

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

1. The tenth meeting of the Programme, Budget and Administration Committee of the Executive Board was held in Geneva on 14 May 2009, chaired by Dr M. Dahl-Regis (Bahamas). The list of participants is attached at Annex 1. This document contains a report on the agenda items on which the Committee reports to the Executive Board.

2. The Committee adopted its agenda.<sup>1</sup>

### **Agenda item 3.1 Management reforms: review of progress** (Document EBPBAC10/2)

3. The Committee considered proposals from the Secretariat for renewal of WHO's performance monitoring and assessment framework. It noted the Secretariat's proposals with respect to the assessment of the Medium-term strategic plan 2008–2013 and for monitoring the Eleventh General Programme of Work, 2006–2015.

4. The Committee also took note of a further update on the Global Management System. Progress had been made on stabilizing the system while major challenges still remained. The Committee noted that clear criteria had been developed to guide further regional introduction of the system. It was planned to introduce the system in the Regional Offices of the Eastern Mediterranean, Europe and South-East Asia on 1 January 2010 and in the Regional Office for Africa later that year. The Committee also emphasized the importance of implementing the recommendations of the internal and external auditors.

5. The Committee noted that work had begun with respect to the development of risk management in the General Management cluster.

**The Committee noted the report contained in document EBPBAC10/2.**

### **Agenda item 3.4 Independent expert oversight advisory committee** (Document EB125/11)

6. The Committee reviewed the report by the Secretariat. The Committee welcomed the establishment of the independent oversight advisory committee and considered the proposed terms of reference contained within the annex to document EB125/11. It discussed a number of amendments to

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<sup>1</sup> See document EBPBAC10/1.

those terms. The proposed revised terms, showing the insertions and deletions to those originally presented in document EB125/11, are attached at Annex 2.

7. The Committee was advised that the cost of such an independent expert oversight advisory committee was estimated at US\$ 200 000 annually, and that such a cost would need to be met from within existing resources.

8. The Committee recommended that the Executive Board should adopt the following draft resolution:

The Executive Board,

Having discussed the modalities for the establishment of an independent expert oversight advisory committee in the light of the views expressed by the Programme, Budget and Administration Committee of the Executive Board;<sup>1</sup>

1. DECIDES to establish an Independent Expert Oversight Advisory Committee reporting to the Programme, Budget and Administration Committee of the Executive Board and approves its terms of reference, as annexed;<sup>2</sup>

2. REQUESTS the Director-General to propose candidates for membership of the Independent Expert Oversight Advisory Committee to the Executive Board at its 126th session, as provided for in the terms of reference of the Committee.

3. DECIDES that the members of the Independent Expert Oversight Advisory Committee will be appointed by the Executive Board at its 126th session in January 2010.

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<sup>1</sup> See documents EB124/3, EB125/3 and EB125/11.

<sup>2</sup> The annex will consist of the text of Annex 2 of this document, subject to amendments by the Executive Board.

ANNEX 1

**LIST OF PARTICIPANTS**

**MEMBERS AND ALTERNATES**

**Bahamas**

Dr M. Dahl-Regis (Chair)

**Bangladesh**

Mr S.A. Ali (alternate to Professor A.F.M.R. Haque)

**China**

Dr Liu Peilong (alternate to Dr Ren Minghui)

Dr Xing Jun (alternate)  
Ms Situ Sujian (alternate)  
Mr Teng Fei (alternate)

**Denmark**

Ms M. Kristensen (alternate to Mr J. Fisker)

Mrs A.C. Christensen (alternate)

**Hungary**

Dr M. Kökény

**Indonesia**

Dr W. Lukito (alternate to Dr S.F. Supari)

Dr A. Ismaini (alternate)  
Mr A. Somantri (alternate)  
Dr U.S. Sutarjo (alternate)

**Malawi**

Dr K. Kamoto

**Mali**

Mr I.O. Touré

**New Zealand**

Ms D. Roche (alternate to Mr T. Ryall)

Ms L. Cassels (alternate)

**United Arab Emirates**

Dr A.A. Bin Shakar

Mr S. Alhebsi (alternate)

**United States of America**

Mrs A. Blackwood (alternate to the Board member)

Mr D. Hohman (alternate)

**Ex officio members**

Mr. N.S. de Silva (Chairman of the Executive Board)

**MEMBER STATES NOT MEMBERS OF THE COMMITTEE**

Mr N. McFarlane (Australia)

Mr T. Poletti (Australia)

Mr P. Oldham (Canada)

Mr P. Blais (Canada)

Mrs H. Alarcon-Lopez (Colombia)

Ms J. Isaza Guevara (Colombia)

Ms B. Quacoe (Côte d'Ivoire)

Ms M. Abie (Côte d'Ivoire)

Mr M. Brejnik (Czech Republic)

Ms A. Chalupova (Czech Republic)

Mr C. Segura (Dominican Republic)

Mr A. Allo (France)

Mr C. Ramiro (Guatemala)

Mrs S. Hochstetter (Guatemala)

Miss A.I. Carrillo (Guatemala)

Dr T.M. Okeyo (Kenya)

Ms M. Toyota-Imamura (Japan)

Mr Y. Otake (Japan)

Mrs H. Arrinton Aviña (Mexico)

Mrs M.A. Jaquez (Mexico)

Mrs M.E. Coronado Martínez (Mexico)

Ms E. Loryn (Netherlands)

Mr A.G. Bashkin (Russian Federation)

Mr E.V. Kalugin (Russian Federation)

Ms N. Dladla (South Africa)

Dr W. Jayantha (Sri Lanka)

Ms M. Mallikaratchy (Sri Lanka)

Ms A. Molin Hellgren (Sweden)

Ms H. Widstam (Sweden)

Mr M. Eriksson (Sweden)

Ms C. Kitsell (United Kingdom of Great Britain and Northern Ireland)

Mr J.L. Lobo (Venezuela, Bolivarian Republic of)

## ANNEX 2

**TERMS OF REFERENCE****PURPOSE OF THE COMMITTEE**

1. As an independent advisory committee established by the Executive Board of WHO, and reporting to the Programme, Budget and Administration Committee, the purpose of the Independent Expert Oversight Advisory Committee is to advise the Programme, Budget and Administration Committee, and, through it, the Executive Board, in fulfilling their oversight advisory responsibility and, upon request, to advise the Director-General on issues within its mandate.

**FUNCTIONS**

2. The functions of the Committee shall be:

(a) to review the financial statements of WHO and significant financial reporting policy issues; , **including advice on the operational implications of the issues and trends apparent;**

(b) to advise on the adequacy of the Organization's internal controls and risk management systems, and to review **Management's** risk assessment in the Organization and the comprehensiveness of ~~existing process for risk management~~; **its ongoing risk management processes;**

(c) to exchange information with, and review the effectiveness of, the Organization's internal and external audit functions, as well as to monitor the timely, effective and appropriate implementation of all audit findings and recommendations;

**(d) to advise on the appropriateness and effectiveness of accounting policies and disclosure practices and to assess changes and risks in those policies;**

~~(e)~~ to provide, upon request, advice to the Director-General on the matters under points (a) to **(d)** above;

**(f)** to prepare an annual report on its activities, conclusions, recommendations and, where necessary, interim reports, for submission to the Programme, Budget and Administration Committee by the Chairman of the Independent Expert Oversight Advisory Committee.

**COMPOSITION**

3. The composition of the Committee and the qualifications of its members shall be as follows:-

(a) The Committee shall comprise five members of integrity and objectivity and who have proven experience in senior positions in the areas covered by these terms of reference.

- (b) Following consultations with Member States, the Director-General shall propose to the Executive Board candidates for membership of the Committee. Members of the Committee shall be appointed by the Executive Board. No two members shall be nationals of the same State.
- (c) Members shall provide their services free.
- (d) Members must be independent. They shall serve in their personal capacity and **cannot be represented by an alternate attendee. They** shall neither seek nor accept instructions in regard to their performance on the Committee from any government or other authority external to or within WHO. All members will be required to sign a declaration of interest and a confidentiality agreement in accordance with WHO practice in this respect.
- (e) Members shall **collectively** possess relevant professional financial, **managerial and organizational** qualifications and recent senior-level experience in accounting, auditing, risk management, **internal controls, financial reporting**, and other relevant and administrative matters.
- (f) Members shall have **an understanding and, if possible, relevant experience in the inspection, investigative processes, monitoring and evaluation.**
- (g) **Members should have** or acquire rapidly a good understanding of WHO's objectives, governance structure and accountability, the relevant regulations and rules, and its organizational culture and control environment.
- (gh) ~~The~~ Committee membership should have a balanced representation of public and private-sector experience.
- (hi) At least one member shall be selected on the basis of his or her qualifications and experience as a senior oversight professional or senior financial manager in the United Nations system or in another international organization.
- (ij) In the selection process, due regard shall be given to geographical representation and gender balance. In order to retain the most equitable geographical representation, membership should be rotated among the WHO regions to the extent possible.

## TERM OF OFFICE

4. The term of office shall be four years, non-renewable, except that the term of office for two of the initial members shall be two years, renewable once only for four years. The Chairman of the Committee shall be selected by its members. He or she shall serve in this capacity for a term of two years.

## ADMINISTRATIVE ARRANGEMENTS

5. The following arrangements shall apply:
- (a) Members of the Committee not resident in the Canton of Geneva or neighbouring France shall be entitled to the reimbursement of travel expenses in accordance with WHO **procedures** ~~conditions~~ applying to members of the Executive Board.
  - (b) The Committee shall meet at least twice per year.
  - (c) The quorum for meetings of the Committee shall be three members.
  - (d) Except as provided for in its terms of reference, the Committee shall, *mutatis mutandis*, be guided by the ~~r~~Rules of ~~p~~Procedure of the Executive Board concerning the conduct of business and the adoption of decisions. The Committee may propose amendments to its terms of reference for consideration by the Executive Board, through the Programme, Budget and Administration Committee.
  - (e) The Committee may decide at any time to obtain independent counsel or outside expertise if necessary and shall have full access to all WHO files and archives, which shall be treated on a confidential basis.
  - (f) The WHO Secretariat will provide secretariat support to the Committee.

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