

## Report of the Programme, Budget and Administration Committee of the Executive Board

1. The twenty-fourth meeting of the Programme, Budget and Administration Committee of the Executive Board was held in Geneva on 19 and 20 May 2016 under the chairmanship of Ms Kathryn Tyson (United Kingdom of Great Britain and Northern Ireland).<sup>1</sup> The Committee adopted its agenda, with the deletion of items 2.5 and 2.6.<sup>2</sup>

### **Agenda item 3.1 Evaluation: annual report (Document EB139/9)**

2. The Secretariat presented the annual evaluation report, which (a) provided information on the progress made in implementing the WHO evaluation policy, including the Organization-wide evaluation biennial workplans, and (b) contained summaries of 13 recent evaluations and progress updates on the implementation of recommendations from evaluations reported to the Executive Board at its 137th session in May 2015,<sup>3</sup> in order to document organizational learning linked to the findings and recommendations.

3. The Committee commended the evaluation activities carried out by the Secretariat and welcomed the report, as well as the establishment of the global evaluation network, the wider availability of the WHO evaluation practice handbook, the launch of an evaluation newsletter, and the briefing meetings organized for Member States on key evaluations. In view of the ambitious evaluation workplan for 2016–2017, the Secretariat was asked to present information on any reprioritization required to the Committee at its twenty-fifth meeting. The Committee also requested that information on progress made on the indicators to the reform dashboard be included in the next evaluation report.

4. Some Regional Directors reported on evaluation activities carried out in their regions.

5. The Committee noted that evaluation work is coordinated across the three levels of the Organization and that evaluations are being discussed at regional committees, and encouraged the Secretariat to include lessons learned from corporate evaluations in regional committee discussions.

**The Committee recommended that the Executive Board note the report by the Secretariat contained in document EB139/9.**

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<sup>1</sup> The list of participants is available in document EBPBAC24/DIV./1.

<sup>2</sup> Document EBPBAC24/1.

<sup>3</sup> Document EB137/7.

**Agenda item 3.2      Annual report of the Independent Expert Oversight Advisory Committee (Document EBPBAC24/2)**

6. The Chairman of the Independent Expert Oversight Advisory Committee introduced the Advisory Committee's sixth annual report.<sup>1</sup> Based on its review of WHO's 2015 financial statements and discussions with the External Auditor, the Advisory Committee had expressed no reservations in connection with the submission of the financial statements to the Programme, Budget and Administration Committee and to the Health Assembly.

7. The External Auditor had confirmed that the majority of recommendations made by previous external auditors had been implemented, and the Advisory Committee had expressed satisfaction with the progress made in that regard.

8. With regard to the financial statements of the Staff Health Insurance Fund, the Advisory Committee had observed that the continuing rise in health costs for retired employees in certain high-cost regions would impact the unfunded liability of the plan. It urged the Organization's management to complete a detailed review of the plan's insurance coverage and financing to determine if any changes were required.

9. The Advisory Committee had noted with satisfaction the positive trend that was developing with regard to the strengthening of internal controls across the three levels of the Organization. It had also noted the need to continue that progress. It was anticipated that those improvements would be reflected in future reports by the Office of Internal Oversight Services.

10. The Advisory Committee had urged the Organization's management to expedite the process of reconciliation of risks identified through the bottom-up and top-down processes. Plans for mitigation of significant risks should be discussed with Member States in the Organization's governing bodies.

11. Having reviewed the Accountability Compact between the Director-General and the Assistant Directors-General, the Advisory Committee had observed that it would be beneficial if management were to continue the development of such compacts throughout the three levels of the Organization endorsed through the regional committees.

12. The Advisory Committee had emphasized that success with developing the WHO Health Emergencies Programme depended on developing a common business process structure, applying it on a consistent basis throughout the Organization, and securing long-term funding.

13. Member States acknowledged the excellent support and valuable guidance being provided by the Advisory Committee. They shared its concerns with regard to non-compliance and open audit recommendations and requested the Secretariat to establish a standardized process of escalation, as suggested by the Advisory Committee in its report. They also urged the Organization's management to put in place a better process for institutional learning and sharing of recommendations from evaluations and findings by the Office of Internal Oversight Services. Member States noted progress on the strengthening of internal controls and urged the Secretariat to continue and accelerate progress. Member States noted allegations of wrongdoing and joined the Advisory Committee in reaffirming the policy of non-tolerance in that regard. In response to a request from the Committee, the Secretariat

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<sup>1</sup> Document EBPBAC24/2.

provided additional information on the timeline for completing the reconciliation of the bottom-up and top-down processes for risk identification and mitigation, and undertook to make the risk register available to Member States once completed.

14. Some Member States reiterated their concerns about reporting on direct financial cooperation agreements. While it was noted that the Secretariat was addressing those concerns on a global basis, a continued strong focus was needed.

15. Regional Directors informed the Committee about initiatives being taken in their respective regions to strengthen internal controls and improve compliance, matters that they regarded as key corporate priorities, as well as efforts to overcome the challenges linked with outstanding reports on direct financial cooperation and open audit recommendations. It was also pointed out that the network of Directors of Administration and Finance is facilitating organizational learning on oversight matters.

16. The Director-General paid tribute to the two outgoing members of the Committee for their valuable contribution during their terms of office.

**The Committee noted the annual report of the Independent Expert Oversight Advisory Committee contained in document EBPBAC24/2.**

**Agenda item 3.3 External and internal audit recommendations: progress on implementation** (Document EBPBAC24/3)

17. The Committee had considered the report together with the reports of the External Auditor<sup>1</sup> and Internal Auditor<sup>2</sup> to the Sixty-ninth World Health Assembly.

18. The Committee welcomed the progress made in closing audits. It urged the Secretariat to make further efforts in prioritizing implementation of audit recommendations.

19. The Committee encouraged the Secretariat to undertake a process of institutional learning through a review of audit recommendations. In particular lessons should be learned from recommendations concerning recurring problems so that preventive measures could be designed and implemented.

**The Committee noted the report by the Secretariat contained in document EBPBAC24/3.**

**Agenda item 3.4 Reports of the Joint Inspection Unit** (Document EBPBAC24/4)

20. A Member State commended the report by the Secretariat and welcomed recommendation 3 of the JIU relating to procurement. It encouraged the Organization to develop resource management policies and to consider the risks relating to resource mobilization. It also welcomed WHO's participation in a United Nations working group in Geneva on buildings and renovations, and asked whether the good practices identified could be shared.

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<sup>1</sup> Document A69/50.

<sup>2</sup> Document A69/51.

21. The Secretariat informed the Committee that the working group had not issued any reports on buildings. The Secretariat would request the United Nations Office in Geneva to issue formal reports or at least notes of the working group's meetings.

22. In response to a specific question about the readiness of a draft long-term agreement policy and related procedures, relating to JIU recommendation 1, the Secretariat indicated that they would be ready by the third quarter of 2016.

**The Committee noted the report by the Secretariat contained in document EBPBAC24/4.**

**Agenda item 4            Adoption of the reports and closure of the meeting**

23. The Committee adopted its reports.

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