the External Auditor's interim report stated the need for a comprehensive framework setting out the delegations of authority and a review of the WHO Manual. While noting that the External Auditor reported that it was expected that this work would be completed by March 2004, the Committee sought and received assurance that work had begun and would be given priority.

5. With respect to strategic budgeting, the Audit Committee had emphasized the need for continuous review of integrated planning and resource allocation for all sources of funds, both regular budget and voluntary contributions, in order to improve transparency and accountability and to allow timely operational planning at all levels, including countries.

6. The interim report recommended several improvements in the integrated planning for all sources of funds, which the Audit Committee considered vital. In addition, the Audit Committee had emphasized the importance of standardized reporting on the achievement of the expected results in the

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<sup>1</sup> Document A56/29.

proposed programme budget, regardless of the sources of the funds that make this possible, seeing this as a prerequisite if the positive trend in unearmarked voluntary contributions is to be maintained.

7. The shortcomings in programme monitoring identified by the External Auditor gave rise to some concern about whether they might jeopardize the ability of the Organization to track progress. The External Auditor clarified that these statements were based on a mid-term review at headquarters only and that the situation in regional offices would be examined progressively during the remainder of the year. The end-of-biennium reporting would show the complete picture.

8. The Audit Committee had noted that WHO's outdated financial and other information systems make it difficult to generate integrated programme monitoring and other management reports. The Committee had also noted that the foreseen implementation of the new global management system in 2007 would solve this problem and encouraged the Secretariat to pursue this goal.

9. With regard to the implementation of other recommendations on information technology, ABFC noted that work was ongoing but, given the continuous changes in technology and environment, implementation was not a single event but an evolving requirement.

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