



WORLD HEALTH ORGANIZATION

FIFTY-EIGHTH WORLD HEALTH ASSEMBLY
Provisional agenda item 17.6

A58/32
7 April 2005

Amendments to the Financial Regulations and Financial Rules

Report by the Director-General

BACKGROUND

1. WHO's Secretariat has embarked upon a wide-reaching endeavour to renew the results-based management framework and related operational and administrative systems. This will be achieved by replacing the core systems for budget and finance, human resources, payroll and procurement progressively over the next two bienniums so as to meet the current and future management requirements of the Organization in an effective and efficient manner that empowers managers at all levels of the Organization. An important part of this endeavour is simplification of financial policies and procedures so that they support the Organization's work more transparently and effectively.

2. It is therefore necessary to make some changes to the Financial Regulations and Financial Rules in order to reflect modern practices. In particular, policy concerning expenditure is to be modernized to bring it in line with current best practice. This will improve the quality of reporting on expenditure so that there will be a more direct alignment between achievement of expected results and expenditure reported.

3. Changes are proposed to Articles 4.2, 4.5 to 4.8, 8.1 and 11.3 of the Financial Regulations in order to implement the updated policy.¹ Furthermore, it is proposed that existing Article 4.7 of the Financial Regulations should be maintained as a transitional measure so that unliquidated obligations may be correctly reported for the financial period 2004-2005. The Director-General has also decided to amend Financial Rule 108.6 on condition the aforementioned amendments to the Financial Regulations are adopted by the Health Assembly.² In accordance with Financial Regulation 16.3, this amendment is subject to confirmation by the Executive Board in order to enter into force.

4. At its 115th session the Executive Board adopted amendments to Financial Rules 106.6 and 112 that were made in order to reflect the change in the name of the Internal Audit Office to Internal Oversight Services.³ For the sake of convenience, these changes are intended to be implemented at the same time as the new text of Financial Rule 108.6 above.

¹ See document EB115/2005/REC/1, Annex 2, Appendix 1.

² See document EB115/2005//Rec/1, Annex 2, Appendix 2.

³ Resolution EB115/R.9

5. The effective date of implementation of the changes is proposed as 1 January 2006, to coincide with the start of the next biennium, thereby assuring consistency.

ACTION BY THE HEALTH ASSEMBLY

6. The Health Assembly is invited to consider the draft resolution contained in resolution EB115.R9.

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