

Financial report and audited financial statements for the year ended 31 December 2013

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

1. The twentieth meeting of the Programme, Budget and Administration Committee was held in Geneva from 14 to 16 May 2014, under the chairmanship of Dr Dirk Cuypers (Belgium).¹ The Committee adopted its agenda, with the deletion of items 2.9 and 2.10.²
2. The Secretariat introduced the 2013 financial report,³ together with the proposal in respect of supplementary funding for real estate and longer-term liabilities.⁴
3. The financial report summarizes income, expenditure, assets and liabilities for all WHO-managed activities – including those under the Programme budget – as well as the Special Purpose Fund, the Enterprise Fund and other accounts in the Fiduciary Fund. This is the second year that the accounts have been fully compliant with the International Public Sector Accounting Standards (IPSAS) and that a clean audit opinion has been received.
4. The Secretariat presented summary figures from the Director-General's report; these indicated that the Organization's overall financial situation was healthy, with a net balance for 2013 of US\$ 353 million and an overall fund balance of US\$ 1535 million as at 31 December 2013. However, it was noted that nearly a quarter of the budget was spent on activities for the eradication of poliomyelitis, and that the amount of unearmarked funding was significantly lower than budgeted.
5. The Committee commended the Secretariat on a clear and informative report and presentation and for ensuring that the Organization was fully IPSAS compliant for a second year.
6. The Committee raised concerns about the increase in net unfunded long-term liabilities to a total of US\$ 722 million at 31 December 2013. It supported the Independent Expert Oversight Advisory Committee's recommendation that close monitoring is necessary. The Committee also suggested that the governance and reporting practices of the Staff Health Insurance Fund should be reviewed. Additionally, the Committee raised questions on the value added from activities in the expenditure

¹ The list of participants is available in document EBPBAC20/DIV./1.

² Document EBPBAC20/1.

³ Document A67/43.

⁴ Document A67/43 Add. 1.

reported under transfers and grants. The Secretariat pointed out the possibility of adding a standing item to the Executive Board agenda on the long-term liabilities.

7. Noting that flexible voluntary contributions were only 8% of total voluntary contributions for the biennium, the Committee urged Member States to make additional flexible contributions and proposed that incentives could be considered. In addition, some Committee members suggested that Member States be encouraged to make additional assessed contributions on a voluntary basis. There was also a need to compensate for the impact of inflation on the total assessed contributions approved by the Health Assembly.

8. The Committee supported the proposed use of US\$ 40 million from the Assessed Contributions Fund balance, US\$ 15 million for longer-term staff liabilities and US\$ 25 million for the Real Estate Fund.

RECOMMENDATION TO THE HEALTH ASSEMBLY

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

The Sixty-seventh World Health Assembly,

Having considered the financial report and audited financial statements for the year ended 31 December 2013;¹

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

ACCEPTS the Director-General's financial report and audited financial statements for the year ended 31 December 2013.

10. The Committee, on behalf of the Executive Board, also recommended that the Sixty-seventh World Health Assembly adopt the draft resolution contained in document A67/43 Add.1.

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¹ Document A67/43.

² Document A67/56.