

Report of the External Auditor

Report of the Programme, Budget and Administration Committee of the Executive Board to the Sixty-sixth World Health Assembly

1. The eighteenth meeting of the Programme, Budget and Administration Committee was held in Geneva on 16 and 17 May 2013 under the chairmanship of Dr Jamal Thabet Nasher (Yemen).¹ The Committee adopted its agenda.²
2. The representative of the External Auditor introduced the report on the financial operations of WHO for the financial year ended 31 December 2012.³ This was the first year of implementation of the International Public Sector Accounting Standards (IPSAS) in WHO. The External Auditor reported an unqualified audit opinion on WHO's first IPSAS-compliant financial statements.
3. The External Auditor highlighted that it would be necessary to express the biennial programme budget in annual terms in order to allow for a more meaningful analysis of the actual expenses and encumbrances incurred during the year under review.
4. Important findings in the report included the following: shortcomings in inventory management, notably involving the stockpiling of drugs and the occurrence of cases of medicines past their expiry dates; the need to further improve the results framework within the Organization's results-based management system; and the need to adopt a framework for the full implementation of a global enterprise risk-management system, including clear guidelines, specific timelines and deliverables.
5. The External Auditor indicated that weaknesses in the internal control framework have led to instances of the rules and regulations not being respected in various administrative processes. Additionally, the External Auditor pointed out that the Secretariat has not yet attained various targets in the area of human resources management, in particular those concerning gender and geographical balance and overall compliance rates with the Organization's Performance Management and Development System.

¹ The list of participants is available in document EBPBAC18/DIV./1.

² Document EBPBAC18/1.

³ Document A66/34.

6. The Committee expressed concern over the fact that some of the problems seemed to be of a systemic nature and called for urgent action to tackle the problems identified; the recommendations of the External Auditor on how to improve the process of developing the related standard operating procedures should be implemented without delay.

7. Member States commended the External Auditor's very informative report which constituted an important part of the corporate governance process. For future reports, the Secretariat was requested to include a summary of its own action plan for responding to the various findings of the External Auditor in order to increase transparency and facilitate the monitoring of progress made in implementation.

8. The External Auditor thanked the Committee for its constructive comments and committed itself to taking the comments and requests concerned into consideration in future work.

RECOMMENDATION TO THE HEALTH ASSEMBLY

9. The Committee, on behalf of the Executive Board, recommended that the Sixty-sixth World Health Assembly adopt the following draft resolution:

The Sixty-sixth World Health Assembly,

Having considered the report of the External Auditor to the Health Assembly;¹

Having noted the report of the Programme, Budget and Administration Committee of the Executive Board to the Sixty-sixth World Health Assembly,²

ACCEPTS the report of the External Auditor to the Health Assembly.

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¹ Document A66/34.

² Document A66/58.